



City of Rockingham

MINUTES

Corporate and Community Development Committee

Held on Tuesday 20 May 2025 at 5:00pm
City of Rockingham Council Chamber



City of Rockingham
Corporate and Community Development
Committee Minutes
5:00pm Tuesday 20 May 2025



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City of Rockingham
Corporate and Community Development
Committee Meeting Minutes
Tuesday 20 May 2025 - Council Chamber



1. Declaration of Opening

The Chairperson declared the Corporate and Community Development Committee meeting open at **5:00pm** and welcomed all present.

Acknowledgement of Country

The Chairperson noted that the City of Rockingham acknowledges the Traditional Owners and Custodians of this land, the Binjareb and Whadjuk Nyoongar peoples and their continuing connection to the land, waters and community. We pay our respects to all members of Aboriginal communities and their cultures; and to Elders past and present.

Recording and Live Streaming of proceedings

In accordance with Council Policy this meeting is being live streamed on the City's website, with the exception of confidential items and periods of adjournment or as determined by the Presiding Member.

By being present at this meeting, members of the public consent to the possibility that their image and voice may be live streamed to the public. Recordings are also made available on the City's website following the meeting.

Please note that clause 8.5 of the City's *Standing Orders Local Law 2001* provides that "no person is to use any electronic, visual or audio recording device or instrument to record the proceedings of the Council or a committee without the written permission of the Council".

If anyone breaches this Standing Order they will be asked to leave the Council Chamber.

2. Record of Attendance/Apologies/Approved Leave of Absence

2.1 Council Members

Cr Craig Buchanan, JP	Chairperson
Cr Mike Crichton	
Cr Caroline Hume	
Cr Leigh Liley	
Cr Kelly Middlecoat	
Cr Robert Schmidt	
Cr Dawn Jecks	Observer

2.2 Executive

Mr Michael Parker	Chief Executive Officer
Mr John Pearson	Director Corporate Services
Mr Michael Holland	Director Community Development
Mr Jim Olynyk, JP	Manager Governance and Councillor Support
Mr Michael Yakas	Manager Customer and Corporate Support
Mr Alvin Santiago	Manager Financial Services
Mr Roger Haripersad	Manager Waste Services
Ms Nollaig Baker	Manager Strategy and Corporate Communications

	<p>Mr Richard Hardy Mr Matthew Emmott Ms Mary-Jane Rigby Mr Paul Hayward Ms Alison Oliver Ms Melissa James Ms Katie MacLachlan Ms Lauren Townsend Ms Sue Langley Ms Jennifer Weinman</p> <p>2.3 Members of the Gallery: 2.4 Apologies: 2.5 Approved Leave of Absence:</p>	<p>Manager Community and Leisure Facilities Manager Community Infrastructure Planning Manager Community Safety and Support Services Manager, Community Capacity Building Manager Library and Information Services Manager Economic Development and Tourism Financial Controller Governance Coordinator Governance Officer Governance Officer – Councillor Support/FOI</p> <p>3 Nil Nil</p>
3.	Responses to Previous Public Questions Taken on Notice	
	Nil	
4.	Public Question Time	
	<p>5:02pm The Chairperson opened Public Question Time and invited members of the Public Gallery to ask questions. The Chairperson noted that questions should relate to the business of the Committee and this is the only opportunity in the meeting for the public to ask questions.</p> <p>There were none.</p> <p>5:03pm There being no further questions the Chairperson closed Public Question Time.</p>	
5.	Confirmation of Minutes of the Previous Meeting	
	<p>Moved Cr Schmidt, seconded Cr Liley:</p> <p>That Committee CONFIRMS the Minutes of the Corporate and Community Development Committee Meeting held on 15 April 2025, as a true and accurate record.</p> <p style="text-align: right;">Committee Voting (Carried) – 6/0</p>	
6.	Matters Arising from the Previous Minutes	
	Nil	
7.	Announcement by the Person Presiding without Discussion	
	<p>5:04pm The Chairperson 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.</p>	
8.	Declarations of Members and Officers Interests	
	<p>5:04pm The Chairperson asked if there were any interests to declare.</p> <p>There were none.</p>	

9.	Petitions/Deputations/Presentations/Submissions
	Nil
10.	Matters for which the Meeting may be Closed
	Nil
11.	Bulletin Items
	<p>Corporate and General Management Services Information Bulletin – May 2025</p> <p>Corporate Services</p> <ol style="list-style-type: none"> 1. Corporate Services Team Overview 2. Project Status Reports <ol style="list-style-type: none"> 2.1 Online Rostering 2.2 Website Upgrade 2.3 Leisure Management System 2.4 Food Organic Garden Organic (FOGO) Waste Collection and Processing Service 3. Information Items <ol style="list-style-type: none"> 3.1 List of Payments April 2025 3.2 Monthly Financial Management Report March 2025 3.3 Amendment to Rate Record – Non-Rateable Land 3.4 Amendment to Rate Record – Write Off 3.5 Awarding of Tenders by CEO - Delegated Authority 3.6 Lease Tenure Matters 3.7 Leased Property Maintenance Grants 3.8 Delegated Authority to Dispose of Property by way of Lease 3.9 Development Contribution Scheme 3.10 List of Write Offs for Debts under \$2,000 <p>General Management Services Directorate</p> <ol style="list-style-type: none"> 1. General Management Services Team Overview 2. Project Status Reports 3. Information Items <ol style="list-style-type: none"> 3.1 Meetings and Events 3.2 Use of the Common Seal <p>Governance and Councillor Support</p> <ol style="list-style-type: none"> 1. Governance and Councillor Support Team Overview 2. Project Status Reports 3. Information Items <ol style="list-style-type: none"> 3.1 Freedom of Information (FOI) Requests 3.2 Council Member Requests 3.3 Citizenships 3.4 School Leadership Council Tour 3.5 Australian Coastal Councils Association Inc. Newsletter 3.6 WALGA Quarterly Overview Report for the City of Rockingham 3.7 Coming Events 3.8 Notice of Motion – Status Report <p>Human Resources</p> <ol style="list-style-type: none"> 1. Human Resources Team Overview 2. Project Status Reports

	<ol style="list-style-type: none"> 3. Information Items <ol style="list-style-type: none"> 3.1 Recruitment 3.2 Workplace Health and Safety Statistics <p>Strategy, Marketing and Communications</p> <ol style="list-style-type: none"> 1. Strategy, Marketing and Communications Team Overview 2. Project Status Reports <ol style="list-style-type: none"> 2.1 Resident Perception Survey 2024 3. Information Items <ol style="list-style-type: none"> 3.1 Communications Review 3.2 Team Plan 3.3 Community Engagement – Share your thoughts 3.4 Social Media 3.5 Media Tracking <p>Legal Services & General Counsel</p> <ol style="list-style-type: none"> 1. Legal Services & General Counsel Team Overview 2. Project Status Reports 3. Information Items <ol style="list-style-type: none"> Provision of Legal Advice <ol style="list-style-type: none"> 3.1 Legal Advice – Local Government Operational Matters 3.2 Litigation
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Committee Recommendation

Moved Cr Crichton, seconded Cr Hume:

That Council Members acknowledge having read the Corporate and General Management Services Information Bulletin – May 2025 and the content be accepted.

Committee Voting (Carried) – 6/0

	<p>Community Development Information Bulletin – May 2025</p> <p>Community Safety and Support Services</p> <ol style="list-style-type: none"> 1. Community Safety and Support Services Team Overview 2. Project Status Reports <ol style="list-style-type: none"> 2.1 Alcohol Management Plan 2.2 Community Hub Feasibility Study 2.3 CCTV Plan 2.4 Assertive Outreach 2.5 Social Connection and Support Pilot Project 2.6 Crisis/Supported Accommodation 3. Information Items <ol style="list-style-type: none"> 3.1 Community Support Services 3.2 Rockingham Connect Community Transport Project 3.3 Community Safety <p>Library Services</p> <ol style="list-style-type: none"> 1. Library Services Team Overview 2. Project Status Reports 3. Information Items <ol style="list-style-type: none"> 3.1 March 2025 Library Services Statistics 3.2 Mary Davies Library and Community Centre
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	<ul style="list-style-type: none">3.3 Baldivis South Community Centre3.4 Rockingham Library3.5 Safety Bay Library3.6 Warnbro Community Library3.7 March 2025 Library Services Facebook Statistics
	Community Infrastructure Planning
	<ul style="list-style-type: none">1. Community Infrastructure Planning Team Overview2. Project Status Reports3. Information Items<ul style="list-style-type: none">3.1 Aqua Jetty Stage 23.2 Baldivis Sports Complex3.3 Safety Bay Foreshore Community Facility Development3.4 Stan Twight Reserve Clubroom Redevelopment3.5 Anniversary Park Clubroom Redevelopment3.6 Baldivis Recreation Reserve Master Plan3.7 Lark Hill Sportsplex Northern Expansion3.8 Baldivis Men's Shed3.9 Autumn Centre Redevelopment
	Community Capacity Building
	<ul style="list-style-type: none">1. Community Capacity Building Team Overview2. Project Status Reports<ul style="list-style-type: none">2.1 Seniors Strategy2.2 Cultural Development and the Arts Strategy3. Information Items<ul style="list-style-type: none">3.1 Grants3.2 Disability Access and Inclusion3.3 Reconciliation Action Plan3.4 First Nations Engagement3.5 Seniors3.6 City Volunteer Program3.7 Rockingham Volunteer Centre (RVC)3.8 Early Years, Children and Families3.9 Sport and Recreation3.10 Health and Wellbeing3.11 Youth Development3.12 Cultural Development and the Arts3.13 Rockingham Arts Centre
	Community and Leisure Facilities
	<ul style="list-style-type: none">1. Community and Leisure Facilities Team Overview2. Project Status Reports<ul style="list-style-type: none">2.1 Rockingham Lotteries House Relocation and Community Hub Development3. Information Items<ul style="list-style-type: none">3.1 Aqua Jetty3.2 Warnbro Community Recreation Centre3.3 Mike Barnett Sports Complex3.4 Rockingham Aquatic Centre3.5 Gary Holland Community Centre3.6 Autumn Centre3.7 Baldivis Indoor Sports Complex

	Economic Development and Tourism
1.	Economic Development and Tourism Team Overview
2.	Project Status Reports
2.1	Local Business Development
2.2	Economic Development Strategy
2.3	Iconic Economic Development / Tourism Events
2.4	Rockingham Discovery Centre
2.5	Destination Marketing
2.6	Visitor Servicing Fee for Service
2.7	Mobile Visitor Service Unit
3.	Information Items
3.1	Stakeholder Engagement - Economic Development and Tourism

Committee Recommendation

Moved Cr Hume, seconded Cr Middlecoat:

That Council Members acknowledge having read the Community Development Information Bulletin – May 2025 and the content be accepted.

Committee Voting (Carried) – 6/0

12. Agenda Items

Corporate Services

Corporate Services Director and Support		
Reference No & Subject:	CS-008/25	City Business Plan 2025/2026 to 2034/2035 (May 2025) (<i>Absolute Majority</i>)
File No:	CPM/7-3	
Proponent/s:		
Author:	Mr Alvin Santiago, Manager Financial Services	
Other Contributors:	Mr John Pearson, Director Corporate Services	
Date of Committee Meeting:	20 May 2025	
Previously before Council:		
Disclosure of Interest:		
Nature of Council's Role in this Matter:	Executive	
Attachments:	1. City Business Plan 2025/2026 to 2034/2035 (May 2025)	
Site:		
Lot Area:		

Purpose of Report

The purpose of the report is to adopt the City of Rockingham Business Plan 2025/2026 to 2034/2035.

Background

The City of Rockingham's Business Plan (**Plan**) provides a 10-year financial overview of its operations. Pursuant to the Council Policy – Strategic Development Framework, the City's Business Plan must be reviewed and adopted by Council in December and May each financial year. The last version of the Plan was adopted at the December 2024 Council meeting.

Details

The May 2025 edition of the Plan meets the statutory requirements of the *Local Government Act 1995* and is a continuation of the December 2024 edition. In essence, the May 2025 edition is a refinement of the main strategic direction and parameters adopted in December and assists in Annual Budget creation and adoption. It also, in contrast to the December edition, includes information related to Team Plans.

The Plan provides allocations of financial resources to ensure that the key strategic objectives of the City of Rockingham (**City**) are achieved. It also ensures that resources exist to safeguard standard operating functions, and ensure funding allocations are provided so capital construction programs may occur.

It also provides an overview of the main community infrastructure projects. This is particularly relevant in local governments with rapidly growing populations such as the City. The table below provides information on the City's Community Infrastructure construction program.

Community Infrastructure Plan (CIP) Projects	Construction Start Year	Total Project Cost
Anniversary Park Clubroom Redevelopment	2025/2026	\$4,467,440
Autumn Centre Redevelopment	2025/2026	\$3,300,000
Safety Bay Foreshore Community Facility	2026/2027	\$11,000,000
Aqua Jetty Stage Two	2026/2027	\$33,400,000
Rockingham Foreshore Activity Node	2027/2028	\$3,441,910
Warnbro Community Recreation Centre Redevelopment	2027/2028	\$6,399,380
East Baldivis Recreation Reserve	2028/2029	\$8,088,900
Baldivis Outdoor Courts	2029/2030	\$1,537,900
Secret Harbour Community Library	2029/2030	\$1,649,310
Rockingham Aquatic Centre Redevelopment	2029/2030	\$21,515,523
Waikiki/Warnbro Outdoor Recreation Space	2031/2032	\$1,427,100
Lark Hill Sportsplex Norther Expansion – Ovals and Sports Pavilion	2031/2032	\$23,998,391
Arpenteur Park Master Plan	2033/2034	\$4,138,705

Other Civic/Civil Development	Construction Start Year	Total Project Cost
City of Rockingham Administration Refit (formerly part of the Lotteries House Project that commenced in 2024-25)	2027/2028	\$2,000,000
New Southern Depot	2027/2028	\$25,000,000

Importantly, the above table represents a start date only and should be read in context with the key assumptions contained in the Plan and Community Infrastructure Plan (**CIP**). Construction of a project may span multiple years. Also these dates may change depending on the accuracy of these assumptions.

Key Assumptions:

- All revenues and expenses from the Millar Road Landfill Facility have been quarantined and clearly indicated where included. Implications associated with alternate waste treatments beyond landfilling have been included where these are understood.
- The figures included within the Plan are based upon present conditions, as well as projections based on current knowledge. Based on commentary from the Reserve Bank of Australia (**RBA**), the CPI nationally is targeted to be between 2% and 3%. 12-month Perth CPI as of June 2024, September 2024, December 2024 and March 2025 are 4.6%, 3.8%, 2.9% and 2.8%, respectively. Consequently, a CPI of 3% is used for conservative forecasting.
- Rate increases for the first and second year of the plan are 3.9%, year three and four of the plan is 3.8%, and years five onwards at 3.5%. The Plan allows 0.25% of rates from year one to year three to be allocated directly to coastal hazard risk management and adaptation planning (**CHRMAP**). These funds will be transferred directly into cash reserves each and every year up to 2027/2028. This is net of natural rate growth, which is expected to be approximately 1%. Depending on future economic conditions, this will likely change.

- The City of Rockingham is a minimum Financial Assistance Grant (**FAGs**) local government and receives FAGs in line with population growth. This is anticipated to grow in line with population and can be reasonably anticipated.
- Grants for major capital programs will be available on some occasions. With the exception of road grants, capital grants have been included where known and approved. Capital road grants have been averaged or included as expected for the duration of the Plan.
- Recurring operational grants have been calculated to increase by 3% per annum.
- Contributions and reimbursements have been calculated to increase at 3% per annum.
- The City's fees and charges will be put before Council prior to budget adoption, with the annual yield of these expected to be increased by at least 3% per annum.
- Increases in the sanitation charges will be in line with expense requirements and are submitted to Council via the fees and charges.
- Interest rates have decreased in the recent RBA announcement. It is still uncertain whether interest rates will continue to decline or stay the same for a longer period. The base amount of interest income on the City's "unrestricted funds" however, has been increased in year one to reflect the higher interest earned in recent years but is forecasted to remain static from year two onwards. Cash holdings are expected to decline upon completion of the current carry forward projects and therefore lower interest income in future years. There will be variations to the interest earnings on each of the City's cash reserve accounts due to the fluctuations in the amounts transferred into and out of the respective reserve accounts. All interest related to cash reserves is earmarked to be deposited into the related reserve.
- For all other income, allowances have been made for these to increase by approximately 3% per annum. There is a close watch on landfill revenue, to which uncertainty exists. This is related to the commencement of waste to energy facilities in proximity to the Millar Road Landfill Facility and the requirements being imposed on local government related to the State Waste Strategy.
- Employee costs are expected to increase in line with industry expectations in the forthcoming years. This will need to be reviewed annually with staff number increases related to population growth.
- Materials and contractors can fluctuate depending upon what is planned in each year. A base figure used from a modified prior average of the last five years, with 3% annual increases. It is traditionally very difficult to predict.
- Utilities have been calculated to increase at 3% per annum. Historically this has been difficult to estimate, particularly related to electricity costs. Unit rates for power have been known to increase in past years by much more than inflation.
- Insurances have been calculated to increase by 3% per annum. It is known that the current insurance market is difficult and given recent natural disasters, costs are likely to increase. There is potential for insurance costs to increase substantially above 3%. This situation is being monitored and may require future changes in assumptions.
- Transfers to and from reserves are to occur as per the separate Reserves Summary which is included in section 4 of the Plan. Cash reserves are a mixture of cash held by statutory requirement and by decision of Council. The ratio of this mixture will adjust year-in, year-out according to prevailing conditions.
- The details of loans projected to be repaid each year are shown on the Loans Summary, which is included in section 4 of the Plan. Proposed borrowings are directly related to projects. The City has implemented a modified Gross Debt to Operating Revenue Ratio to measure suitable debt to be held on the balance sheet. This ratio for any given year should not exceed 45%. A Debt Servicing Ratio is also used which is not to exceed 8%.
- All opening balances are determined to be zero.

Implications to Consider

a. Consultation with the Community

Nil

b. Consultation with Government Agencies

Nil

c. Strategic

Community Plan

This item addresses the Community's Vision for the future and specifically the following Aspiration and Strategic Objective(s) contained in the Strategic Community Plan 2023-2033:

Aspiration: **5. Leadership Aspiration – Transparent and accountable leadership and governance**

Outcome/Objective: *Quality Leadership – Ensure accountable and transparent governance*

d. Policy

This Plan has been prepared in accordance with Council Policy - Strategic Framework and discussed to seek feedback at a Councillor Engagement Sessions in April 2025.

e. Financial

Nil

f. Legal and Statutory

This edition of the City Business Plan meets statutory requirements of Regulation 19DA of the *Local Government (Administration) Regulations 1996*.

Regulation 19DA requires a local government to prepare a corporate Business Plan covering a period of at least four financial years each financial year. The plan must contain priorities in line with the Strategic Community Plan, internal operations planning, resource management and other integrated matters relating to long term financial planning. Regulation 19DA(6) also requires Council to make a determination on the Business Plan via absolute majority.

g. Risk

All Council decisions are subject to risk assessment according to the City's Risk Framework.

Implications and comment will only be provided for the following assessed risks.

*Customer Service / Program/Project management / Natural Environment : High and Extreme Risks
Financial / Health and Safety : Medium, High and Extreme Risks*

Nil

Comments

This Plan, similar to prior years, requires significant resources to be delivered to new community infrastructure in the coming decade and keeps rate increases to a minimum.

The main differences between this Plan and the one adopted in December are:

- \$550K reduction in CIP projects for the next 10 years with the Safety Bay Foreshore planning and design budget already covered in the 2024-25 budget.
- \$600K increase in other civic/civil development projects due to scope changes and cost escalation of Lottery House Community Hub project.
- Plant replacement and asset management projects for the life of the Plan increased to \$346M after updating replacement costs for most recent plant acquisitions and after incorporating additional grant-funded projects from new funding streams such as the Kulija Rd/ Baldivis Rd Intersection compared to \$332M in December 2024. Following the results of an independent coastal study, \$1.5M of asset renewal costs in 2026-27 for coastal protection structure at Arcadia Drive east of Mersey Road has been re-allocated to fund the cost increase anticipated for the construction of Cell 19 at the Millar Road Landfill Facility.

- Capital grants increased to \$114M from \$99M in December due to \$10M election funding commitment for various projects including \$7M for Kulija Rd/ Baldivis Rd Intersection project, \$3M new funding stream from Safer Local Roads Infrastructure Program and \$1.4M Thriving Suburbs Funding for Lotteries House Community Hub.
- \$16.6M reduction in overall debt for the life of the Plan, after incorporating additional grants and by matching the timing of the loan drawdowns with the cash outflows of the significant capital projects.
- \$20M reduction in the overall debt repayment for the life of the Plan as a result of the overall debt reduction described above and by delaying the loan drawdown to the second half of each year with planned borrowings.
- \$4.3M overall increase in reserve transfers for the life of the plan arising from debt repayment savings.

Given the population growth of the City, the construction of new facilities to service the community needs to be matched with the replacement of existing assets and buildings. A balance between these goal areas is always difficult and catering for specific needs can vary between years. The cost of any new item needs to be fully investigated and taken into account, with those costs projected across the years. The City continues to have significant challenges recruiting contractors and staff. Employment costs are reflective of actual costs from prior years plus anticipated growth.

Notes 3.1 to 3.7 of the Plan provides required asset management funding in accordance with adopted asset management models and plans. Importantly, Council is able to identify what actions are proposed to be taken over the coming five years.

Millar Road Landfill revenue is being monitored. Alternate waste treatments do not attract State Landfill Levy and revenue is going to decrease significantly once these facilities are operating. This is not easily predicable at this time. As such, the City has only allowed conservative revenue increases. The City needs to prepare itself for a time when revenue from this facility no longer exist. This has been known for some time and adjustments have been made. If this happens sooner rather than later, rate increases or alternate revenues would need to be found to cover the loss in income or reduce the program of construction of infrastructure delivery.

State planning policies allow for local governments to collect revenue from “new” residential land parcels and selected residential dwellings created within the City boundaries. The City has implemented a Developer Contribution Scheme and is collecting revenue for newly created residential land/dwellings within the City boundaries. The City now has over ten years of history related to contributions and the accuracy of population forecasts. Given the uncertainty associated with predicting the land development activity in recent years, careful attention needs to be kept on revenues received.

The Plan follows the direction of prior plans and still maintains services. Councillors should note debt is planned. While this is highly variable, this Plan intends to borrow significantly. This may reduce should other revenue streams become available. Importantly, it remains within acceptable levels.

Allocations to CHRMAP have been provided for as explained in the Key Assumptions section of this report. Should this Plan prove accurate, subject to direct rate revenue allocations for three years, it is anticipated approximately \$17 million will be held in cash reserves at the conclusion of the 10 year business plan.

Significant increases are being experienced in construction and maintenance costs which are concerning. However, these have been catered for in the CIP so therefore captured. Uncertainty remains with civil work costs given global economic conditions. Team plans assisted in identifying some of these cost escalations.

Notwithstanding the above, a City Business Plan needs to be flexible enough to allow for changes that may arise. When such situations do arise, Council should be prepared to consider varying its forward plans as much as possible to take advantage of any changes. This said, it should be conditional upon any new projects (which may or may not involve grants) not significantly impinging upon the City’s core goals and long term financial and non-financial objectives.

Voting Requirements

Absolute Majority

Officer Recommendation

That Council:

1. **ADOPTS** the May 2025 City of Rockingham Business Plan 2025/2026 to 2034/2035, as detailed in Attachment 1
2. **REQUIRES** adequate funding to be provided for Aqua Jetty Stage 2 and Mike Barnett Court Expansion

Committee Recommendation

Moved Cr Hume, seconded Cr Middlecoat:

That Council:

1. **ADOPTS** the May 2025 City of Rockingham Business Plan 2025/2026 to 2034/2035, as detailed in Attachment 1
2. **REQUIRES** adequate funding to be provided for Aqua Jetty Stage 2 and Mike Barnett Court Expansion

Committee Voting (Carried) – 6/0

The Committee's Reason for Varying the Officer's Recommendation

Not Applicable

Corporate Services Financial Services



Report number / title:	CS-009/25	Rates Smoothing Option Fees and Interest on Late Payments
File number:	GVR/60-4	
Proponent/s:		
Author:	Mr Alvin Santiago, Manager Financial Services	
Other Contributor/s:		
Date of Committee meeting:	20 May 2025	
Previously before Council:	25 March 2025 (CS-003/25)	
Disclosure of Interest:		
Nature of Council's role:	Executive	
Attachments:		
Maps/Diagrams:		
Site:		
Lot Area:		

Purpose of Report

To review rates smoothing option fees and interest on late payment of rates

Background

The following resolution was passed at the Annual Electors Meeting held on 6 February 2025:

That Council:

1. **Removes** the cost of option fees for rates smoothing
2. **Considers** either removing interest on late payments or changing them to a flat fee setup.

Carried – 18/6

At the March 2025 Ordinary Council Meeting the follow resolved:

That Council:

1. **NOTES** the resolution from the Annual Electors Meeting held on 6 February 2025
2. **REQUESTS** the matters related to interest on outstanding rates, rates smoothing and rates instalments be referred to a Councillor Engagement Session in accordance with Council Policy – Strategic Development Framework (Budget Workshop 4 – April 2025)

Carried – 12/0

The requirements of this resolution have occurred.

The City of Rockingham (**City**) implemented Rates Smoothing in 2015/2016. It is an agreement between the rate payer and the local government which allows a ratepayer to pay their rates weekly, fortnightly or monthly inclusive of costs. It is implemented in accordance with Section 6.49 of the *Local Government Act 1995 (Act)*.

A ratepayer may choose to pay their rates in full, by 4 equal or nearly equal instalments or by such other method of instalments as is set forth in the local government's annual budget. Beyond the 4 instalment option the City also offers a 2 instalment option. This occurs pursuant to Section 6.45 of the Act. It also provides for a local government to impose an additional charge (including an amount by way of interest) where payment of a rate or service charge is made by instalment.

A 5.5% interest is applied to all instalments. An administrative fee (additional charge) of \$4.50 is charged for each instalment to cover the cost of managing the instalment plan.

When a Rate Smoothing agreement is formed the City applies an interest rate of 5.5% in accordance with Section 6.51 of the Act.

Section 6.51 of the Act allows local governments to impose interest on overdue rates amounts owed to it. A local government is not to impose interest unless the money is owed for not less than 35 days and the interest rate charged is not to exceed the rate prescribed by the *Local Government (Financial Management) Regulations 1996 (Regulations)*. The City charges interest on late payments of 10%, which is less than the maximum interest of 11% prescribed by the Regulations.

Details

The City receives approximately \$410,000 in instalment admin fees, \$470,000 in interest on outstanding rates and \$650,000 in interest for rates smoothing and instalment options per annum.

Officers have compiled information based on financial documents of 33 local governments, including the 2024-25 Statutory Budgets, 2023-24 Annual Financial Reports, 2024-25 Fees and Charges Schedules, Payment Arrangement Forms, and public website data. Information reviewed included:

- Costs of payment options (Rates Smoothing and Instalments);
- Interest charges on payment plans;
- Late payment penalties;
- City revenue from rates over the past three years; and
- The financial impact of adjusting or removing rates interest and option fees.

This comparative information has assisted in receiving feedback at the Councillor Engagement Session held in April 2025.

Implications to Consider

a. **Consultation with the Community**

Nil

b. **Consultation with Government Agencies**

Nil

c. **Strategic**

This item addresses the Community's Vision for the future and specifically the following Aspiration and Strategic Objective(s) contained in the Strategic Community Plan 2023-2033:

Aspiration: 5. **Leadership Aspiration - Transparent and accountable leadership and governance**

Outcome/Objective: Sustainable Local Government - Optimise City resources

d. **Policy**

Nil

e. Financial

No fee is charged to ratepayers who enter a rates smoothing agreement.

Removing the instalment admin fee could result in lost revenue of \$410,000. Removing the 10% interest on late payments could result in lost revenue of \$470,000. Removing the 5.5% instalment and rates smoothing interest could result in a further \$650,000 in lost interest revenue or \$1.53M altogether.

Interest revenue on rates smoothing, instalments and late payments reduce the budget deficiency funded through rates. Foregoing these revenue items will increase the required rates to balance the budget. All interest and fees are applied in accordance with legislation and borne by those who use the service.

It is important the City applies interest on outstanding rates. Failure to do so will likely result in increases in unpaid rates eventually resulting in greater sums being held on the balance sheet unpaid. This eventually impacts cash flow and the ability for the City to meet its debts when due and payable. It can also result in increased resources and costs required to pursue debt recovery.

f. Legal and Statutory

Regulation 5(1a) of the Regulations requires the Chief Executive Officer to establish systems and procedures for properly collecting all money owing to the local government.

Section 6.51 of the Act grants local governments the ability to impose interest on overdue rates and service charges owed to them. A local government is not to impose interest unless the money is owed for not less than 35 days. The interest rate charged should also not exceed the rate prescribed by the Regulations.

Regulation 19A of the Regulations states that the maximum interest rate to be imposed under section 6.13 of the Act is prescribed at 11%.

Section 6.45(1) of the Act states that rates or service charges are ordinarily payable to a local government in a single, full payment but also allows a local government to offer payment options, including:

- 4 equal or nearly equal instalments, or
- such other methods of payment by instalments as outlined in the annual budget

Section 6.41(2) of the Act requires local governments to issue a rates notice to ratepayers who elected to pay in instalments 28 days before each instalment is due.

Section 6.45(3) of the Act allows local governments to impose an additional charge and interest where payment of a rate or service charge is made by instalment.

Section 6.49 of the Act allows local governments to accept payment of a rate or service charge due and payable by a person in accordance with an agreement made with the person.

g. Risk

All Council decisions are subject to risk assessment according to the City's Risk Framework.

Implications and comment will only be provided for the following assessed risks.

Customer Service / Project management / Environment : High and Extreme Risks

Finance / Personal Health and Safety : Medium, High and Extreme Risks

Financial Risk – High

Interest revenue on rate smoothing, instalments, and late payments totalling \$1.53M¹ is budgeted and therefore reduces the budget deficiency funded through rates. Foregoing these revenue items will increase the required rates to balance the budget. This has not been planned for in future years.

¹ Typographical error corrected – correction is reflective of the information contained in the Financial Implications.

Comments

Officers compared rate smoothing fees, instalment fees, and interest charges on payment options and late payments across 33 Perth metropolitan local governments and the cities of Mandurah, Busselton, and Bunbury.

Key findings show a wide variation in payment options, fees, and interest charges among local governments. Rates smoothing is a common option, offered by 29 Local governments, with 6 charging no fees or interest, while 2 impose significant fees (e.g. \$53 and \$56 for any instalment). Interest on rates smoothing varies, with some local governments applying instalment interest rates and others using penalty interest rates.

Higher instalment fees correlate with lower outstanding rates, suggesting they deter deferral of payments and favour upfront payments. However, two low-fee local governments also reported low outstanding rates. All local governments set instalment interest at 5.5%, except for four charging 0% and one charging 6%.

Penalty interest rates range from 3% to 11%. Higher rates (10-11%) often align with lower outstanding rates, except for one local governments that maintains just 2% outstanding rates despite a 3% overdue interest rate.

Wealthier socio-economic areas tend to have lower outstanding rates, while lower-income areas reported higher figures, indicating socio-economic status influences rate collection.

While comparing rates smoothing fees, instalment admin fees, interest charges, and outstanding rates across various local governments provides valuable insights, it needs to recognise that each local government operates within their unique demographic and socio-economic context. What works for one local government may not be suitable for another, as factors such as resident income levels, property values, and payment behaviours influence the effectiveness of different fee structures and penalty interest rates.

The provision of rates smoothing has been a popular option chosen by 18.3% of ratepayers. This as well as interest on outstanding rates and administration fees is an important part of the City's rating policy noting that those ratepayers who pay their rates up front greatly assist with the City's cash flow and ability to earn interest in early receipts which helps to reduce the overall rate requirement imposed.

The City must strike a balance that ensures financial sustainability while remaining fair and equitable for its ratepayers. This means setting fees and interest charges at a level that encourages timely payments without placing undue burden on those experiencing financial hardship. It is viewed that the City has always been prudent with its interest rates and charges and this has assisted in maintaining an appropriate outstanding rates on the balance sheet at 30 June each year (4%). Importantly, it needs to be understood should a reduction in revenue occur, the City will need to find alternate sources. It is worth noting, the City has a financial hardship policy to assist those ratepayers in genuine financial hardship.

All interest rate charges are reviewed annually as part of the annual budget process and resolved by Council. Officers are of the view that the current financial years interest charges are relevant and appropriate and supports the ongoing allocation of these charges.

Voting Requirements

Simple Majority

Officer Recommendation

That Council **SUPPORTS** the continued inclusion of instalment administration fees and interest revenue on rates smoothing, instalments and late payments in the 2025-2026 Annual Budget.

Committee Recommendation

Moved Cr Liley, seconded Cr Crichton:

That Council **SUPPORTS** the continued inclusion of instalment administration fees and interest revenue on rates smoothing, instalments and late payments in the 2025-2026 Annual Budget.

Committee Voting (Carried) – 4/2

Council Members voting for the motion:

Cr Liley
Cr Hume

Cr Crichton
Cr Buchanan

Council Members voting against the motion:

Cr Middlecoat

Cr Schmidt

The Committee's Reason for Varying the Officer's Recommendation

Not Applicable

Corporate Services Financial Services



Reference No & Subject:	CS-010/25	Rating Methodology - 2025/2026 Financial Year
File No:	RTV/11	
Proponent/s:		
Author:	Mr John Pearson, Director Corporate Services	
Other Contributors:		
Date of Committee Meeting:	20 May 2025	
Previously before Council:		
Disclosure of Interest:	Executive	
Nature of Council's Role in this Matter:		
Attachments:	1. Rates Modelling Summary	
Site:		
Lot Area:		

Purpose of Report

This report is to approve proposed rates in the dollar for the 2025/2026 financial year to allow for advertising calling for submissions on the proposed differential rates.

Background

The City of Rockingham (**City**) Business Plan on the agenda for this meeting indicates the level of rates needed to service current and future City requirements. This plan provides detailed financial information for the City, which gives clarity to rate changes needed. The City Business Plan (**Business Plan**) indicates the need to generate \$117.87 million in rates in the 2025/2026 financial year.

The new yield from all rates for the 2025/2026 year is projected to be approximately \$117.83 million. This does not include interim rates, which are anticipated to make up any shortfall when compared against the Business Plan requirements. Some projects remain unfunded in the Business Plan and any excess revenue from rates will be allocated these. All money from rates is used across a wide array of services. It does though include a proposed concession of \$65,453 for those 55 properties transitioning from UV to GRV. This is year two of this process.

A total rate increase is proposed at 3.9% greater than the prior year.

Details

Gross Rental Valuation (GRV) Properties

Properties rated on a GRV basis make up approximately 99.7% of the total rates levied and have been classified into the following rate categories:

GRV – Residential

A differential general rate of 8.6071 cents in the dollar applies to Residential land.

“Residential land” means any land used or designed, or adapted for use for the purpose of a dwelling and includes vacant land within the Residential, Development, Rural, Special Rural, Special Residential, Commercial, District Town Centre, Primary Centre Waterfront Village, Primary Centre Urban Village, Primary Centre City Centre, Primary Centre City Living, Primary Centre Campus and Primary Centre Urban Living zones under the City of Rockingham Town Planning Scheme No. 2.

Dwelling has the meaning given to it in the City of Rockingham Town Planning Scheme No. 2.

The rate applied to GRV Residential is the differential general rate used as the basis on which the other GRV rate categories are calculated. The proposed GRV Residential rate is an increase of 3.9% compared to the 2024/2025 rate in the dollar.

GRV – Non-Residential

A differential rate of 9.8001 cents in the dollar applies to Non-Residential land.

“Non-Residential land” means all land other than Residential land.

The City has implemented a 13.87% differential rate on Non-Residential properties to assist in the cost of infrastructure specifically designed to support the non-residential sector.

GRV – Minimum Rate

It is proposed that the minimum rate on all GRV properties be increased from \$1,377 to \$1,431 for the 2025/2026 year. This is an increase of 3.9% on last year’s minimum rates.

Unimproved Valuation (UV) Properties

A general rate of 0.105 cents in the dollar applies to all UV land. UV land generates approximately 0.3% of rate yield. The proposed UV-Improved rate in the dollar is identical to the 2024/2025 rate in the dollar.

UV – Minimum Rate

It is proposed that the minimum rate for all UV properties will increase to \$709 for the 2025/2026 financial year. This is an increase of 3.9% on last year’s minimum rates.

Implications to Consider

a. Consultation with the Community

Nil at this stage. Should Council adopt the officer recommendation, submissions will be invited as detailed in the Legal and Statutory section of this report.

b. Consultation with Government Agencies

Nil

c. Strategic

Community Plan

This item addresses the Community’s Vision for the future and specifically the following Aspiration and Strategic Objective(s) contained in the Strategic Community Plan 2019-2029:

Aspiration 4: *Deliver Quality Leadership and Business Expertise*

Strategic Objective: *Effective governance – Apply systems of governance which empower the Council to make considered and informed decisions within a transparent, accountable, ethical and compliant environment.*

d. Policy

Nil

e. Financial

The approval of the proposed rates for 2025/2026 is anticipated to yield approximately \$117.83 million.

UV properties are revalued annually; whereas, GRV properties are revalued every three years. This is a statutory revaluation process, independently occurring from the City and must be implemented. This is not a GRV revaluation year.

UV properties account for a very small proportion of properties – 217. The UV valuations increased by 5.37%.

The proposed rate in the dollar will impact differently across UV categories, ranging from 4.64% to 6.79%. This is anticipated to yield 3.9% more in rates from UV properties compared to prior year.

Given the transition of 55 properties from UV to GRV, in continuation of the process implemented last year, it is proposed to grant a concession to those properties in alignment with Schedule 6.1 of the *Local Government Act 1995*. Given the often significant difference in rate yield between UV and GRV properties, Schedule 6.1 allows for local governments to use a mixture of both UV and GRV valuations over a 3 year transition process

f. Legal and Statutory

Adoption of rates occurs as part of the budget adoption which is proposed to occur in June 2025. This report proposes to approve the rate levels at this time for the purpose of public advertising.

It is a requirement under section 6.36 of the *Local Government Act 1995 (Act)* that where a Council elects to use differential rates, then it shall advertise its intention to do so, and call for submissions for a period of at least 21 days before any further action occurs.

Further, the local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification. This will occur during the budget adoption process.

In accordance with section 6.35 of the Act a local government may impose a minimum payment greater than the general rate which would otherwise be payable. A local government is to ensure the minimum payment is not imposed on more than 50% of properties in a category.

g. Risk

All Council decisions are subject to risk assessment according to the City's Risk Framework.

Implications and comment will only be provided for the following assessed risks.

Customer Service / Program/Project management / Natural Environment : High and Extreme Risks
Financial / Health and Safety : Medium, High and Extreme Risks

Nil

Comments

The City's Strategic Framework provides the process for ensuring as much information as possible is included in the City Business Plan and this drives the budgeting process to assist in meeting strategic outcomes. The Business Plan indicates the need to spend significant resources on asset preservation and creation of new infrastructure to support growing populations. There are expectations by the community that the Council will act in a wide variety of fields; in the majority of cases, this is approved in community plan strategies which identify the costs involved. There is also a requirement to include funding for unfunded projects

Voting Requirements

Simple Majority

Officer Recommendation

That Council **APPROVES** the following rates in the dollar and minimum rates for the 2025/2026 financial year and advertises calling for submissions on the proposed differential rates:

Gross Rental Valuation (GRV) Properties

GRV – Residential

A differential general rate of **8.6071 cents** in the dollar applies to Residential land.

“Residential land” means any land used, or designed, or adapted for use, for the purpose of a dwelling and includes vacant land within the Residential, Development, Rural, Special Rural, Special Residential, Commercial, District Town Centre, Primary Centre Waterfront Village, Primary Centre Urban Village, Primary Centre City Centre, Primary Centre City Living, Primary Centre Campus and Primary Centre Urban Living zones under the City of Rockingham Town Planning Scheme No. 2.

Dwelling has the meaning given to it in the City of Rockingham Town Planning Scheme No. 2.

GRV – Non-Residential

A differential rate of **9.8001 cents** in the dollar applies to Non-Residential land.

Non-Residential land means all land other than Residential land.

GRV – Minimum Rate

The minimum rate on all GRV properties is **\$1431**

Unimproved Valuation (UV) Properties

A general rate of **0.105 cents** in the dollar applies to UV land.

UV – Minimum Rate

The minimum rate for all UV properties is **\$709**.

Committee Recommendation

Moved Cr Crichton, seconded Cr Hume:

That Council **APPROVES** the following rates in the dollar and minimum rates for the 2025/2026 financial year and advertises calling for submissions on the proposed differential rates:

Gross Rental Valuation (GRV) Properties

GRV – Residential

A differential general rate of **8.6071 cents** in the dollar applies to Residential land.

“Residential land” means any land used, or designed, or adapted for use, for the purpose of a dwelling and includes vacant land within the Residential, Development, Rural, Special Rural, Special Residential, Commercial, District Town Centre, Primary Centre Waterfront Village, Primary Centre Urban Village, Primary Centre City Centre, Primary Centre City Living, Primary Centre Campus and Primary Centre Urban Living zones under the City of Rockingham Town Planning Scheme No. 2.

Dwelling has the meaning given to it in the City of Rockingham Town Planning Scheme No. 2.

GRV – Non-Residential

A differential rate of **9.8001 cents** in the dollar applies to Non-Residential land.

Non-Residential land means all land other than Residential land.

GRV – Minimum Rate

The minimum rate on all GRV properties is **\$1431**

Unimproved Valuation (UV) Properties

A general rate of **0.105 cents** in the dollar applies to UV land.

UV – Minimum Rate

The minimum rate for all UV properties is **\$709**.

Committee Voting (Lost on the casting vote of the Presiding Member) – 3/4

Council Members voting for the motion:

Cr Crichton Cr Hume
Cr Liley

Council Members voting against the motion:

Cr Middlecoat Cr Buchanan (x 2)
Cr Schmidt

Note: Due to an equality of votes at the Corporate and Community Development meeting, the Presiding Member exercised the obligation to cast a second vote to reach a decision in this matter (Section 5.21(3) of the Local Government Act 1995).

The Committee's Reason for Varying the Officer's Recommendation

Not Applicable

Corporate Services Financial Services



Report number / title:	CS-011/25 Budget Review – May 2025 (Absolute Majority)
File number:	FLM/17-05
Proponent/s:	
Author:	Mrs Katie MacLachlan, Financial Controller
Other Contributor/s:	Mr Alvin Santiago, Manager Financial Services
Date of Committee meeting:	20 May 2025
Previously before Council:	
Disclosure of Interest:	
Nature of Council's role:	Executive
Attachments:	1. May 2025 Budget Review
Maps / Diagrams:	
Site:	
Lot Area:	

Purpose of Report

For Council to adopt the May 2025 Budget Review.

Background

The City of Rockingham (**City**) undertakes three budget reviews during the year 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.

Details

The May 2025 Budget Review includes transactions during the July 2024 – May 2025 period and adjustments required to the annual budget due to the completion of the annual audit. The document includes the following information:

1. Summary of Budget Position
2. Summary of Major Amendments over \$250,000
3. Summary of Projects Carried Forward
4. Detailed Statement of Operating and Non-Operating Revenue and Expenditure

Implications to Consider

- a. **Consultation with the Community**
Nil

b. Consultation with Government Agencies

Nil

c. Strategic

This item addresses the Community's Vision for the future and specifically the following Aspiration and Strategic Objective(s) contained in the Strategic Community Plan 2023-2033:

Aspiration: **5. Leadership Aspiration - Transparent and accountable leadership and governance**

Outcome/Objective: *Quality Leadership - Ensure accountable and transparent governance*

d. Policy

Council Policy – Strategic Development Framework

e. Financial

The overall effect of this budget review is an anticipated closing surplus for 30 June 2025 of \$44M after considering the adjusted opening surplus and other budget amendments arising from the review.

f. Legal and Statutory

Section 6.8(1)(b) of the *Local Government Act 1995* requires a local government not to incur expenditure from municipal funds until it has been approved by an absolute majority in advance by the Council.

g. Risk

All Council decisions are subject to risk assessment according to the City's Risk Framework.

Implications and comment will only be provided for the following assessed risks.

*Customer Service / Program/Project management / Natural Environment : High and Extreme Risks
Financial / Health and Safety : Medium, High and Extreme Risks*

Nil

Comments

In addition to forecasting the estimated budget position at 30 June 2025, the May Budget Review also aims to identify savings or additional costs for completed and ongoing projects as well as identifying any funds that are required to be carried forward into the following year.

Below is an explanation of the proposed amendments more than \$250K. The other proposed amendments, including expenditure offset by additional revenues, internal allocations and other budget changes that are less than \$250K individually, are detailed in the May 2025 Budget Review attachment.

1. Opening Position

The opening position is \$82.6M as per the Audited Annual Financial Statements of the last financial year.

2. Operating Revenue

Operating revenue has increased by \$8.9M and includes the following significant amendments:

- 2.1 \$5M increase Profit on disposal of assets in relation to the sale of Lot 3 Mandurah Road (This amount is excluded from calculation of the City's ending position as it is a non-cash amount).
- 2.2 \$1.2M increase in Main Roads Road Program funding for Mundijong Road Improvement project (see 5.5 below).
- 2.3 \$905K increase in interest income from municipal funds and \$798K increase in interest income for reserve funds (see 5.4 below).
- 2.4 \$697K of increased various fees and charges collected.
- 2.5 \$450k of increased interim rates collected.

- 2.6 \$359K decrease in State Black Spot funding due to cancellation of the Baldivis Road and Rivergums Boulevard - Install Roundabout project (see 5.4 below)

3. Operating Expenditure

Operating expenditure has decreased by \$1.8M, and includes the following significant amendments:

- 3.1 \$683K decrease across various operating projects with a corresponding \$684K transfer to the Capital Works Reserve to be allocated to unfunded projects through future budgeting processes (see 5.1 below). Projects include:
- 3.2.1 Sustainable Transport Plan (\$300K)
 - 3.2.2 Various ICT projects (\$281K)
- 3.2 \$366K decrease in Coastal Management operating projects.
- 3.3 \$301K increase in organisation-wide utility costs.
- 3.4 \$293K decrease in iconic event costs.
- 3.5 \$291K increase in Waste Collection Service – Household bins costs.

4. Non-Operating Income

Non-operating revenue has decreased by \$2M and includes the following significant amendments:

- 4.1 \$1.5M decrease in proceeds from the sale of machinery and equipment and vehicles and small plant.

5. Non-Operating Expenditure

Non-operating expenditure has decreased by \$1.3M and includes the following significant amendments:

- 5.1 \$9M transferred to Capital Works Reserve, \$1M transferred to Aqua Jetty Stage 2 Reserve with a corresponding \$683K decrease in operating projects (see 3.1 above) and \$9.4M reduction in various capital projects, to be allocated to unfunded projects through future budgeting processes. Significant projects include:
- 5.1.1 Renewal works to CoR Administration Complex (\$2.7M)
 - 5.1.2 Various infield reticulation projects (\$990K)
 - 5.1.3 Palm Beach West Boat Ramp Redevelopment (\$1.8M)
 - 5.1.4 Safety Bay Foreshore – Replace lighting (\$1.2M)
 - 5.1.5 Lighting rugby and soccer floodlights (\$1.1M)
 - 5.1.6 Various Aqua Jetty works (\$1M)
- 5.2 \$848K increase in Mundijong Road – Realign and install street lighting and crash barriers, Main Roads grant funded project (see 2.2 above).
- 5.3 \$798K increase in Reserves interest (see 2.3 above).
- 5.4 \$671K decrease in various ICT capital projects
- 5.5 \$538K decrease due to cancellation of State Blackspot Baldivis Road and Rivergums Boulevard - Install Roundabout project (see 2.5 above).
- 5.6 \$441K decrease in Rae Road WA Bicycle Network path construction project
- 5.7 \$429K decrease in Mandruah-Anstey Road intersection study and design
- 5.8 \$404K decrease in coastal infrastructure projects
- 5.9 \$358K decrease in Port Kennedy Boat Ramp extension design project.
- 5.10 \$292K decrease in Churcher Road drainage upgrade project.
- 5.11 \$269K decrease in various toilet block renewal projects

The other proposed amendments, including expenditure offset by additional revenues, internal allocations and other minor changes, are detailed in the May 2025 Budget Review document.

6. Carryforward Budget

Of the \$44M estimated end of year results, \$38M of unspent budget is committed to existing projects and is detailed in the 'Current Period Carry Forwards Over \$250,000' attachment to this report and features the following most significant items:

- 6.1 Baldivis District Sporting Complex - \$12.9 expenditure (partly funded by \$7.6M borrowings and \$1M Lotterywest grants)
- 6.2 Various building renewal and upgrade works (Council Admin building, Depot urgent works, Lotteries House refit, Safety Bay Library internal and external upgrade) – \$6.8M expenditure
- 6.3 Various road renewal and upgrade projects – \$5.5M expenditure (partly funded by \$3.1M Government grants)
- 6.4 Motor vehicle and plant replacement – \$4.7M expenditure
- 6.5 Landfill Master Plan – \$4.2M expenditure
- 6.6 Stan Twight Clubroom Redevelopment – \$4.2M expenditure (partly funded by \$1M State Government, \$50K WA Cricket and \$50K WA Football grants)
- 6.7 Various parks and reserves renewal and upgrade projects – \$2.8M. This includes the following projects among others:
 - 6.7.1 Safety Bay Foreshore Community Facility Masterplan (\$1.1M)
 - 6.7.2 Reticulation (\$443K)
 - 6.7.3 Larkhill sports softball floodlights (\$303K)
 - 6.7.4 Churchill Park (\$261K)
- 6.8 Various ICT projects – \$2.4M expenditure
- 6.9 Landfill – Upgrade capping – \$1.5M expenditure
- 6.10 Various drainage renewal and upgrade projects – \$1M expenditure
- 6.11 Strategic Planning projects such as Karnup District Plan, Town Planning Scheme Review and Sustainable Transport Plan – \$547K expenditure
- 6.12 Operations Facility (2nd Depot) Masterplan – \$536K expenditure

7. Untied Surplus

The current forecasted untied surplus of \$5M is an estimate only and may increase or decrease depending on the number of incomplete works at the end of the financial year. The untied surplus is mainly attributable to the following favourable budget variances:

- \$450K in interim rates
- \$905K in interest income on municipal funds
- \$974K in various fees and charges and other revenue income
- \$2.7M in organisation wide expenditure savings

Officers will continue to monitor the City's net ending position until the final surplus/deficit is confirmed at year-end. It should be noted the estimated closing positions are based on best information available. It is possible for a closing position to be significantly different to what is estimated due to changes in circumstances or new information which only becomes available leading to year-end. Significant caution should be exercised in allocating the estimated surplus until this is realised post year-end.

Voting Requirements

Absolute Majority

Officer Recommendation

That Council **ADOPTS** the May 2025 Budget Review as detailed in Attachment 1.

Committee Recommendation

Moved Cr Schmidt, seconded Cr Crichton:

That Council **ADOPTS** the May 2025 Budget Review as detailed in Attachment 1.

Committee Voting (Carried) – 6/0

The Committee's Reason for Varying the Officer's Recommendation

Not Applicable

Corporate Services Corporate Services Director and Support



Report number / title:	CS-012/25 Bulk Verge Collection Review
File number:	WSM/27-44
Proponent/s:	
Author:	Mr John Pearson, Director, Corporate Services
Other Contributor/s:	Ms Nollaig Baker, Manager, Strategy Marketing and Communications
Date of Committee meeting:	20 May 2025
Previously before Council:	27 August 2024 (CS-020/24)
Disclosure of Interest:	
Nature of Council's role:	Executive
Attachments:	1. Bulk Waste Collection Review
Maps / Diagrams:	
Site:	
Lot Area:	

Purpose of Report

To present the outcomes of the Bulk Verge Collection Review, and for Council to consider the outcomes of the review.

Background

The City of Rockingham's (**City**) Waste Plan adopted by Council in 2021 identified a review of the City's bulk verge collection service. There are known challenges with this service including the following:

- Low recovery rates for hard waste items
- Poor visual amenity given the scale and timings of the service
- Occurrence/opportunities for illegal dumping by non-residents
- Procurement challenges relating to contractor options, availability, and service delivery.

At the August 2024 Ordinary Council Meeting the following was resolved:

*That Council **DIRECTS** the Chief Executive Officer to:*

1. *Undertake a review of vergeside collections in the City of Rockingham with a view to improve material recovery and reduce illegal dumping. This review is to:*
 - *Assess the options contained in the WALGA Better Practice Verge Collection Guidelines*
 - *Investigate available options and case studies from other Local Governments*
 - *Conduct cost analysis of suitable options including in house provision of services*
 - *Include community consultation seeking community input to the review*

2. *Present the review to a Councillor Engagement Session prior to completion for input and feedback and adoption by Council of the preferred option thereafter.*

Details

Current Situation

The City provides an annual bulk verge collection to residents in the City of Rockingham. The annual collection schedule is as follows:

- Hard waste collection – once per year that commences in July.
- Green waste collection – twice a year in Spring and Autumn.
 - First round – commences in March and allows for post summer garden clearing.
 - Second round – commences in October to allow for pre- bush fire season.

The City allows households to place 2m² of hard waste and 3m² of green waste. There are ten service area zones with each area serviced over a two-week period.

Current practice outsources the service through a tender process at a cost of \$1,609,000 (2024/2025). This excludes the costs associated with disposing of the waste.

In addition to the above, the City also provides tip passes which are issued annually to rate payers with the rates notices allowing for disposal of up to 1.5m³ of waste at Millar Road Landfill Facility. Tip passes allow residents the flexibility and convenience to dispose of bulk waste, including green waste at a time of their suiting. Other waste disposal options for residents include the free drop off of large cardboard, scrap metal, oils, household hazardous waste and batteries throughout the year.

Following Council's resolution in August 2024, the City engaged ASK Waste Management Consultants to undertake a comprehensive review of the bulk verge collection service. The review included the following:

- Analysis of the national and state waste strategy
- Better practice
- Benchmarking
- Service model alternatives
- Multi Criteria Assessment (MCA)
- Community consultation.

The outcomes of the community consultation were presented to Council Members at the February 2025 Council Engagement Session and feedback was sought.

The consultation findings highlighted a high participation rate, with the community placing significant value on the bulk verge service. While the service is appreciated, many respondents supported operational improvements, particularly related to service reliability and greater reuse/recycling of materials where possible. Additionally, the outcomes indicated support for reducing green waste verge collections to once per year, a change that will be further supported by the successful implementation of the weekly, green-lidded bin service through the FOGO program.

Importantly, the high level of support expressed in this survey aligns with the community's consistent strong satisfaction with waste services reported in the City's annual Resident Perception Survey, underscoring trust in the City's waste management approach.

Options Considered

The review considered five alternate collection methods as follows:

1. Scheduled Verge Collection (current service - outsourced) -Continue with current service, one bulk and two green waste verge collections each year.
2. Scheduled Verge Collection (in-house) - Continue with the current service, one bulk and two green waste verge collections each year and deliver the service in-house.

3. Pre-booked Verge Collection - Residents are allocated a general bulk and a green waste collection each year and can book a collection time that suits them. Waste is placed on the verge for pick-up, and source separated materials are placed beside the verge pile for separate pick-up.
4. Pre Booked Containerised Collection - Residents are allocated a general bulk and a green waste collection each year and can book a collection time that suits them. A skip bin is provided for the waste, and source separated materials are placed beside the bin for separate pick-up.
5. No Bulk Verge Collection - No collection, residents can use their tip passes at the Millar Road Landfill facility. Courtesy trailer hire is provided for residents without appropriate vehicles for transporting waste.

Preferred option

The review found that based on the outcomes of the multi criteria assessment modelling and the focus group session, the preferred bulk waste option recommended for the City is a scheduled verge collection service, delivered in-house rather than through an external contractor. It found this option offers several advantages over the current service, including potential cost efficiency, improved service quality, improved alignment with better practice and data collection and enhanced community support. By bringing the service in-house, the City can achieve greater control, flexibility, and sustainability in its bulk verge collection program, making it the preferred choice based on the multi criteria assessment modelling outcomes.

The report provides the potential key strengths and weaknesses of this option as follows:

Strengths

- Community Support: High acceptance similar to the current service.
- Accessibility: Generally accessible with minimal effort required from residents.
- Procurement Options: Improved control over service quality and flexibility.
- Service Delivery: Better control over quality, data collection and community engagement.
- Costs: Slightly lower than current service (noting detailed costing analysis needs to occur which needs to include traffic management costs).

Weakness

- Visual Amenity: Similar issues as the current service with unsightly verges and illegal dumping.
- Resource Recovery: Low material recovery rates and limited opportunities for education and engagement.

Implications to Consider

a. Consultation with the Community

In line with Council Policy Community Engagement, ASK Waste Management Consultants conducted the following receiving 1332 sets of inputs:

- ASK Waste Consultants conducted a survey which was promoted on the City's website, through Rock Port and on social media, receiving 1306 responses
- Two community workshops
- A focus group workshop

Registered participants of Rock Port were asked to participate in focus group workshops.

The consultation outcomes indicated that the users of the verge collection services have a high level of satisfaction, indicating that the current service generally meets their needs. Detailed on pages 20 and 21 of Attachment 1, the key themes were as follows:

- Most participants use both the verge collection services and tip vouchers to dispose of waste.

- Feedback from participants who don't use verge collection services differed considerably from those who do
- The hard waste collection is used more often than green waste collection services.
- Old furniture, equipment, toys and junk comprise the majority of waste disposed of as part of verge collection services.
- Participants are generally satisfied with the current service although there is room for improvement.
- Providing better environmental outcomes and less waste to landfill needs to form part of a low-cost, easy and accessible service.
- The majority of participants support paying more to improve resource recovery. Most participants want to continue the current service.
- There is some interest in containerised collections, although this needs to be further validated.
- There is little support for a user-pays service.
- Any service needs to be supported by recycling and reuse programs and improved waste education to reduce waste generation and improve resource recovery.

b. Consultation with Government Agencies

Nil

c. Strategic

This item addresses the Community's Vision for the future and specifically the following Aspiration and Strategic Objective(s) contained in the Strategic Community Plan 2023-2033:

Aspiration: **2. Natural Environment - A place of natural beauty where the environment is respected**

Outcome/Objective: *Protection of natural environment - Minimise waste*

Aspiration: **5. Leadership Aspiration - Transparent and accountable leadership and governance**

Outcome/Objective: *Sustainable Local Government - Continual improvement*

d. Policy

Nil

e. Financial

The report recommends a detailed assessment occur on the financial, operational and logistical feasibility of bringing the service in house. This is currently underway. The review has taken a high level view of costings, and while appropriate for comparative analysis, more detailed examination needs to occur prior to any operational changes being approved or implemented. Notwithstanding this, the review estimated the costs of an in house delivery service to be approximately \$1,990,000 per annum assuming staff have an 80% utilisation rate for the service. This assumption assumes the remaining 20% of the time staff and equipment are used for other purposes.

f. Legal and Statutory

Nil

g. Risk

All Council decisions are subject to risk assessment according to the City's Risk Framework.

Implications and comment will only be provided for the following assessed risks.

Customer Service / Program/Project management / Natural Environment : High and Extreme Risks
Financial / Health and Safety : Medium, High and Extreme Risks

Nil

Comments

Feedback received from the community has identified the desire to maintain a bulk verge collection service, performed to a higher standard. The review supported the service being transitioned to an in-house model however this should only be committed to once a more detailed understanding of operational implications including costings, logistical implications are better understood.

As stated above there is consistent strong satisfaction with waste services functions in the City and it is important any change maintain a high level of service. To this end, given the high community value and support for the service, it is recommended the nature of the current service be retained with detailed investigations to occur to bringing the service in-house.

Voting Requirements

Simple Majority

Officer Recommendation

That Council:

1. **ENDORSES** the City of Rockingham Bulk Verge Collection Review May 2025 and the recommendations of the report (page 38), Attachment 1
2. **DIRECTS** the Chief Executive Officer to initiate a detailed assessment of the financial and logistical feasibility of bringing the service in-house.
3. **REQUESTS** the findings of point 2 (above) be referred to a Councillor Engagement Session for feedback and discussion.

Committee Recommendation

Moved Cr Schmidt, seconded Cr Liley:

That Council:

1. **ENDORSES** the City of Rockingham Bulk Verge Collection Review May 2025 and the recommendations of the report (page 38), Attachment 1
2. **DIRECTS** the Chief Executive Officer to initiate a detailed assessment of the financial and logistical feasibility of bringing the service in-house.
3. **REQUESTS** the findings of point 2 (above) be referred to a Councillor Engagement Session for feedback and discussion.

Committee Voting (Carried) – 6/0

The Committee's Reason for Varying the Officer's Recommendation

Not Applicable

Community Development

Community Development Community Infrastructure Planning



Report number / title:	CD-009/25	Baldivis Recreation Reserve Master Plan
File number:	CPR/824	
Proponent/s:		
Author:	Mr Blake Warner, Community Infrastructure Project Officer Mr Matthew Emmott, Manager Community Infrastructure Planning	
Other Contributor/s:		
Date of Committee meeting:	20 May 2025	
Previously before Council:	25 February 2025 (CD-002/25); 23 August 2022 (CD-022/22)	
Disclosure of Interest:		
Nature of Council's role:	Executive	
Attachments:	1. Baldivis Recreation Reserve Master Plan	
Maps / Diagrams:		
Site:	Lot 1376 Baldivis Road, Baldivis	
Lot Area:	137,823m2 (Lot 1376)	

Purpose of Report

To seek Council adoption of the Baldivis Recreation Reserve Master Plan (**Master Plan**), following public comment, and for Council to consider allocating funding for implementation in a future Business Plan.

Background

On Tuesday 25 February 2025, Council endorsed the draft Master Plan Summary Report for the purpose of public comment. The public comment period concluded on Friday 14 March 2025, and the Master Plan report has been updated based on the feedback received.

The final report is now presented to Council for adoption and funding consideration.

Details

To determine the level of community satisfaction with the draft Master Plan, the community were invited to share their thoughts on the Summary Report and Proposed Site Master Plan.

Following the public comment period, the final Master Plan Report including the Proposed Site Master Plan presented for adoption remains unchanged.

There were three key themes associated with the comments received during the public comment period which related to:

- Car parking and site access;
- Inclusion of play elements (water play/splash pad, playground, skate park); and
- Retention of vegetation.

Subject to endorsement of the Master Plan, all of the above items will be considerations as part of future planning and design of key projects identified within the Master Plan.

Implications to Consider

a. Consultation with the Community

The draft Master Plan was advertised for public comment from Friday 28 February to Friday 14 March 2025 in line with the required 14 days.

The public were notified of the opportunity to comment through the City of Rockingham (City) Share Your Thoughts platform in the following ways:

- Email direct to the user groups on Friday 28 February 2025;
- Mail out to surrounding residents (310 properties);
- Email to Rock Port users who have subscribed to the Strategic Planning category on Friday 28 February and 7 March 2025; and
- Facebook post on Friday 28 February and 7 March 2025.

At the closing of the public comment period, 19 comments were received. All comments aligned with the intent of the Master Plan, with suggestions received which can be considered in future planning of projects identified within the final Master Plan. Three comments were received regarding traffic and road concerns in the Baldivis area which were not directly related to the Baldivis Recreation Reserve (BRR). Responses to these comments were provided by the City's Technical Services team.

Below is a summary of comments received during the public comment period which have been edited for grammar and length. The comments have been categorised into the key themes which arose from the public comment period.

A number of responses raised ideas for potential infrastructure which could be located at the site:

<u>Comments</u>	<u>City Response</u>
Baldivis splash pad for kids during the warmer weather like the Bunbury one or Kwinana Adventure park that has one. It's a great idea and brings more people into the community.	The Master Plan identifies two separate locations to accommodate future community purpose / recreation spaces. Suggestions for the types of infrastructure to be located in these areas is subject to a commitment to project delivery and would be considered in future project planning.
Please include a skatepark. There is nothing that caters to beginners and advanced users unless we go to Port Kennedy and that's always very busy. Lots of shelter too please maybe even a water play like Maylands waterpark. So ideal for our community.	
This is a great idea, I think a decent water park and have a decent outdoor gym equipment would also be ideal.	

<u>Comments</u>	<u>City Response</u>
My only request would be if at all possible fitness equipment be part of the plan either now or in the future. The oval is used quite substantially by people doing fitness workouts and running most days, along with dog walkers, one being myself who use the oval on a daily basis.	
The playground needs to be updated to be wheelchair accessible. This is the closest playground within walking distance, but the sand means my husband cannot access it to play with our daughters. Glad to see footpaths are being added and happy to see the nature trails will be kept. A nature play area would be fantastic.	

A selection of comments received suggested the preservation of the natural bushland and vegetation:

<u>Comments</u>	<u>City Response</u>
I support the master plan however I would like to see protections for existing mature trees regardless of size and any new plantings to be suitable to the future climate of the area (e.g. avoiding ornamental pears, ashes, planes, jarrah etc.) and consideration for the potential establishment of the shot hole borer (avoiding figs, poinciana, coral trees)	The Master Plan has been developed with a focus on protecting key features of the site including the bushland, and enhancing the reserve and facilities ability to cater to the current and future population.
I am happy with the Master Plan to redesign the area...I feel it will enhance this area....hoping most of the bush will be retained	
The plan looks amazing and it will be lovely for the families that live in the area. As someone who uses the paths in amongst the bush land it is good to note that there is no plan to remove the bush land itself. We live on Valour Bend and the reason for purchasing the land and building was the bush land opposite the property. The amount of wildlife in this area is substantial and it is good to note this will be left intact. It is wonderful to see the City leaving the bush land alone and working with what is already available.	

A number of matters raised included comments in relation to the car parking and traffic flow at the site.

<u>Comments</u>	<u>City Response</u>
The overarching concern we have is the creation of new car parking. Baldivis Road in its current state is inadequate to cope with the volume of traffic.	<p>The Master Plan includes a rationalisation of the entry points along the southern boundary to refine traffic movement within and surrounding the site.</p> <p>Projects identified within the Master Plan will be subject to further planning and investigation studies.</p>
The Primary School parents utilise the site for drop off and pick-up before and after school to avoid the chaos on Fifty road further up near the school every day. If any development or closure of parking occurs (designated or not) some consideration will need to be taken into account of the areas users.	
Adding extra car parks will increase traffic along Baldivis road. The Baldivis road/ monument boulevard junction is already hazardous. I think a roundabout or turning lane would be very beneficial here.	

Comments were received from two of the key stakeholder groups who were consulted throughout the development of the Master Plan documentation.

<u>Comments</u>	<u>City Response</u>
<p><u>Baldivis Lions Club</u></p> <p>1. I feel that the old Baldivis Hall dance floor area should be kept as is as far as its use is concerned, however a commercial kitchen could be incorporated and toilets upgraded to current day requirements. The total hall space should be retained so that it can be used if needed for large gatherings of members of the public. E.g. Community meetings, dances, displays and individual club meetings. If it is divided then it maybe ok for small meetings but not larger community events, film nights and the like.</p> <p>2. Our club and individual members have contributed greatly to the Baldivis community and we would like somewhere to have as a permanent base in order to grow the club to serve the rapidly growing Baldivis community and the Baldivis hall would be ideal for this purpose. There are a couple of other service clubs that will appreciate the use of this area as a hub for servicing the area as well.</p>	<p>Works proposed within the Master Plan include the redevelopment of the Baldivis Hall to create a new community centre / hall. If supported, this would provide an opportunity for a wide range of community groups to access the space.</p> <p>The concept plans included within the Master Plan align with the City's Sports and Community Facility Provision Policy and Standards and Dimensions Guide. Pending endorsement of the project, further design development will include consultation with both current and potential user groups.</p>

<u>Comments</u>	<u>City Response</u>
<p><u>Baldivis Districts Sporting Club</u></p> <p>The draft Baldivis Recreation Reserve Master Plan is great, however I believe the timing for the Baldivis Recreation Centre can be moved forward by working with Baldivis Districts Sporting Club to apply for the Community Sport and Recreation Facilities Fund Forward Planning Grant. The proposed upgrades to the recreation centre are needed now, not in 6/7 years from now. By moving the Recreation Centre upgrades forward, it will allow for Baldivis Hall to provide more accessibility for other local community groups and organisations.</p>	<p>The timeframes included within the final report include indicative years of delivery which have been identified in consideration of the delivery timeframes and priorities of other City projects. All projects identified within the Master Plan are currently unfunded and are subject to Council endorsement.</p>

b. Consultation with Government Agencies

Not Applicable

c. Strategic

This item addresses the Community's Vision for the future and specifically the following Aspiration and Strategic Objective(s) contained in the Strategic Community Plan 2023-2033:

Aspiration: **1. Social - A family-friendly, safe and connected community**

Outcome/Objective: *Community health and wellbeing - Strengthen community health and wellbeing*

Outcome/Objective: *Community health and wellbeing - Provide healthy lifestyle opportunities*

Outcome/Objective: *Accessible services - Adapt services to meet changing community need*

Aspiration: **3. Built Environment - A built environment carefully planned for today and tomorrow**

Outcome/Objective: *Built infrastructure meets current and future community needs - Plan build and maintain current and future assets*

d. Policy

The Master Plan has been developed in accordance with the Council Policy – Sports and Community Facility Provision and was advertised for a minimum of 14 days in line with the Council Policy – Community Engagement.

e. Financial

The projects identified in the BRRMP are currently unfunded.

Baldivis Recreation Reserve Master Plan Key Projects	Indicative Delivery Year	\$
Eastern car park and overflow parking area including footpaths	2030/31	\$880,000
Baldivis Recreation Centre – Option 2 (Major upgrade)	2031/32	\$5,260,000

Baldivis Recreation Reserve Master Plan Key Projects	Indicative Delivery Year	\$
Terracing of existing retaining wall, development of new grass practice area / events space including footpaths	2032/33	\$2,880,000
Baldivis Hall – Option 2 (Major upgrade)	2033/34	\$3,170,000
Southern car park upgrade including footpaths	2033/34	\$1,230,000
Future community purpose / recreation space	TBD	TBD
Total		\$13,420,000

It should be noted that at such an early stage of a project, the Opinion of Probable Costs in the above table deliver a Rough Order of Magnitude (**ROM**) estimate with an accuracy +/- 40% as detailed investigations and designs are required to still be undertaken. As the project progresses, the ROM will start to become more concise.

In addition to the key projects in the above table, there are a number of asset renewal and minor projects identified within the duration of the Master Plan that are likely to be less resource dependent. These works could be planned and undertaken at any time, subject to funding, and are not dependent on any project listed in the above table.

Funding is allocated in the City's Business Plan of \$35,000 to replace the external shelter BBQ structure used by the Baldivis Lions Club with the location of this structure identified on the site layout plan.

The other projects identified will need to be budgeted in asset renewal / maintenance budgets and future versions of the City's Business Plan.

f. Legal and Statutory

Not Applicable

g. Risk

All Council decisions are subject to risk assessment according to the City's Risk Framework.

Implications and comment will only be provided for the following assessed risks.

Customer Service / Program/Project management / Natural Environment : High and Extreme Risks

Financial / Health and Safety : Medium, High and Extreme Risks

Nil

Comments

The purpose of this Master Plan is to ensure that this important active reserve is developed in such a manner as to ensure the reserve and associated infrastructure meets current and future community and user group requirements.

The substantial growth anticipated within Baldivis North is a key driver of future design and development of the Master Plan. As the BRR currently includes older facilities lacking in functionality to adequately service the population, it is important for the City to continue to develop and upgrade the existing infrastructure to respond to not only growth, but to focus on diverse and accessible community facilities for all.

To ensure the successful implementation of projects identified within the Master Plan a staged delivery approach is proposed in the following priority order:

1. Eastern car park and overflow parking area including footpaths: due to the shortfall in parking as identified within the Master Plan, these works are required to support the current and future use of the site (2030/31);
2. Baldivis Recreation Centre: the works proposed to the Recreation Centre are required to commence prior to works associated with the Baldivis Hall (relocation of sporting club areas) (2031/32);

3. Terracing of existing retaining wall, development of new grass practice area / events space including footpaths: these works align with the upgrade of the Baldivis Recreation Centre (2032/33);
4. Baldivis Hall and Southern car park upgrade including footpath: works are proposed to be completed together following the works to the Recreation Centre. These works are located adjacent to each other within the site with the Southern car park servicing the hall (2033/34).

The public comment period has enabled City Officers to confirm that the Master Plan is compatible with the needs of the community. It is evident that the final Master Plan reflects the needs and expectations of the community and reserve user groups.

Council will need to consider the allocation of funding for the projects identified in the final Master Plan, in the context of the broader financial implications for the City.

Voting Requirements

Simple Majority

Officer Recommendation

That Council:

1. **ADOPTS** the Baldivis Recreation Reserve Master Plan report.
2. **CONSIDERS** allocating funding of \$13,420,000 towards the staged implementation of the Baldivis Recreation Reserve Master Plan as part of future Business Plans (escalated to the year of construction).

Committee Recommendation

Moved Cr Middlecoat, seconded Cr Hume:

That Council:

1. **ADOPTS** the Baldivis Recreation Reserve Master Plan report.
2. **CONSIDERS** allocating funding of \$13,420,000 towards the staged implementation of the Baldivis Recreation Reserve Master Plan as part of future Business Plans (escalated to the year of construction).

Committee Voting (Carried) – 6/0

The Committee's Reason for Varying the Officer's Recommendation

Not Applicable

13.	Reports of Council Members
	Nil
14.	Addendum Agenda
	Nil

15. Motions of which Previous Notice has been given

General Management Services

**General Management Services
Governance and Councillor Support**



Report number / title:	GM-008/25	Notice of Motion - Legal Representation Policy for Council Members
File number:	CPM/3	
Proponent/s:	Cr Kelly Middlecoat	
Author:	Mr Jim Olynyk, Manager Governance and Councillor Support	
Other Contributors:	Mr Michael Parker, Chief Executive Officer	
Date of Committee meeting:	20 May 2025	
Previously before Council:		
Disclosure of Interest:		
Nature of Council's role:	Executive	
Attachments:	<ol style="list-style-type: none">1. Notice of Motion - Legal Representation Policy2. Current Council Policy - Legal Representation Policy for Council Members	
Maps/Diagrams:		
Site:		

Purpose of Report

To respond to the following Notice of Motion from Cr Kelly Middlecoat –

"That Council directs the CEO to amend the Legal Representation Policy for Council Members as detailed in the attachment."

Background

Notice of Cr Middlecoat's proposed motion was provided to the City of Rockingham (**City**) on 29 April 2025 with approval from Cr Middlecoat to proceed on 13 May 2025, following discussion with City Officers. The following reasons were given in support –

1. *The existing policy is due for its biennial review in May 2025.*
2. *The Local Government Amendment Bill 2024 enacted on 6 December 2024, introduces significant reforms to the existing legislative framework. These reforms include provisions designed to prevent the inappropriate expenditure of ratepayer funds on council members' personal legal expenses. The existing policy appears to contravene the spirit and intent of these recent legislative changes, which aim to enhance fiscal responsibility and accountability within local government.*

3. *A legal precedent has been set in McCullagh v Northern Midlands Council where the decision handed down in November 2024 determined that a council's decision to use public funds to support defamation proceedings brought by its Mayor was unlawful, notwithstanding that the alleged defamation pertained to the Mayor's official role.*
4. *Enabling Elected Members to deploy public resources against those they represent creates an uneven playing field and can be seen as an attempt to stifle legitimate public criticism.*
5. *The subjectivity in determining the circumstances that warrant legal action under the proposed policy presents a risk of misuse of ratepayer funds. Decisions regarding the initiation of defamation proceedings are inherently susceptible to bias.*
6. *Funding defamation lawsuits by individual Councillors to protect their own personal reputation is highly unlikely to be seen as a legitimate public purpose or an efficient use of ratepayer money when considering the often significant costs that would burden ratepayers.*

Details

A Notice of Motion has been submitted by Cr Middlecoat as detailed above. This request accords with clause 3.9 of the City of Rockingham *Standing Orders Local Law 2001*.

Implications to Consider

a. **Consultation with the Community**

Nil

b. **Consultation with Government Agencies**

Nil

c. **Strategic**

Community Plan

This item addresses the Community's Vision for the future and specifically the following Aspiration and Strategic Objective(s) contained in the Strategic Community Plan 2023-2033:

Aspiration: **5. Leadership Aspiration - Transparent and accountable leadership and governance**

Outcome/Objective: *Quality Leadership - Ensure accountable and transparent governance*

d. **Policy**

Pertinent decision points have been highlighted below for Council Member convenience. Refer to Attachment 2 for full policy details and context.

Council Policy – Legal Representation for Council Members

Objective

To provide for legal representation and cost indemnification to assist council members in specified situations.

Scope

This policy applies to council members of the City of Rockingham.

This policy does not apply to legal services obtained by the City in relation to the day-to-day management of the City's affairs or to legal services that the CEO considers necessary to comply with a written law.

1. Payment criteria

There are four major criteria for determining whether the City will pay the legal representation costs of a council member.

These are:

- (a) the legal representation costs must relate to a matter that arises from the performance, by the council member, of his or her functions;
- (b) the legal representation costs must be in respect of legal proceedings that have been, or may be, commenced;
- (c) in performing his or her functions, to which the legal representation relates, the council member must have acted in good faith, and must not have acted unlawfully or in a way that constitutes improper conduct; and
- (d) the legal representation costs do not relate to a matter that is of a personal or private nature.

2. Examples of legal representation costs that may be approved

2.2 The City will not approve, unless under exceptional circumstances:

- (a) the payment of legal representation costs for a defamation action, or a negligence action, instituted by a council member;
- (b) the payment of legal representation costs for claims against the City; or
- (c) the reimbursement of any award of legal costs made against a council member if those costs were unreasonably or unnecessarily incurred.

3. Application for payment

3.3 The application is to contain a declaration by the applicant that he or she has acted in good faith and has not acted unlawfully or in a way that constitutes improper conduct in relation to the matter to which the application relates.

3.7 An application is to be accompanied by a report prepared by the CEO for consideration by the Council.

4. Legal representation costs – limit

4.1 The council in approving an application in accordance with this policy shall set a limit on the costs to be paid based on the estimated costs in the application.

5. Council's powers

5.1 The council may:

- (a) refuse;
 - (b) grant; or
 - (c) grant subject to conditions,
- an application for payment of legal representation costs.

5.3 In assessing an application, the council may have regard to any insurance benefits that may be available to the applicant under the City's council members insurance policy or its equivalent.

5.4 The council may at any time:

- (a) require the provision of a report outlining the status of the legal representation and the likely outcome; and
- (b) revoke or vary an approval, or any conditions of approval, for the payment of legal representation costs.

5.5 The council may, subject to clause 5.6, determine that a council member whose application for legal representation costs has been approved has, in respect of the matter for which legal representation costs were approved –

- (a) not acted in good faith, or has acted unlawfully or in a way that constitutes improper conduct; or
- (b) given false or misleading information in respect of the application.

5.6 A determination under clause 5.5 may be made by the council only on the basis of, and consistent with, the findings of a court, tribunal or inquiry.

5.7 Where the council makes a determination under clause 5.5, the legal representation costs paid by the City are to be repaid by the council member in accordance with clause 6.

e. **Financial**

Nil

f. **Legal and Statutory**

Local Government Amendment Act 2024

The *Local Government Amendment Act 2024 (Amendment Act)* was enacted on 6 December 2024. However, section 75 of the Amendment Act relevant to certain payments connected with legal matters has not been enacted (section 6.14A).

6.14A. Prohibitions on certain payments connected with legal matters

(1) In this section —

council member includes a former council member;

insurance policy includes any contract of insurance;

legal matter —

(a) means any of the following —

(i) a complaint, an investigation or proceedings under Part 8A;

(ii) proceedings before the State Administrative Tribunal or any other tribunal;

(iii) criminal proceedings, including an infringement notice under Part 9 or any similar type of notice under another written law;

(iv) a criminal investigation;

(v) any other type of statutory investigation or proceedings;

but

(b) does not include any of the following —

(i) an inquiry under Part 8;

(ii) civil proceedings before a court (but subject to subsection (4));

(iii) a prescribed investigation, proceedings or other matter;

liability includes the following —

(a) a cost or expense incurred for, or in respect of, legal advice, representation or other services;

(b) any other type of cost or expense;

(c) a fine or modified penalty in respect of an offence.

(2) Regulations may provide for prohibitions on a local government (directly or indirectly) —

(a) paying (wholly or partly) a liability incurred by a council member that arises from, or is otherwise connected with, a legal matter or potential legal matter; or

(b) paying (wholly or partly) a premium in respect of an insurance policy that would or might indemnify (wholly or partly) a council member against a liability of the kind referred to in paragraph (a); or

(c) providing, or procuring the provision of, legal advice, representation or other services to or for a council member in respect of a legal matter or potential legal matter.

(3) For the purposes of subsection (2)(a) and (b), references to paying a liability or premium include the following —

(a) reimbursing for the payment of the liability or premium;

(b) otherwise funding, or meeting the cost of, the payment of the liability or premium.

*(4) Despite paragraph (b)(ii) of the definition of **legal matter** in subsection (1), regulations made for the purposes of subsection (2)(a) or (b) may apply in relation to a liability for exemplary or punitive damages that are awarded in civil proceedings before a court as if civil proceedings before a court were a legal matter.*

(5) Regulations made for the purposes of subsection (2)(c) may provide (without limitation) that a local government is taken to provide, or to procure the provision of, legal advice, representation or other services if an employee of the local government does so with or without the local government's authority.

(6) This section does not limit section 5.98(6).

Note for this section:

A council member has certain protections from liability under section 9.56

g. Risk

All Council decisions are subject to risk assessment according to the City's Risk Framework.

Implications and comment will only be provided for the following assessed risks.

*Customer Service / Program/Project management / Natural Environment : High and Extreme Risks
Financial / Health and Safety : Medium, High and Extreme Risks*

Nil

Comments

Council Policy Legal Representation for Council Members (**Policy**) was adopted by Council in October 2022. It was prepared by the City's then General Counsel and was consistent with the Department of Local Government, Sport and Cultural Industries (**DLGCI**) Draft Policy².

Since then:

- No applications have been made for funding pursuant to the Policy;
- No funds have been advanced pursuant to the Policy;
- The Supreme Court of Tasmania held that there was nothing in the Tasmanian Local Government Act 1993 that authorised a local government to fund private litigation by councillors and that the funds of local government were not to be used for the personal benefit of councillors; and
- The Local Government Amendment Act 2024 (Amendment Act) has been assented to, which includes s 6.14A [noted above] which will only become operational if and when it is proclaimed. If/when it becomes operational, regulations may be made prohibiting local government from funding certain "legal matters" (**Regulations**). The City is not aware of the scope of any regulations. Advice from the DLGSC suggests that draft regulations have yet to be drafted/finalised, with no indication as to when they will be.

The Policy is not aimed at gaining a personal benefit for Council Members at the expense of ratepayers. Rather, it is aimed at assisting Council Members to do their job, in a safe environment, and only in "exceptional circumstances", where for example "a person or organisation is lessening the confidence of the community in the local government by publicly making adverse personal comments about council members" that the funding of a defamation action may be authorised by the Council. Additionally, any funds advanced by the local government for legal fees must be reimbursed out of any funds recovered.

Further, the relevant provisions of the Amendment Act are not yet operational, and the City is not aware of the scope of any Regulations that might be made if and when those provisions do become operational.

² Which Policy still appears on the Department's website – see:

<https://www.dlgsc.wa.gov.au/departments/publications/publication/legal-representation-for-council-members-and-employees>

The tracked changes to the Notice of Motion do not show that it is also proposed to amalgamate subclause 2.1(a) into clause 2.1, the effect of which would be to limit the operation of the Policy to instances where proceedings are brought against a council member.

The deletion of subclause (b) would preclude the commencement of any proceedings, in any circumstances (not just defamation proceedings) to permit a Council Member to carry out his or her functions – e.g., to obtain a restraining order against a person using threatening behaviour towards them. In the interests of good governance, it is considered that Council should retain the ability to approve the commencement of proceedings in exceptional circumstances.

The Notice of Motion correctly notes that the Policy is due for review in May 2025. Given the uncertainty noted in the previous paragraph, that no applications have been made for funding pursuant to the Policy and that no funds have been advanced pursuant to the Policy, Officers propose to proceed in accordance with usual practice involving a formal review by officers to ensure legislative compliance and industry norms, the consideration of a report at either the Planning and Asset Services Committee, the Corporate and Community Development Committee or the Governance Committee depending upon the nature of recommendations.

Officers suggest that the Notice of Motion to amend the Policy should not be supported as it is premature and the Policy review should be deferred based on:

- the full extent of legislative changes, including regulation is not yet known
- it removes the opportunity for all Council Members to provide input outside of the formal decision making process of Council; and
- there is no known urgency that suggests an immediate review is required.

Voting Requirements

Simple Majority

Officer Recommendation

That Council not support the Notice of Motion and defers the review of Council Policy - Legal Representation for Council Members until impending legislative changes are finalised.

Notice of Motion from Cr Kelly Middlecoat

That Council **DIRECTS** the Chief Executive Officer to amend the Legal Representation Policy for Council Members as detailed in Attachment 1.

Committee Recommendation

Moved Cr Middlecoat, seconded Cr Schmidt:

That Council **DIRECTS** the Chief Executive Officer to amend the Legal Representation Policy for Council Members as detailed in Attachment 1.

Committee Voting (Carried on the casting vote of the Presiding Member) – 4/3

Council Members voting for the motion:

Cr Middlecoat Cr Schmidt
Cr Buchanan (x 2)

Council Members voting against the motion:

Cr Hume Cr Crichton
Cr Liley

Note: Due to an equality of votes at the Corporate and Community Development meeting, the Presiding Member exercised the obligation to cast a second vote to reach a decision in this matter (Section 5.21(3) of the Local Government Act 1995).

Note: Cr Liley foreshadowed the Officer's Recommendation if the Notice of Motion is lost.

The Committee's Reason for Varying the Officer's Recommendation

Not Applicable

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 Community Development Committee meeting will be held on Tuesday 17 June 2025 in the Council Boardroom, Council Administration Building, Civic Boulevard, Rockingham. The meeting will commence at 5:00pm.
20.	Closure
	There being no further business, the Chairperson thanked those persons present for attending the Corporate and Community Development Committee meeting, and declared the meeting closed 6:44pm .