City of Rockingham

MINUTES

Corporate & Engineering Services
Standing Committee Meeting

Held on

Tuesday 17 May 2011

4:00pm

Council Boardroom
Council Administration Building
Civic Boulevard, Rockingham
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# City of Rockingham
## Corporate & Engineering Services Standing Committee Meeting
### 4:00pm Tuesday 17 May 2011

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<td><strong>1. Declaration of Opening</strong></td>
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<td>The Chairman declared the Corporate and Engineering Services Standing Committee Meeting open at 4.06pm and welcomed all present.</td>
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<td><strong>2. Record of Attendance/ Apologies/ Approved Leave of Absence</strong></td>
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<td><strong>2.1 Councillors</strong></td>
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<td>Cr Barry Sammels Chairperson</td>
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<td>Cr Lorraine Dunkling</td>
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<td>Cr Paul Ellis</td>
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<td>Cr Deb Hamblin</td>
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<tr>
<td><strong>2.2 Executive</strong></td>
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<tr>
<td>Mr Andrew Hammond Chief Executive Officer</td>
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<tr>
<td>Mr Chris Thompson Director Engineering &amp; Parks Services</td>
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<td>Mr John Pearson Director Corporate Services</td>
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<td>Mr Peter Kerp Manager Engineering Services</td>
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<tr>
<td>Mr Allan Moles Manager Accounting Services</td>
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<tr>
<td>Mr Ned Fimmano Manager Executive Services</td>
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<tr>
<td>Mrs Jelette Edwards Governance Coordinator</td>
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<td><strong>Members of the Public:</strong> Nil</td>
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<td><strong>Press:</strong> Nil</td>
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<td><strong>2.3 Apologies:</strong> Nil</td>
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<td><strong>2.4 Approved Leave of Absence:</strong> Nil</td>
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3. **Responses to Previous Public Questions Taken on Notice**
   - Nil

4. **Public Question Time**
   - Nil

5. **Confirmation of Minutes of the Previous Corporate and Engineering Services Standing Committee Meeting**

   Moved Cr Dunkling, seconded Cr Hamblin:
   
   That Council *CONFIRM* the Minutes of the Corporate and Engineering Services Standing Committee Meeting held on 19 April 2011, as a true and accurate record.

   Committee Voting - 4/0

6. **Matters Arising from the Previous Corporate and Engineering Services Standing Committee Meeting Minutes**
   - Nil

7. **Announcement by the Presiding Person without Discussion**

   The Chairman announced to all present that decisions made at Committees of Council are recommendations only and may be adopted in full, amended or deferred when presented for consideration at the next Council meeting.

8. **Declarations of Members and Officers Interests**
   - Nil

9. **Petitions/Deputations/Presentations/Submissions**
   - Nil

10. **Matters for which the Meeting may be Closed**
    - Nil

11. **Bulletin Items**

    11.1 **Corporate & Executive Services Information Bulletin - May 2011**

    **Corporate Services**
    1. Corporate Services Team Overview
    2. Human Resource Update
    3. Project Status Reports
       3.1 Re-engineering of Management Reports
       3.2 Authority Informix to SQL Conversion
3.3 Minutes and Agenda Software
3.4 Customer Request Management System
3.5 Facilities Booking System
3.6 Mobile Computing (AIM) Licensing Fees
3.7 Scanning Building Licence Applications
3.8 Disaster Recovery Solution

4. Information Items

**Executive Services**
1. Executive Services Team Overview
2. Human Resource Update
3. Project Status Reports
   3.1 Review of City of Rockingham Local Laws
   3.2 New Format for Council Agendas, Minutes & Report
   3.3 Review of all Council Policies
   3.4 Review of Delegated Authority to Chief Executive Officer

4. Information Items
   4.1 Minor Donations – Delegation of Authority to the Chief Executive Officer
   4.2 Fire Management and Other Services
   4.3 Emergency Management and Recovery
   4.4 Correspondence – Premier of Queensland

**Human Resources**
1. Human Resources Team Overview
2. Human Resource Update
3. Project Status Reports
   3.1 Employee Health & Wellbeing Programme
   3.2 Corporate Training Programme
   3.3 Advanced Diploma of Management
   3.4 Leadership & Management Programme
   3.5 Elected Member Training Programme

4. Information Items

**Economic Development**
1. Economic Development Team Overview
2. Human Resource Update
3. Project Status Reports
   3.1 Printing and Graphic Design Services Tender
   3.2 Leadership Forum
   3.3 Media and Public Relations Strategy
   3.4 Global Friendship Activity Database

4. Information Items
   4.1 Economic Development Australia - Workshop
   4.2 Rockingham Visitor Map
   4.3 Printing Solutions
   4.4 Map Viewer Software
   4.5 Media

**Strategy Coordination**
1. Strategy Coordination Team Overview
2. Human Resource Update
3. Project Status Reports
   3.1 Development and implementation of a Community Plan
4. Information Items
   4.1 Establishing linkages between the Community Plan, the Specific Purpose Plans and the Team Plans
   4.2 2010 Customer Satisfaction Survey
   4.3 Co-ordinating the development of a 10 year infrastructure plan
   4.4 Co-ordinating the development and implementation of a Development Contribution Scheme
   4.5 Operational Team Plans
   4.6 New Ideas Incentive Scheme
   4.7 City Scoreboard

Committee Recommendation:
That Councillors acknowledge having read the Corporate and Executive Services Information Bulletin – May 2011 and the contents be accepted.

Committee Voting - 4/0

11.2 Engineering & Parks Services Information Bulletin - May 2011

Engineering Services
1. Engineering Services Team Overview
2. Human Resource Update
3. Project Status Reports
   3.1 Road / Footpath design consultants 2010 - 2013
   3.2 Drainage Investigation Foreshore Localities
4. Information Items
   4.1 Delegated Authority for approval of Engineering Drawings - Subdivisions
   4.2 Delegated Authority for acceptance of As-Constructed Engineering Drawings - Subdivisions
   4.3 Delegated Authority to approve the release of Cash Bonds for private subdivisional works
   4.4 Delegated Authority for approval of Street Lighting
   4.5 Delegated Authority for approval of Directional Signage
   4.6 Delegated Authority for approval of Memorial Seating
   4.7 Delegated Authority for Thoroughfare Closures
   4.8 Delegated Authority for the payment of crossover subsidies
   4.9 Mundijong Road Extension (AusLink Funded)
   4.10 2010/11 Footpath Construction and Replacement
   4.11 Local Area Traffic Management and Road Safety Design Projects 2010/2011
   4.13 Heavy Plant Replacement Program 2010/2011
   4.15 Handover of Subdivisional Roads

Engineering Operations
1. Engineering Operations Team Overview
2. Human Resource Update
3. Project Status Reports
4. Information Items
   4.1 Road Construction Program Roads to Recovery
   4.2 Road Construction Program Main Roads Direct Grant
   4.3 Road Construction Program Main Roads Grant
   4.4 Road Construction Program Federal Black Spot
   4.5 Road Construction Program State Black Spot
   4.6 Road Construction Program Municipal Works
   4.7 Underpass upgrade Municipal Works
   4.8 Road Resurfacing Municipal Works
   4.9 Road Maintenance Program
   4.10 Tender T11/12-03 Installation of Brick Paving

Parks Services
1. Parks Services Team Overview
2. Human Resource Update
3. Project Status Reports
   3.1 Warnbro Foreshore Car Park Shoring
   3.2 Kwinana Equestrian Beach Rehabilitation
4. Information Items
   4.1 Lennox Reserve POS development
   4.2 Surf Drive POS development
   4.3 Delegated Development Approvals
   4.4 Incoming Correspondence

Asset Management
1. Asset Management Team Overview
2. Human Resource Update
3. Project Status Reports
   3.1 Annual Playground Safety/Condition Audit
4. Information Items
   4.1 Asset Management Improvement Strategy
   4.2 Asset Management Systems
   4.3 Lease Management

Building Maintenance
1. Building Maintenance Team Overview
2. Human Resource Update
3. Project Status Reports
   3.1 Challenger Lodge Activities Centre Acoustic Control
4. Information Items
   4.1 Building Maintenance

Capital Projects
1. Capital Projects Team Overview
2. Human Resource Update
3. Project Status Reports
   3.1 Coastal Management Consultants (Sand Drift/Erosion Problems)
   3.2 Coastal Infrastructure Facilities Consultant (Jetties/Boat Ramp Planning)
   3.3 Lighting Consultants (Technical Planning/Designs, Underground Power Program)
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**Waste & Landfill Services**

1. Waste & Landfill Services Team Overview
2. Human Resource Update
3. Project Status Reports
4. Information Items
   4.1 Waste kerbside collection
   4.2 240 litre bin service
4.3 Kerbside Recycling Statistics
4.4 Destroyed and Stolen Refuse Bins (Domestic Only)
4.5 Landfill statistics
4.6 School / education
4.7 Power station

Committee Recommendation:
That Councillors acknowledge having read the Engineering and Parks Services Information Bulletin - May 2011 and the contents be accepted.

Committee Voting - 4/0

12. Agenda items
1. **Purpose of Report**

To present the proposed 2011/2012 fees and charges and seek ‘in principal’ support from Council.

2. **Background**

The fees and charges imposed by the City of Rockingham can be categorised into three main types,

1. Fees and charges set by Council under Section 6.16 of the Local Government Act “Fees and Charges”.
2. Fees and charges set by Council under other sections of the Local Government Act or other legislation.
3. Fees and charges imposed under other legislation and Council does not have discretion to change them.

3. Details

The attached report includes details of all fees and charges, including the current fees and any proposed changes.

Fees and charges in the following areas have been recommended to change;

General Purpose Funding
   - Rate Book Copies

Law, Order & Public Safety
   - Cat Trap Hire
   - Permit to Drive on Beach

Health
   - Offensive Trade License
   - Temporary Public Building
   - Disposal of Effluent & Liquid Waste

Welfare
   - Long Day Care Fees
   - Occasional Day Care Fees
   - Out of School Care
   - Vacation Care

Community Amenities
   - Amendment to Development Approvals
   - Waste Collection
   - Waste Disposal
   - Cemeteries

Recreation & Culture
   - Other – Duty Ranger hourly rate for outdoor events

Economic Services
   - Banner Poles
   - House Street Numbers
   - Private Swimming Pool Inspections
   - Smoke Alarm Alternate Solutions

Some fees are still to be determined following further consultation (e.g. Autumn Centre) or confirmation of increases by other organisations (e.g. Electricity) and these will be reported through the budget process.

4. Implications to Consider

a. Consultation with the Community

Nil
b. Consultation with Government Agencies
   Nil

c. Strategic
   Nil

d. Policy
   Nil

e. Financial
   The fees and charges endorsed will be included in the 2011/2012 Budget for formal adoption.

f. Legal and Statutory
   Sections 6.16 to 6.19 of the Local Government Act 1995 relate to the imposition of fees and charges.

   A local government may impose (by absolute majority) and recover a fee or charge for any goods or service it provides or proposes to provide, other than a service for which a service charge is imposed.

   In determining the amount of a fee or charge for a service or for goods a local government is required to take into consideration the following factors —

   (a) the cost to the local government of providing the service or goods;
   (b) the importance of the service or goods to the community; and
   (c) the price at which the service or goods could be provided by an alternative provider.

   A higher fee or charge or additional fee or charge may be imposed for an expedited service or supply of goods if it is requested that the service or goods be provided urgently.

   If the amount of a fee or charge for a service or for goods is determined under another written law a local government may not —

   (a) determine an amount that is inconsistent with the amount determined under the other written law; or
   (b) charge a fee or charge in addition to the amount determined by or under the other written law.

   A local government is not to impose a fee or charge for a service or goods under this Act if the imposition of a fee or charge for the service or goods is prohibited under another written law.

   Local government to give notice of fees and charges

   If a local government wishes to impose any fees or charges under this Subdivision after the annual budget has been adopted it must, before introducing the fees or charges, give local public notice of —

   (a) its intention to do so; and
   (b) the date from which it is proposed the fees or charges will be imposed.

5. Comments
   Nil

6. Voting Requirements
   Simple Majority
7. **Officer Recommendation**

That Council **ENDORSE** the proposed Schedule of Fees and Charges for the 2011/2012 financial year.

8. **Committee Recommendation**

That Council **ENDORSE** the proposed Schedule of Fees and Charges for the 2011/2012 financial year.

Committee Voting – 4/0

9. **The Committee’s Reason for Varying the Officer’s Recommendation**

Not applicable

10. **Implications of the Changes to the Officer’s Recommendation**

Not applicable
1. Purpose of Report

To receive the monthly Financial Management Report for April 2011.

2. Background

Nil

3. Details

The monthly Financial Management Report includes the following:

1. Statement of Financial Activity by Program
2 Statement of Net Current Assets
3 Other schedules and charts for management information purposes.

### 4. Implications to consider

- **Consultation with the Community**
  - N/A
- **Consultation with Government agencies**
  - N/A
- **Strategic**
  - Nil
- **Policy**
  - Nil
- **Financial**
  - Major variances (above $250,000) between budget estimates and actual results for the month to which the statement relates are shown in the supporting documentation.
- **Legal and Statutory**

### 5. Comments

The financial position at the end of June 2011 is anticipated to be better than predicted in the last Budget Review with further savings and increased revenue identified. A number of projects are also not expected to be completed by the end of June resulting in a surplus position of around $7 million.

### 6. Voting requirements

Simple Majority

### 7. Officer recommendation


### 8. Committee Recommendation


Committee Voting - 4/0

### 9. The Committee’s Reason for Varying the Officer’s Recommendation

Not applicable

### 10. Implications of the Changes to the Officer’s Recommendation

Not applicable
1. **Purpose of Report**

To present a list of payments made under Delegated Authority for confirmation of Council.

2. **Background**

Nil

3. **Details**

Nil
4. **Implications to consider**

   a. **Consultation with the Community**
      N/A

   b. **Consultation with Government agencies**
      N/A

   c. **Strategic**
      Nil

   d. **Policy**
      Nil

   e. **Financial**
      Nil

   f. **Legal and Statutory**
      Regulation 13 (1) & (3) of the Local Government (Financial Management) Regulations 1996 requires a list of payments made under Delegated Authority to be prepared each month and presented to the Council at the next ordinary meeting of Council.

5. **Comments**

   Nil

6. **Voting requirements**

   Simple Majority

7. **Officer recommendation**

   That Council *RECEIVE* the attached List of Payments for April 2011 totalling $10,537,306.86 paid under Delegated Authority, in accordance with Regulation 13 of the Local Government (Financial Management) Regulations 1996.

8. **Committee Recommendation**

   That Council *RECEIVE* the attached List of Payments for April 2011 totalling $10,537,306.86 paid under Delegated Authority, in accordance with Regulation 13 of the Local Government (Financial Management) Regulations 1996.

   Committee Voting – 4/0

9. **The Committee’s Reason for Varying the Officer’s Recommendation**

   Not applicable

10. **Implications of the Changes to the Officer’s Recommendation**

    Not applicable
## 1. Purpose of Report

To present the May 2011 Quarterly Budget Review for Council's consideration and to seek Council's authorisation of the budget amendments arising from the review.

## 2. Background

The City of Rockingham undertakes quarterly budget reviews to monitor its financial performance against the annual budget and to review projections to the end of the financial year. Any variations to the annual budget arising from the review process are presented for Council's consideration and authorisation.

## 3. Details

The May 2011 Quarterly Budget Review includes details of transactions during the July 2010 – April 2011 period and adjustments required to the annual budget, together with estimates for projects...
that will be incomplete and required to be carried over into the new financial year. The document includes the following information:

1. Summary of Budget Position
2. Detailed statement of Operating Revenue and Expenditure by Department
3. Detailed statement of Non Operating Revenue and Expenditure
4. Detailed statement at Work Order level.

4. Implications to Consider

a. Consultation with the Community
   N/A

b. Consultation with Government Agencies
   N/A

c. Strategic
   Nil

d. Policy
   Nil

e. Financial
   The net result of the Quarterly Budget Review is an anticipated surplus of $7,076,398 which includes funds for projects that will be carried forward.

f. Legal and Statutory
   Clause 33A of the Local Government (Financial Management) Regulations 1996 requires local governments to undertake a budget review between 1 January and 31 March in each financial year. Within 30 days of the review being completed it is to be presented to Council. Council is to consider the review submitted and is to determine (by absolute majority) whether or not to adopt the review, any parts of the review or any recommendations made in the review. Within 30 days after Council has made a determination, a copy of the review and documentation is to be provided to the Department of Local Government.

As the City of Rockingham undertakes quarterly budget reviews this review is additional to the statutory requirement and as such will not be sent to the Department.

5. Comments

The major changes resulting from the Quarterly Budget Review are summarised below:

The March 2011 Budget Review anticipated a deficit position of $3,591,116 at the end of June, however there have been savings and additional revenue identified in the May 2011 Budget Review of $2,185,246.

In addition to these savings, there are funds for projects not expected to be completed by the end of June. These carry forward funds total $8,477,546 and include the following major projects,

- Kent Street – Old Ambulance Facility $1m
- Council Administration Office – Refurbishment $2.8m
- Baldivis Library/Community Centre $0.5m
- Coastal Erosion Protection – Pt Peron $0.29m
- Golden Bay Skate Park $0.3m
Waikiki Beach Access $0.54m
Mundijong Road $0.84m
Safety Bay Road/Read Street/Warnbro Sound Ave $0.39m
Goddard Street $1m
Computer Information Services Software $0.27m
Council Administration Office – Furniture $0.32m

As a result, the anticipated position at the end of June is a surplus of $7,076,398 which includes funds for projects that will be carried forward.

The anticipated closing position will continue to be monitored and a revised estimate will be used when calculating the draft budget.

6. Voting Requirements

Absolute Majority

7. Officer Recommendation

That Council:
1. **ADOPT** the May 2011 Quarterly Budget Review; and
2. **AMEND** the budget accordingly.

8. Committee Recommendation

That Council:
1. **ADOPT** the May 2011 Quarterly Budget Review; and
2. **AMEND** the budget accordingly.

Committee Voting – 4/0

9. The Committee’s Reason for Varying the Officer’s Recommendation

Not applicable

10. Implications of the Changes to the Officer’s Recommendation

Not applicable
**1. Purpose of Report**

This report is written to adopt “in principle” proposed rates in the dollar for the 2010/11 financial year. The recommendations involve the following:-

- Reduce the Residential, Commercial, Light Industry and General Industry GRV rate in the dollar by 8.46%
- Reduce the Broadacre Residential Unimproved and Broadacre Development GRV rate in the dollar by 18.57%
- Reduce the Residential Unimproved Rural GRV rate in the dollar by 11.33%
- Reduce the Residential Rural Improved GRV rate in the dollar by 35.94%
- Reduce Rural Unimproved UV rate in the dollar by 9.31%
- Increase the Rural Improved UV category rate in the dollar by .77%.
- Increase the Urban Farmland UV rate in the dollar by 9.19%
- Reduce Residential UV rates in the dollar by 29.19%
- Increase minimum payments for GRV properties from $599 to $699
- Reduce minimum payments for Residential and Rural Unimproved UV categories from $560 to $500
- Increase minimum payments for Rural Improved and Urban Farmland from $400 to $500.

The new yield from all rates for the 2011/12 year is projected to be some $46.55 million excluding any specified area rates associated with underground power and Harrington Waters. Adjustments to all UV rates are in accordance with previous resolutions of Council. All money from rates is used across a wide array of services.

2. **Background**

A City Business Plan has been prepared that indicates the level of rates needed to service current and future City requirements. This plan provided detailed financial information for the City which gave clarity to rates changes needed. The rate changes recommended are in accordance with recommendations from the City Business Plan.

3. **Details**

The city has received new valuations for properties from Landgate which are required to be utilised for rate calculations in the 2011/12 financial year. Valuations received for GRV properties increased by approximately 30%. This increase accounts for the decrease in the GRV rates in the dollar. Should the officer recommendation be endorsed by Council, the total rate yield for the 2011/12 financial year will be $46.55 million.

4. **Implications to Consider**

a. **Consultation with the Community**

Nil at this stage. Advertising of rate differentials will be in accordance with 6.36 of the Local Government Act (1995). The community has an opportunity to provide comment from this advertising process.

b. **Consultation with Government Agencies**

Nil.

c. **Strategic**

The recently endorsed Community Plan requires the investigation of new revenue streams. To this end, the endorsement of rate changes assists in revenue creation and ensures service delivery and asset preservation.

It is of critical strategic importance that the City of Rockingham maintains a solid rate foundation that is above natural growth. Given the City’s current low rate revenue and the enormous need for infrastructure in the future, it is imperative that revenue be created to ensure the City’s prosperity.

d. **Policy**

Nil.

e. **Financial**

The adoption “in principle” of the proposed rates for the 2011/12 are anticipated to yield approximately $46.55 million. This is a net increase of $7.3 million and is in line with projected revenue requirements as per the City Business Plan.
Whilst rates in the dollars have substantially decreased, the total rate yield is expected to increase by 15%. With valuation decreases encountered in the UV category, coupled with slight decrease in property numbers, overall revenue from UV rated properties will decrease just under 10%.

The attached chart to this report provides further explanation.

f. Legal and Statutory

Adoption of rates normally occurs at budget adoption time, which is proposed to occur in July 2011. This report proposes to adopt the rate levels ‘in principle’ at this time.

It is a requirement under section 6.36 of the Local Government Act 1995 that where a Council elects to utilise Differential Rates then it shall advertise its intention to do so, and call for submissions for a period of least 21 days before any further action occurs. Further, in accordance with Sect 6.33 (3) of the Local Government Act (1995) ministerial approval will be required to impose a differential rate that is more than twice the lowest differential general rate imposed. With proposed rates presented for endorsement by Council at this meeting, ministerial approval will not be required.

5. Comments

Council staff has presented to Council a long term business plan that integrates suitable financial models. The plan indicates the need to spend significant resources on asset preservation. There are expectations by the community that the Council will act in a wide variety of fields; in the majority of cases this involves additional costs. However the business plan indicates rate yields of 15% for two years and 9% for a further 5 years decreasing to approximately 7% there after.

Given the nature of property revaluations it is difficult to predict the impact of rate changes to individual properties. Holistically, the rate yield increase is approximately 15%. All rate payers will encounter variations to this amount given the revaluation on property values required to be utilised in the 2011/12 financial year. In some instances rates will decrease.

Assessment of the revaluation indicates that GRV values in the urban residential areas have increased however rural type areas in both UV and GRV have decreased. Realistically this appears reflective of strong demand for rental type properties, particularly in the lower price range of the market, yet land sales of rural type properties have stagnated.

The proposals contained within this report are for the 2011/12 financial year.

GRV Properties - Proposed Rates

The Rates Model includes a new GRV rate in the dollar of 6.34 cents for residential properties (including Residential Rural Improved), and other GRV properties classified/coded as Commercial or Industrial properties. This is an 8.46% decrease from prior year.

GRV properties classified/coded as Broadacre Residential Unimproved and Broadacre Development are proposed to be 11.27 cents in the dollar, a decrease of approximately 18.47% on the year prior.

GRV rates in the dollar for GRV properties classified/coded as Residential Unimproved Rural are recommended 11.27 cents in the dollar, a decrease from prior year levels of 11.33%.

UV Properties - Proposed Rate

In accordance with previous resolutions of Council, the rates model both increases and decreases UV property rates in the dollar. Actual rate in the dollars are listed as follows:

- Residential - .092 cents in the dollar
- Rural Improved - .092 cents in the dollar
- Rural Unimproved - .092 cents in the dollar
- Urban farmland - .072 cents in the dollar
Minimum Rate - GRV
It is proposed that these be increased from $599 to $699 for the 2011/12 year.

Minimum Rate - UV
It is proposed to have minimum rates for UV properties at $500. Prior year minimum rates were as follows:

- Residential - $560
- Rural Improved - $400
- Rural Unimproved - $560
- Urban farmland - $400

Discount System/ Scheme
This is not recommended for the 2011/12 financial year.

6. Voting Requirements
Simple Majority
This is all that is required, as the matter is merely an “In Principle” issue at this time, as the formal adoption of rates is part of the Budget resolutions.

7. Officer Recommendation
That Council ADOPT “In Principal” the following rates in the dollar and minimum rates for the 2011/12 financial year:

1. Residential GRV rate of 6.34 cents in the dollar;
2. Commercial/Business GRV rate of 6.34 cents in the dollar;
3. Light Industry GRV rate of 6.34 cents in the dollar;
4. General Industry GRV rate of 6.34 cents in the dollar;
5. Residential Rural Improved GRV rate of 6.34 cents in the dollar
6. A GRV differential for Broadacre Residential unimproved rate of 11.27 cents in the dollar;
7. A GRV differential for Broadacre Development rate of 11.27 cents in the dollar;
8. A GRV differential for Residential Unimproved Rural rate of 11.27 cents in the dollar;
9. A UV Residential rate of 0.092 cents in the dollar;
10. A UV Rural Improved rate of .092 cents in the dollar;
11. A UV Rural Unimproved rate of .092 cents in the dollar;
12. A UV Urban Farmland rate of .072 cents in the dollar;
13. A minimum rate of $699 for all properties rates on GRV;
14. A minimum rate of $500 for properties on UV;

8. Committee Recommendation
That Council ADOPT “In Principal” the following rates in the dollar and minimum rates for the 2011/12 financial year:

1. Residential GRV rate of 6.12 cents in the dollar;
2. Commercial/Business GRV rate of 6.12 cents in the dollar;
3. Light Industry GRV rate of 6.12 cents in the dollar;
4 General Industry GRV rate of 6.12 cents in the dollar;
5 Residential Rural Improved GRV rate of 6.12 cents in the dollar
6 A GRV differential for Broadacre Residential unimproved rate of 11.27 cents in the dollar;
7 A GRV differential for Broadacre Development rate of 11.27 cents in the dollar;
8 A GRV differential for Residential Unimproved Rural rate of 11.27 cents in the dollar;
9 A UV Residential rate of 0.089 cents in the dollar;
10 A UV Rural Improved rate of 0.089 cents in the dollar;
11 A UV Rural Unimproved rate of 0.089 cents in the dollar;
12 A UV Urban Farmland rate of 0.072 cents in the dollar;
13 A minimum rate of $699 for all properties rates on GRV;
14 A minimum rate of $500 for properties on UV;

Committee Voting – 3/1
(Cr P Ellis against)

9. The Committee’s Reason for Varying the Officer’s Recommendation

The Committee amended the officer recommendation as a 15% rate increase was considered to be too high. The above amendments allow for adequate revenue increases to meet city needs.

10. Implications of the Changes to the Officer’s Recommendation

Not applicable
## RATES MODELLING - PROJECTED YIELDS - 2011/12 - Also compared to Prior Year

<table>
<thead>
<tr>
<th>CHARGES</th>
<th>YIELDS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2010/11 Year</strong></td>
<td><strong>YIELDS</strong></td>
</tr>
<tr>
<td><strong>Values - Rate Levy</strong></td>
<td><strong>2010/11</strong></td>
</tr>
<tr>
<td><strong>Rate in $</strong></td>
<td><strong>Minimum</strong></td>
</tr>
<tr>
<td>Residential</td>
<td>343,923,441</td>
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<tr>
<td>Business</td>
<td>72,802,204</td>
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<td>Light Industry</td>
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<tr>
<td>Broadacre Residential unimproved</td>
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<tr>
<td>Broadacre Development</td>
<td>995,000</td>
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<tr>
<td>Ria Unimproved Rural</td>
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<tr>
<td>Res Rural improved</td>
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<td><strong>Total</strong></td>
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<td><strong>New Proposal</strong></td>
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<tr>
<th>Unimproved Values</th>
<th><strong>2011/12</strong></th>
<th><strong>Values - Rate Levy</strong></th>
<th><strong>2011/12</strong></th>
<th><strong>Values - Rate Levy</strong></th>
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<tbody>
<tr>
<td><strong>Rate in $</strong></td>
<td><strong>Minimum</strong></td>
<td><strong>Yield from</strong></td>
<td><strong>Minimum</strong></td>
<td><strong>Yield from</strong></td>
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<tr>
<td>Residential</td>
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<td><strong>Total</strong></td>
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<td>167</td>
<td>330,064</td>
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<table>
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<th>0</th>
</tr>
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<tbody>
<tr>
<td><strong>Total</strong></td>
<td>40,460,822</td>
<td><strong>Total</strong></td>
<td>46,545,951</td>
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</table>

CONFIRMED AT A CORPORATE & ENGINEERING SERVICES MEETING HELD ON TUESDAY, 21 JUNE 2011

PRESIDING MEMBER
Based on 12% Rate Increase

CONFIRMED AT A CORPORATE & ENGINEERING SERVICES MEETING HELD ON TUESDAY, 21 JUNE 2011

PRESIDING MEMBER
1. **Purpose of Report**

This report seeks adoption of the 2011/12 to 2020/21 City Business Plan, covering a 10 year period. The details of the Plan are provided in the attached separate document to this report.

2. **Background**

A City Business Plan is prepared bi-annually and updated according to latest predictions. This is the third document of this type prepared.

3. **Details**

The City of Rockingham Business Plan places emphasis on new projects and asset preservation. Key Projects are as follows:

- Baldivis District Sporting Complex Land Acquisition totalling $5.911 million commencing in 2014/15
- Secret Harbour Surf Life Saving Club Redevelopment totalling $4.963 million commencing in 2013/14
- Construction of a new Depot in Southern Rockingham totalling $6 million commencing in 2014/15
- Redevelopment/relocation of the Rockingham Aquatic Centre totalling $15.44 million in 2018/19
- Construction of Mundijong Rd totalling $12 million commencing in 2011/12
- Building Maintenance (asset rejuvenation) of $79.6 million over 10 years
- Roads and Parks capital improvement program of $102.5 million over 10 years
- Construction of further buildings to support required staff in 2017/18 totalling $24 million.
- City Centre Infrastructure works totalling $10 million commencing in 2014/15
- Construction of Secret Harbour Library in 2016/17 totalling $1.863 million
- Construction of the Baldivis Library and Community Centre totalling $11.15 million commencing in 2011/12.

Provision made for adequate plant and equipment to serve the City for the duration of the plan.

The Plan includes information and projections current as at May, 2011.

A summary type format is utilised with all projects being included on a simplified single sheet so that reader can see all the projects together.

Council is requested to adopt the plan, which will indicate the various projects to then be taken into account for the 2011/12 operational budget year and provide direction on future years’ activities.

### 4. Implications to Consider

a. **Consultation with the Community**
   
   Nil

b. **Consultation with Government Agencies**
   
   Nil

c. **Strategic**

   The City Business Plan provides financial context to the Strategic Goals of the City of Rockingham Community Plan

d. **Policy**

   Nil

e. **Financial**

   The City Business Plan indicates the financial position of the Council for the next 10 years and is one of the most important planning documents that Council needs to consider. It provides a broad framework for major activities to be undertaken.

   As much as possible all the financial implications are shown on a single sheet, for simplicity purposes and for ease of reading.

   This plan includes major facilities that need to either be maintained or constructed. Specifically annual allocations have been made towards building rejuvenation. Should Council adopt the plan, by 2017 the City will be allocated some $10 million per annum specifically toward asset rejuvenation. The intention is for this money to be quarantined for this purpose and remains the subject of a later report. It further provides separation of revenue between standard municipal revenue and Millar Road Landfill.

   Provisioning has been made to ensure acceptable levels of reserves occur for the Millar Rd Landfill facility to ensure funds are available should any undue hardship be encountered.
Debt management remains a significant challenge in the shorter term. It is recommended that wherever possible a debt servicing ratio not exceed 8% (debt serving ratio is the % of operating revenue that is allocated towards maintaining debt principal and interest payments). For the purposes of the plan, landfill revenues have been excluded in this calculation. The plan provides for $50.1 million to be raised in loans over a 10 year period. For the majority of the plan this leaves debt servicing well below the 8% figure.

Rates increases have been included at a rate yield of 15% for 2 years and 9% for 5 years. Given the constantly shifting parameters of rating valuations an exact rate in the dollar change cannot be provided at this time. Further models can be prepared but in essence the city needs the rate increase to ensure future sustainability and ease reliance on landfill revenue.

Council has the opportunity to change the officer recommendations and City Business Plan estimates related to rate increases. Primarily the City is facing enormous challenges related to Asset Rejuvenation. Simply stated, past rate increases have not factored in future asset rejuvenation costs. Calculations indicate that the City is spending approximately $4 million per annum on asset rejuvenation. Given the size of the asset base in the City, this figure is simply not enough. Further, the city operations have been subsidised by landfill revenue.

Whilst suitable for short periods, long term reliance on revenues of this nature can be catastrophic. Should the officer recommendations be adopted, revenue increases immediately reduces landfill reliance risk and provides all landfill revenue to a reserve for post closure management. It is believed that a reserve of this nature needs to hold at least $15 million and currently holds $2.5 million.

Recent changes in state planning policies have allowed for local governments to collect revenue from “new” land parcels created within the City boundaries. Work has commenced within the City to utilise this method to raise revenue to assist in the construction of new Community Facilities. Given that the Developer Contributions Scheme is still a “work in progress,” assumptions have been made to estimate revenue yield from this system. The revenues predicted are substantial and will require monitoring when implemented.

### f. Legal and Statutory

Nil

### 5. Comments

As Councillors are aware, there were numerous projects that needed to be considered and every effort has been made to include as many of those as appears financially possible. Where excluded it was done on the grounds related to strategic need, provisions already provided for by others or simple inability to fund with current revenue trends.

Council needs to understand the role that the Developer Contributions Scheme has in funding future projects. In essence, without the Scheme adopted and implemented, major infrastructure (particularly in Baldivis) will be delayed until other revenue sources can be found. Whilst confident that what is proposed is achievable, some timing parts of the scheme fall outside City of Rockingham’s control.

While the Council is faced with some financial challenges, with adequate rate increases it will ensure a strong financial position. Emphasis needs to be placed on the need to replace assets and building facilities which are crucial to the running of the organisation and create a situation where Council is able to reduce or maintain an appropriate debt position whilst still bolstering its cash reserves. Further, the City needs to restrict revenue from landfill.

It should be noted that the figures are indicative only and many options have been considered, alternatives tried, as well as detailed analysis made of various items. The Plan includes information and projections current as at May, 2011.
A summary type format is utilised with all projects being included on a simplified single sheet so that Councillors can see all the projects together.

With strong strategic and financial management, Council has the ability to achieve significant outcomes for the City. Although funds for the next few years are tight, with correct allocations and strong financial projections the latter half of the plan represents financial prosperity for the City of Rockingham.

Some concerns have been raised as to the possible devolution of the annual budget process, and Councillor involvement in resource allocation as a result of the development of this strategic framework. This is an understandable and quite reasonable concern given that until last year all resource allocation was undertaken on an annual budget based approach with little or no information on the City's long term financial position being used to guide decision making, on resource allocation or revenue raising.

Councillors however now have more involvement in resource allocation as a result of the framework than before. The City Business Plan is reviewed biannually after two briefing sessions as a precursor to the budget deliberations and it is proposed that there also be two budget briefing sessions conducted prior to a special council meeting to debate the draft budget leading on to final budget adoption at an ordinary Council Meeting. That, in essence, is 4 briefing sessions and 3 Council meetings per year where revenue raising and resource allocation can be discussed and deliberated upon. These briefings and meetings do not include team plan briefings which also provide significant detail on resource allocation.

There are significant differences in the role and function of City Business Plan deliberations and briefings and the Annual Budget deliberations and briefings. The City Business Plan focuses upon planning for services and activities over a 10 year period as opposed to the Budget which focuses upon delivering those services and activities in any one year period.

Given that the City Business Plan identifies each year's revenue and expenditure projections on a 10 year basis, it follows that year 1 of the plan should always form the foundation of the draft budget submitted to Council. When compiling and reviewing the City Business Plan, Councillors have been and will continue to be asked to provide some guidance on the level of rate revenue / increases that can be incorporated into the 10 year term of the plan. This advice is critical given that the City's overall rate revenue currently comprises 40% of the City's available operating revenue. In the life of the plan, based upon current rate revenue of $40 million, a 1% increase in rates over and above inflation can generate approximately $5 million for major capital projects or asset management over a 10 year period. This information is therefore critical in being able to plan for the resourcing and timing of major projects into the future.

Notwithstanding the importance of being able to plan into the future, it is legitimate and acceptable for Councillors to make decisions on rate revenue and rate increases, and for that matter any other expenditure items as part of the budget deliberations that do not match the revenue or expenditure projections contained within the City Business Plan. Obviously major variation from the City Business Plan will have significant impact on the 10 year final projections however this has the capacity to be reviewed at the next Business Plan cycle.

The Team Plan briefings in March along with the Business Plan as presented should give Councillors a very sound understanding of what expenditure is proposed across the organisation prior to the budget deliberations commencing.

The principal objective of any contemporary Local Government's strategic planning framework should be to see the aspiration and key focus areas identified by the community in their Community Plan, activated by a suite of special purpose strategies, team plans, asset management plans and major projects that are then delivered in a timely and cost effective manner via the City Business Planning and Budget processes.

It is considered that the City now has the structure in place to achieve that end, however continued effective engagement and communication between the community, elected members and Council staff remains critical to the City's ultimate success.
6. **Voting Requirements**

Simple Majority

7. **Officer Recommendation**

That Council *ADOPTS* the City of Rockingham City Business Plan 2011/12 - 2020/21, inclusive of any amendments passed at this meeting.

8. **Committee Recommendation**

That Council *ADOPT* the City of Rockingham City Business Plan 2011/12 to 2020/21 subject to:

- **Rate increases in the years 2011/12 to 2014/15 not exceeding 12%**
- **Rates increases in the years 2015/16 to 2017/18 not exceeding 9%**
- **The footpath program being amended to include $120,000 to construct the Mandurah Road to Jade Court shared use path with a Bikewest grant being submitted and approved for 50% of the total cost**
- **Defer until 2013/14 financial year Orion Street $60,000 footpath project.**

Committee Voting - 4/0

9. **The Committee’s Reason for Varying the Officer’s Recommendation**

To provide for predicted rate increases for the years 2011-2018 for inclusion in the City Business Plan, and for an amendment to the footpath program to allow for the construction of a shared use path from Mandurah Road to Jade Court in Singleton.

10. **Implications of the Changes to the Officer’s Recommendation**

Not applicable
1. **Purpose of Report**

Council consideration of nominating voting delegates at the WALGA Annual General Meeting.

2. **Background**

Council is a member of the WA Local Government Association (‘WALGA’) and for a number of years delegates from the City have attended the annual WALGA Local Government Convention and been represented at the WALGA Annual General Meeting which is held as a part of the Convention. From time to time Council has submitted motions for consideration at Annual General Meetings.
3. **Details**

The WALGA Local Government Convention 2011 will be held from Thursday 4 August 2011 to Saturday 6 August 2011 and the Annual General Meeting will be held during the Convention on Saturday 6 August 2011. WALGA has invited representatives from Council to attend the Convention, submission of motions for the AGM and nomination of 2 voting delegates (Council’s entitlement) at the AGM. The closing date for submission of motions with WALGA for the AGM is Monday 13 June 2011.

4. **Implications to Consider**

a. **Consultation with the Community**

   N/A

b. **Consultation with Government Agencies**

   N/A

c. **Strategic**

   Community Plan

   This item address the Community’s Vision for the future and specifically the following Aspiration contained in the Community Plan 2011:-

   **Aspiration 15:** Governance systems that ensure decision making and resource allocation is accountable, participative, legally and ethically compliant.

d. **Policy**

   In accordance with Council Policy – Councillor attendance at Conferences, which states “All Councillors are entitled to attend Conferences held in the Perth metropolitan area and Peel Region provided that no more than four (4) Councillors attend each Conference.”

e. **Financial**

   Funds totalling $26,000 will be available in the 2011/12 Budget in account number 210010:1718 Members’ Expenses – Conferences and Courses. Cost for attendance at the Conference -Registrations and associated accommodation will amount to approximately $10,500.

f. **Legal and Statutory**

   Nil

5. **Comments**

Council has been an active participant in the past with up to three Councillors (usually its representatives on the WALGA South Metropolitan Zone) attending the Convention and Annual General Meeting. Council’s current representatives on the Zone are Councillors Prince, Warner and Dunkling with the two voting delegates at the Annual General Meeting being traditionally the two longest serving of these Councillors, currently Councillors Prince and Warner.

Due to the many issues in common effecting all WA local governments that are covered at the Convention and AGM, continued attendance at these events is recommended.

6. **Voting Requirements**

   Simple Majority
7. **Officer Recommendation**

That Council *NOMINATE* Cr B Warner and Cr A Prince as the Council’s voting delegates at the WALGA Annual General Meeting to be held on Saturday 6 August 2011.

8. **Committee Recommendation**

That Council *NOMINATE* Cr B Warner and Cr L Dunkling as the Council’s voting delegates at the WALGA Annual General Meeting to be held on Saturday 6 August 2011.

Committee Voting – 4/0

9. **The Committee’s Reason for Varying the Officer’s Recommendation**

Cr A Prince will not be attending the Conference

10. **Implications of the Changes to the Officer’s Recommendation**

Not applicable


1. Receipt of Minutes

That Council RECEIVE the minutes of the RoadWise Advisory Committee Meeting held on 4 April 2011 for information.

2. Recommendations to Standing Committee

There are no recommendations to the Standing Committee.

3. Committee Recommendation

That Council RECEIVE the minutes of the RoadWise Advisory Committee Meeting held on 4 April 2011 for information.

Committee Voting - 4/0

CONFIRMED AT A CORPORATE & ENGINEERING SERVICES MEETING HELD ON TUESDAY, 21 JUNE 2011

PRESIDING MEMBER
4. **The Committee’s Reason for Varying the Officer’s Recommendation**

Not applicable

5. **Implications of the Changes to the Officer’s Recommendation**

Not applicable
1. **Purpose of Report**

To provide Council with details of the Tenders received for Tender T11/12-02 Minor Works – Period Truck and Rubbish Compactor Truck Hire, document the results of the tender assessment and make recommendations regarding award of the tender.

2. **Background**

Tenders were advertised in the West Australian on Saturday 19 March 2011 and the Weekend Courier on Friday 18 March 2011 for Tender T11/12-02 Minor Works – Period Truck and Rubbish Compactor Truck Hire. Tenders closed at 2.00pm, Wednesday 6 April 2011 and were publicly opened immediately after the closing time.
3. **Details**

Tenders were received from the following companies:

<table>
<thead>
<tr>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>M Radonich &amp; Sons</td>
</tr>
<tr>
<td>RD &amp; S Erceg</td>
</tr>
</tbody>
</table>

No tender submissions were received for the wet or dry hire of side and rear loading rubbish compactor trucks. M Radonich & Sons and RD & S Erceg tender submissions identified the wet and dry hire of tipper trucks only.

Evaluation of tenders, in accordance with the advertised tender assessment criteria, produced the following weighted scores:

<table>
<thead>
<tr>
<th>Assessment Criteria</th>
<th>Max. Points</th>
<th>M RADONICH &amp; SONS</th>
<th>RD &amp; S ERCEG</th>
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<tbody>
<tr>
<td>Level of service</td>
<td>27%</td>
<td>18%</td>
<td>14%</td>
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<tr>
<td>Performance and experience of tender</td>
<td>18%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Beneficial effects of tender</td>
<td>5%</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Tendered price/s</td>
<td>50%</td>
<td>50.0%</td>
<td>45.8%</td>
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<tr>
<td>Total Weighted Scores</td>
<td>100%</td>
<td>87.0%</td>
<td>77.8%</td>
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4. **Implications to Consider**

a. **Consultation with the Community**

n/a

b. **Consultation with Government Agencies**

n/a

c. **Strategic**

This item addresses the Community’s Vision for the future and specifically the following Aspiration contained in the Community Plan March 2011:

Aspiration 6: Civic buildings, public places and transport infrastructure of contemporary design, constructed and maintained using best practice principles.

d. **Policy**

Purchasing policy applies. To provide compliance with the Local Government Act 1995; Section 3.57 and Local Government (Functions and General) Regulations 1996, Part 4, Division 2, regulation 11 (A). A local government is to prepare or adopt, and is to implement a purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, $100,000 or less or worth $100,000 or less.

e. **Financial**

Expenditure in accordance with operational accounts for the 2011/12 budgets
f. Legal and Statutory

In accordance with Local Government Act 1995 Section 3.57 and Local Government (Functions and General) Regulations 1996, Part 4, Division 2, regulation 11 (1). Tenders are to be publicly invited according to the requirements of this Division before a local government enters into a contract for another person to supply goods or services if the consideration under the contract is, or is expected to be, more, or worth more, than $100,000 unless subregulation (2) states otherwise.

5. Comments

A panel comprising Manager Engineering Operations, Maintenance Coordinator and Coordinator Contract Services undertook Tender evaluations.

Tender submissions did not include rates for rubbish compactor truck hire. This particular equipment hire will need to follow purchasing policy on an as needs basis.

The tender pricing mechanism is structured for a year 1 and year 2 price to allow contractors the ability to forecast future costs.

M Radonich & Sons and RD & S Erceg are the City's current contractors and have provided high levels of service particularly with respect to timeliness, availability, reliability and quality.

When truck hire is required City officers will select from the list of tenderers with works allocated based on availability, price, level of service and proven performance along with suitability in relation to specific job requirements.

Therefore M Radonich & Sons and RD & S Erceg are recommended as the preferred tenderers.

6. Voting Requirements

Simple Majority

7. Officer Recommendation

That Council ACCEPT Tenders submitted by; M Radonich & Sons, 592 Rockingham Road, Munster WA 6166 and RD & S Erceg, 292 Tapper Road, Atwell, WA, 6164 for Tender T11/12-02 Minor Works - Period Truck and Rubbish Compactor Truck Hire in accordance with the tender documentation for the contract period 1 July 2011 to 30 June 2013.

8. Committee Recommendation

That Council ACCEPT Tenders submitted by; M Radonich & Sons, 592 Rockingham Road, Munster WA 6166 and RD & S Erceg, 292 Tapper Road, Atwell, WA, 6164 for Tender T11/12-02 Minor Works - Period Truck and Rubbish Compactor Truck Hire in accordance with the tender documentation for the contract period 1 July 2011 to 30 June 2013.

Committee Voting - 4/0

9. The Committee’s Reason for Varying the Officer’s Recommendation

Not applicable

10. Implications of the Changes to the Officer’s Recommendation

Not applicable
Corporate and Engineering Services
Engineering & Parks Services

**Reference No & Subject:**

<table>
<thead>
<tr>
<th>File No:</th>
<th>EP-025/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proponent/s:</td>
<td>Tender T11/12-06 Minor Works - In Situ Stabilisation of Road Pavement materials for the construction of new pavements or the rehabilitation of existing roads</td>
</tr>
<tr>
<td>Author:</td>
<td>Mr Stuart McCarthy, Manager Engineering Operations</td>
</tr>
<tr>
<td>Other Contributors:</td>
<td>Mr Bruce Foster, Contract Coordinator, Mr Paul Thompson, Senior Coordinator Road Maintenance</td>
</tr>
<tr>
<td>Date of Committee Meeting:</td>
<td>17 May 2011</td>
</tr>
<tr>
<td>Previously before Council:</td>
<td></td>
</tr>
<tr>
<td>Disclosure of Interest:</td>
<td>Executive Function</td>
</tr>
<tr>
<td>Nature of Council’s Role in this Matter:</td>
<td></td>
</tr>
</tbody>
</table>

**Site:**

**Lot Area:**

**Attachments:**

**Maps/Diagrams:**

1. **Purpose of Report**

To provide Council with details of the Tenders received for Tender T11/12-06 Minor Works - In-situ Stabilisation of Road Pavement Materials for the Construction of New Pavements or the Rehabilitation of Existing Roads, document the results of the tender assessment and make recommendations regarding award of the tender.

2. **Background**

Tenders were advertised in the West Australian on Saturday 19 March 2011 and the Weekend Courier on Friday 18 March 2011 for Tender T11/12-06 Minor Works - In-situ Stabilisation of Road Pavement Materials for the Construction of New Pavements or the Rehabilitation of Existing Roads.
Tenders closed at 2.00pm, Wednesday 6 April 2011 and were publicly opened immediately after the closing time.

3. Details

Tenders were received from the following company:

<table>
<thead>
<tr>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downer (Formerly Downer EDI WORKS)</td>
</tr>
</tbody>
</table>

Tender T11/12-06 caters for road pavement stabilisation by the use of cementitious binders which include cement, fly ash, slag or lime, and in situ foamed bitumen.

Downer qualified a price variation for the bitumen supply only component for foamed bitumen stabilisation as follows;

*Tender pricing is based on the current list price from BP for bitumen of $806.20/tonne. Any changes in the per tonne rate for bitumen in Perth from BP subsequent to the tender closing is to be passed on based on the formulae listed below.*

**Rise and Fall Formulae**

\[ P_i = P_o + 0.0015(B_i - B_o) \]

*Where*

- \( B_i = BP \text{ Bitumen list price at time of adjustment} \)
- \( B_o = BP \text{ Bitumen list price at time of tender} \)
- \( P_i = \text{Adjusted price ($/kg)} \)
- \( P_o = \text{Tendered Price ($/kg)} \)

Evaluation of tenders, in accordance with the advertised tender assessment criteria, produced the following weighted scores:

<table>
<thead>
<tr>
<th>Assessment Criteria</th>
<th>Max. Points</th>
<th>Downer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of service</td>
<td>27%</td>
<td>24%</td>
</tr>
<tr>
<td>Performance and experience of tenderer</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>Beneficial effects of tender</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>Tendered price/s</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Total Weighted Scores</td>
<td>100%</td>
<td>94%</td>
</tr>
</tbody>
</table>

4. Implications to Consider

a. Consultation with the Community
   n/a

b. Consultation with Government Agencies
   n/a
c. **Strategic**

This project addresses the Community’s Vision for the future and specifically the following Aspiration contained in the Community Plan March 2011:

Aspiration 6: Civic buildings, public places and transport infrastructure of contemporary design, constructed and maintained using best practice principles.

d. **Policy**

Purchasing policy applies. To provide compliance with the Local Government Act 1995; Section 3.57 and Local Government (Functions and General) Regulations 1996, Part 4, Division 1, regulation 11 (A). A local government is to prepare or adopt, and is to implement a purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, $100,000 or less or worth $100,000 or less.

e. **Financial**

Expenditure in accordance with relevant capital and operational accounts for the 2011/12 budget allocation.

f. **Legal and Statutory**

In accordance with Local Government Act 1995 Section 3.57 and Local Government (Functions and General) Regulations 1996, Part 4, Division 2, regulation 11 (1). Tenders are to be publicly invited according to the requirements of this Division before a local government enters into a contract for another person to supply goods or services if the consideration under the contract is, or is expected to be, more, or worth more, than $100,000 unless subregulation (2) states otherwise.

5. **Comments**

A panel comprising Manager Engineering Operations, Senior Maintenance Coordinator and Coordinator Contract Services undertook Tender evaluations.

Downer is the City’s current contractor for Minor Works-In-situ Stabilization of Road Pavement Materials for the Construction of New Pavements or the Rehabilitation of Existing Roads. Downer has provided high levels of service delivering quality, timely and cost effective road treatments.

When comparing prices to the previous tendered rates indications are prices remain very competitive with an indicative increase in the order of 5%.

Downer qualified a price variation for the bitumen supply only component for foamed bitumen stabilisation. The evaluation panel have considered Downers request and the financial risk to the City is considered low as the supply of bitumen is only one component of Tender T11/12-06. Furthermore proposed project scopes may be adjusted to reflect any potential increase in bitumen.

The outcome of the tender evaluation indicates that Downer represent value for money and is therefore recommended as the preferred tenderer. Works are to be allocated based on availability, price, level of service and proven performance along with suitability in relation to specific job requirements.

6. **Voting Requirements**

Simple Majority

7. **Officer Recommendation**

That Council **ACCEPT** the Tender submitted by Downer, Level 1 / 130 Fauntleroy Avenue, Redcliffe WA 6104, for Tender T11/12-06 Minor Works – In-situ Stabilization of Road Pavement Materials for the Construction of New Pavements or the Rehabilitation of Existing Roads in accordance with the tender documentation for the contract period 1 July 2011 to 30 June 2013.
## 8. Committee Recommendation

That Council **ACCEPT** the Tender submitted by Downer, Level 1 / 130 Fauntleroy Avenue, Redcliffe WA 6104, for Tender T11/12-06 Minor Works – In-situ Stabilization of Road Pavement Materials for the Construction of New Pavements or the Rehabilitation of Existing Roads in accordance with the tender documentation for the contract period 1 July 2011 to 30 June 2013.

Committee Voting - 4/0

### 9. The Committee’s Reason for Varying the Officer’s Recommendation

Not applicable

### 10. Implications of the Changes to the Officer’s Recommendation

Not applicable
## 13. Reports of Councillors

Nil

## 14. Addendum Agenda

Nil

## 15. Motions of which Previous Notice has been given

Nil

## 16. Notices of motion for Consideration at the Following Meeting

Nil

## 17. Urgent Business Approved by the Person Presiding or by Decision of the Committee

Nil

## 18. Matters Behind Closed Doors

Nil

## 19. Date and Time of Next Meeting

The next Corporate and Engineering Services Standing Committee Meeting will be held on **Tuesday 21 June 2011** in the Council Boardroom, Council Administration Building, Civic Boulevard, Rockingham. The meeting will commence at 4:00pm.

## 20. Closure

There being no further business, the Chairman thanked those persons present for attending the Corporate and Engineering Services Standing Committee meeting, and declared the meeting closed at 5.10pm.

## 21. Attachments

Nil