



Public Agenda Briefing Forum – 14 July 2020

Agenda

Our Vision



Connected Communities, Valuing Nature and Creating our Future Together

Core Values

Service We deliver excellent service by actively engaging and listening to each other.

Respect We trust and respect each other by valuing our differences, communicating openly and showing integrity in all we do.

Diversity We challenge ourselves by keeping our minds open and looking for all possibilities and opportunities.

Ethics We provide honest, open, equitable and responsive leadership by demonstrating high standards of ethical behaviour.

Aspirational Values

Creativity We create and innovate to improve all we do.

Courage We make brave decisions and take calculated risks to lead us to a bold and bright future.

Prosperity We will ensure our District has a robust economy through a mixture of industrial, commercial, service and home based enterprises.

Harmony We will retain our natural assets in balance with our built environment.

Our simple guiding principle will be to ensure everything we do will make Kalamunda socially, environmentally and economically sustainable

kalamunda.wa.gov.au



INFORMATION FOR THE PUBLIC ATTENDING PUBLIC AGENDA BRIEFING

Agenda Briefing Forums will involve Elected Members, employees as determined by the Chief Executive Officer and external advisors (where appropriate) and will be open to the public. **The Briefing Session will be held in the Function Room of the City of Kalamunda commencing at 6.30pm.**

Agenda Briefing Forums will provide the opportunity for Elected Members to be equally informed and seek additional information on matters prior to the presentation of such matters to the next Ordinary Council Meeting for formal consideration and decision.

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1. **Official Opening**
2. **Attendance, Apologies and Leave of Absence**
3. **Declarations of Interest**
- 3.1. **Disclosure of Financial and Proximity Interests**
 - a. Members must disclose the nature of their interest in matter to be discussed at the meeting. (Section 5.56 of the *Local Government Act 1995*.)
 - b. Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Section 5.70 of the *Local Government Act 1995*.)
- 3.2. **Disclosure of Interest Affecting Impartiality**
 - a. Members and staff must disclose their interest in matters to be discussed at the meeting in respect of which the member or employee had given or will give advice.

4. **Announcements by the Member Presiding Without Discussion**

5. **Public Question Time**

Public question time will be allocated a maximum of 10 minutes and will be limited to two (2) minutes per member of the public, with a limit of two (2) verbal questions per member of the public.

Statements are not to precede the asking of a question during public question time. Statements should be made during public submissions.

For the purposes of Minuting, these questions and answers will be summarised.

6. **Public Statement Time**

A period of maximum 10 minutes is provided to allow public statements from the gallery on matters relating to a matter contained on the agenda or the functions of Council. Public Statement Time will be limited to two (2) minutes per member of the public.

Public Statement Time is declared closed following the 10 minute allocated time period, or earlier if there are no further statements.

For the purposes of Minuting, these statements will be summarised.

7. **Public Submissions Received in Writing**

8. **Petitions Received**

9. **Confidential Items Announced But Not Discussed**

- 9.1 **Item 10.1.2 Forrestfield / High Wycombe Stage 1 Industrial Area - Development Contribution Plan Report: Annual Review - Consideration of Submissions and Final Approval – CONFIDENTIAL ATTACHMENTS – Submitters List, Senior Counsel Legal Advice, McLeods – Legal Advice**
Reason for Confidentiality: Local Government Act 1995 (WA) Section 5.23 (2) (b) - "the personal affairs of any person."
Reason for Confidentiality: Local Government Act 1995 (WA) Section 5.23 (2) (d) - "legal advice obtained, or which may be entered into, by the local government which relates to a matter to be discussed."

- 9.2 **Item 10.2.1 Consideration of Tenders for the Supply and Laying of Asphalt Road Surfacing (RFT 2010) – CONFIDENTIAL ATTACHMENTS – Tender Evaluation Report and Price Schedules**
Reason for Confidentiality: Local Government Act 1995 (WA) Section 5.23 (2) (c) - "a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting."

10. Reports to Council

10.1. Development Services Reports

10.1.1. **Proposed Amendment to Existing Local Structure Plan (Mixed Use to a split Mixed Use/Commercial designation)**

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

Previous Items	NA
Directorate	Development Services
Business Unit	Approval Services
File Reference	PG-DEV/049
Applicant	Dynamic Planning and Developments
Owner	SU ATF SU Family Trust, Kim Miew (310 and 318 Hale Road) & The Late Estate of Libero Guiseppa Quaesimin (326 Hale Road)
Attachments	<ol style="list-style-type: none"> 1. Wattle Grove Outline Development Plan Amendment Document [10.1.1.1 - 60 pages] 2. Summary of Submissions Structure Plan Modification Hale Road [10.1.1.2 - 16 pages]

TYPE OF REPORT

- Advocacy When Council is advocating on behalf of the community to another level of government/body/agency
- Executive When Council is undertaking its substantive role of direction setting and oversight (e.g. accepting tenders, adopting plans and budgets)
- Information For Council to note
- Legislative Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal

STRATEGIC PLANNING ALIGNMENT

Kalamunda Advancing Strategic Community Plan to 2027

Priority 3: Kalamunda Develops

Objective 3.1 - To plan for sustainable population growth.

Strategy 3.1.1 - Plan for diverse and sustainable housing, community facilities and industrial development to meet changing social and economic needs.

Priority 3: Kalamunda Develops

Objective 3.3 - To develop and enhance the City's economy.

Strategy 3.3.1 - Facilitate and support the success and growth of industry and businesses.

Priority 3: Kalamunda Develops

Objective 3.4 - To be recognised as a preferred tourism destination.

Strategy 3.4.1 - Facilitate, support and promote, activities and places to visit.

EXECUTIVE SUMMARY

1. The purpose of this report is to consider an amendment to the Wattle Grove Urban Cell – U9 Adopted ODP (Structure Plan), as shown in Attachment 1.
2. The applicant proposes to amend the Structure Plan to change the land use designation of a portion of Lots 192, 193 and 194 (No.326, 318 and 310) Hale Road, Wattle Grove from 'Mixed Use' to 'Commercial'. The general result of the amendment would be that the lots change from 100% 'Mixed Use' to approximately 50% 'Mixed Use', 50% 'Commercial'.
3. During the consultation period nine submissions were received. Three submissions raised no objection to the proposal and six objected to the proposal. The City sent letters to 105 nearby owners and occupiers within a 100-metre radius of the site, including nearby existing commercial sites.
4. It is recommended Council forward the Wattle Grove Urban Cell – U9 Adopted ODP to the Western Australian Planning Commission (WAPC) with a recommendation for approval without modifications.

BACKGROUND

5. **Land Details:**

Land Area:	Lot 192: 9293m2 Lot 193: 8607m2 Lot 194: 5678m2
Local Planning Scheme Zone	Urban Development
Structure Plan Designation:	Mixed Use
Metropolitan Regional Scheme Zone:	Urban

6. **Locality Plan:**



7. **Existing Structure Plan Designations:**



DETAILS AND ANALYSIS

8. The subject lots are currently identified as 'Mixed Use' under the adopted U9 structure plan.
9. The subject sites adjoin two large developed 'Commercial' designated sites to the west (including Aldi), and abut a large continuous Public Open Space reserve to the north-west (Woodlupine Brook).
10. The area on the southern side of Hale Road is a recently established low-density residential area, with medium density residential to the east, and an approved low to medium density residential subdivision and under construction to the south-east.
11. The Structure Plan amendment does not propose any modifications to the nearby movement network or to public open space areas.
12. To support the proposal the applicant has provided the following technical studies:
 - a) Planning Report
 - b) Retail Needs Assessment
13. The City of Kalamunda (City) acknowledges that the sites remain undeveloped, whereas the commercial and residential sites surrounding them are being developed as it was anticipated through the original adopted in 2001, and later amended 2016 Wattle Grove Urban Cell – U9 Adopted ODP.
14. Given the sites remain undeveloped for such a long period of time, the City understands the landowners request to seek additional land use permissibility and considers it appropriate to explore the potential of amending the land use designation of the sites through the Structure Plan amendment process.
15. The purpose of any land use designation amendment should be measured against the context of the site, and whether an amendment is consistent with the broad objectives of the original structure planning process.
16. The subject portion of Hale Road represents a consolidated area of non-residential activity. This portion provides for a range of land uses to be developed with an objective of servicing the needs of the growing local community, and visitors to the area.

17. The conversion of a portion of the 'Mixed Use' designation to 'Commercial' is consistent with the pattern of development, facilitating the provision of non-residential services for the local community, and its visitors. For example, a proposal to modify the land use designation from 'Mixed Use' to 'Light Industry' or 'Residential – R60' would be a significant departure from the planned pattern of development. As a result, the City considers the degree of the modification to be appropriate.
18. The proposed 'Commercial' designation has a direct interface with Hale Road, which is a logical extension of the 'Commercial' designation to the west of the subject sites. This has the potential to establish a consistent character for the non-residential frontage to Hale Road. For example, an inappropriate interface for a 'Commercial' designation would be directly abutting low to medium density residential land.
19. The City notes that the proposed 'Commercial' designation would have residential properties facing it from Wimbridge Road. The City considers the road reserve to be a sufficient separation of the two land uses.
20. To avoid duplication, the matters of increased retail floor space and traffic are discussed in the Consultation section of the report, as they are matters which have been raised through submissions.

APPLICABLE LAW

Metropolitan Region Scheme

21. Under the provisions of the Metropolitan Region Scheme (MRS) the subject site is zoned Urban. The proposed amendment to the structure plan is consistent with the provisions of the MRS.

Planning and Development (Local Planning Schemes) Regulations 2015

22. Schedule 2 Clause 29 (1) of the *Planning and Development (Local Planning Schemes) Regulations 2015* (Regulations) states that:

"A structure plan may be amended by the Commission at the request of the local government or a person who owns the land in the area covered by the plan."

23. Consistent with Clause 29 (1) of the Regulations, the Wattle Grove Urban Cell – U9 Adopted ODP Structure Plan Amendment has been submitted by Dynamic Planning and Development who are the planning consultants acting on behalf of Su Family Trust who are owners of two of the three lots subject to the proposed amendment. It should be noted that not all

landowners are required to be actively part of the Structure Plan amendment process.

24. Under clause 22 (1) of the Regulations, on receipt of a report for a structure plan amendment, the WAPC may:
- a) Approve the Structure Plan; or
 - b) Require the City or the applicant to –
 - i. Modify the Structure Plan in the manner specified by the WAPC; and
 - ii. Resubmit the modified Structure Plan for the WAPC for approval; or
 - c) Refuse to approve the Structure Plan.
25. Pursuant to clause 29 (2) of the Regulations, a Structure Plan amendment must follow the same process for making a fresh structure plan, and the City is required to undertake the following actions:
- a) Determine the level of information required to be provided with the Structure Plan;
 - b) Assess the Structure Plan against appropriate planning principles;
 - c) Advertise the Structure Plan;
 - d) Consider and respond to submissions received during advertising; and
 - e) Prepare a report and recommendation on the proposed Structure Plan amendment and forward the City's recommendation to the WAPC for decision.
26. With regard to clause 29(2)(a), in pre-lodgement discussions the City identified the main technical consideration outside typical planning matters, was information demonstrating the impact of the proposed land use designation change on both the local commercial activities, as well as the wider commercial impact beyond Wattle Grove.
27. The applicant has provided a Retail Needs Analysis which concludes that the proposed development provides an opportunity to reduce a retail gap in the area which is projected to increase by 2026.
28. Over time, the projected retail gap will grow to 6,200m² by 2026 in the catchment area of the development sites, and 40,000m² growing to 60,000m² in 2026 in the broader study area.
29. The Retail Needs Assessment as it has been prepared by Pracsys which is an economics and management consulting firm which specialises in land use studies. The City accepts the modelling and recommendations provided by the technical experts.

30. The risk with land use designation changes such as the one proposed, are that they may divert retail opportunity in a strategic location, which can undermine broad economic and development strategies. This can mean that neither centre reaches its envisaged capacity.
31. As noted above, the Retail Needs Assessment identifies that there is a shortfall of retail floorspace, which means that the proposed amendment equating to 12,000m² of 'Commercial' area, is unlikely to undermine the viability of other nearby retail centres.
32. It is unclear in the current planning framework whether it is appropriate to seek an amended retail assessment, based on the recent economic impact due to Covid-19. As it is unclear whether needs modelling would be impacted by recent global events, Officers recommend proceeding on the basis that the current Retail Needs Assessment is acceptable.
33. With regard to clause 29(2)(b), the amended structure plan has been considered against relevant planning principles. These are discussed later in reference to Local Planning Scheme provisions and State Planning Policies.
34. With regard to clause 29(2)(c), the amended structure plan has been advertised in accordance with Local Planning Policy 11 (LPP11). Detailed discussion is in the Stakeholder Engagement section of this report.

Local Planning Scheme No.3

35. The site subject to the proposed amendment is currently zoned Urban Development under the provisions of Local Planning Scheme No.3 (the Scheme). Clause 4.2.1 of the Scheme outlines the objectives of the Urban Development zone as follows:
- a) To provide orderly and proper planning through the preparation and adoption of Structure Plan setting the overall design for the area.
 - b) To permit the development of land for residential purposes and for commercial and other uses normally associated with residential development.
36. In accordance with the objectives of the Urban Development zone, the preparation of a Structure Plan is required to facilitate future development and subdivision. The proposed amendment to the existing structure plan can be considered an update of the existing structure plan to provide additional land use flexibility for a consolidation of an undeveloped portion of the structure plan area. The proposed structure plan amendment ensures that the existing structure plan is consistent with the Scheme objectives for land zoned Urban Development.

APPLICABLE POLICY

Perth and Peel @ 3.5million – North-East Sub-Regional Planning Framework

37. The North-East Sub-Regional Planning Framework (Sub-Regional Framework) is the strategic planning document that encompasses the area of Forrestfield and sets out proposals to meet future housing, employment and infrastructure needs while protecting environmental and landscape values.
38. The Sub-Regional Framework suggests the development of land zoned Urban and Urban Deferred should occur to accommodate increased urban infill development and higher densities in undeveloped areas already zoned for urban use. The subject site is identified as 'Urban' under the framework and is therefore identified as suitable location for accommodating increased urban development. The Sub-Regional Framework expects that growing populations will be serviced with local employment opportunities, and commercial services in local contexts.

Liveable Neighbourhoods 2009

39. Liveable Neighbourhoods is an operational WAPC policy that guides structure planning and subdivision of large sites. The proposed amendment has been prepared in accordance with the current (January 2009) version of Liveable Neighbourhoods. An updated version of Liveable Neighbourhoods was released by the Department of Planning for the purposes of public review in October 2015.
40. Liveable Neighbourhoods is a performance-based document made up of 8 elements and sub-objectives under each element. These elements include:
- a) Element 1 – Community Design
 - b) Element 2 – Movement Network
 - c) Element 3 – Lot Layout
 - d) Element 4 – Public Parkland
 - e) Element 5 – Urban Water Management
 - f) Element 6 – Utilities
 - g) Element 7 – Activity Centres and Employment
 - h) Element 8 – Schools.

41. The Structure Plan Amendment is broadly consistent with the principals, objectives and requirements of each of the relevant Liveable Neighbourhoods design elements. The main reason for this, is that the proposed amendment does not have implications for the majority of elements, as they are already established and locked in.
42. **Element 1 – Community Design**
- Objective O2 (O2) of Element 1 states that structure plans should *‘provide safe, convenient and attractive neighbourhoods and towns that meet the diverse and changing needs of the community and offer a wide choice of housing, leisure, local employment opportunity and associated community and commercial facilities.’*
43. Consistent with objective O2, the proposed amendment would allow additional flexibility in potential land uses to be developed on the site. A greater range of potential land uses provides flexibility for the development outcomes of the sites to meet the needs of the community, at the time the sites are developed.
44. **Element 2 – Movement Network**
- The emphasis of Liveable Neighbourhoods is on connectivity, amenity, and integration to achieve safe, efficient and attractive street networks.
45. The proposed amendment does not include any changes to the existing road network. The three subject sites are well serviced with wide frontages to Hale Road. There is potential for coordination between the three sites in terms of a shared vehicle access, and reciprocal rights of access between the lots. This is like the arrangements put in place for the commercial sites to the south.
46. **Element 7 – Activity Centres and Employment**
- The emphasis of Liveable Neighbourhoods is for Structure Plans to provide indicative layouts and massing for centres and other employment generating areas.
47. The proposed amendment continues the non-residential theme of land uses on Hale Road which also provide retail and commercial services and employment opportunities.
48. While the change to a ‘Commercial’ designation increases the likelihood of retail-based business which are generally more intensely utilised land uses with greater potential amenity impacts, with that land use intensity comes increased employment opportunities.

49. **City of Kalamunda Local Planning Strategy 2010**
The City's Local Planning Strategy sets out key strategies and actions for the strategic planning direction of the City.
50. The Economic principle of the strategy is to actively assist in the creation of regional wealth, supporting the development of new industries and encouraging economic activity in accordance with sustainable development principles.
51. The proposed amended structure plan is consistent with the principle of encouraging economic activity, as the change in land use designation provides additional commercial land use permissibility. While the land use designation does not guarantee development outcomes, the applicant has indicated that the current land use designation of 'Mixed Use' does not provide the flexibility to facilitate a large development of multiple uses which the landowner anticipates.
52. **City of Kalamunda Draft Activity Centres Strategy 2020**
The City's draft Activity Centres Strategy (draft Strategy) has recently concluded community consultation.
53. The draft Strategy includes Lots 88 and 191 Hale Road (the existing developed commercial sites next to the subject sites) as the Wattle Grove North Neighbourhood Activity Centre.
54. The draft Strategy notes the opportunity to expand existing commercial uses at the site. Retail modelling in the draft strategy reflects the fully developed state of the existing commercial sites and does not predict any future retail demand. The Retail Gravity Model of the Strategy provides a suitable guide for the future expansion and growth of the City's activity centres, and to guide the strategic directions and actions of the City's planning related decisions. The Strategy states that any proposed expansions or new activity centres should be required to undertake a retail sustainability assessment which provides a detailed assessment of the centre to enable the City to make accurate informed decisions.
- The City considers that the Retail Needs Assessment provided by the applicant provides sufficient guidance for the City in making its recommendation.
55. Based on the draft Strategy identifying the potential expansion of commercial activity from the Wattle Grove North Neighbourhood Activity Centre to include the subject sites, the City does not consider the proposed amendment to be out of centre development, instead it amounts to a logical extension of the existing commercial sites.

STAKEHOLDER ENGAGEMENT

56. **Community Consultation**

Consistent with Table One of Local Planning Policy 11– Public Notification of Planning Proposals and Schedule 2 Clause 18 of the LPS Regulations, the proposed amendment was advertised for a period of 14 days concluding on 21 May 2020. An extension was granted for an additional week for submitters 8 and 9 to allow them to complete their submissions.

57. The advertising period involved letters sent to property owners within 100m of the site and a notice of the proposed amendment was published on the City's Website. Due to Covid-19 restrictions being in effect during the advertising process a sign on site and community drop in session were not undertaken.

58. During the consultation period the City received nine submissions, of which six raised concerns or objected to the proposal and three were supportive of the proposal. Key concerns include:

- (a) Impact on existing retail providers;
- (b) Insufficient consideration of traffic impacts;
- (c) Points of vehicle access; and
- (d) Lack of integration with existing development on Hale Road.

Impact on existing retail providers

59. The City acknowledges that the proposed amendment facilitates a wider range of land uses being capable of future approval on the subject sites. With a wider range of land uses being able to be considered brings with it an increased likelihood for potential duplication of uses, including specifically retail uses. However, as no development application has been submitted to the City, any suggestion of conflict is hypothetical at the structure plan phase. The City's Local Planning Scheme does not legislate against competing commercial activities, rather market forces will control the demand for different land uses at the time of future development, meaning that the commercial viability is a matter left to the landowners of the site as they develop in the future.

60. The City notes that the Retail Needs Assessment indicates there will be demand for additional retail floorspace in the area.

61. The City's focus is to ensure that the proposed structure plan amendment is consistent with the planning framework that applies to structure plans. Having due regard to applicable government and state planning policies, on balance the City is satisfied through the retail needs assessment, that the proposed structure plan amendment is unlikely to impact on existing

retail providers, as the demand for retail is projected to increase in line with population growth.

62. As the balance of the site is proposed to remain as 'Mixed Use', there is potential for future development not only to supply retail floorspace, it may also create the demand for it through potential residential based land uses.

Insufficient Consideration of Traffic Impacts

63. The City acknowledges that traffic is an element of the structure planning process for which the applicant has not provided detailed information. However, having due regard for the relevant planning framework, the City does not consider that the proposed amendment warrants detailed traffic information being provided.

64. While detailed traffic information would be a vital part of the structure plan assessment for a proposal to change a rural area to industrial, or to change a low density residential R5 area to high density R80, the City does not consider the proposed amendment likely to have the same traffic impacts.

65. The subject sites are already designated for non-residential uses and many of the land uses which can be considered under the 'Commercial' designation, are already able to be considered under the 'Mixed Use' designation.

66. Given the types of land uses and general development style of those uses (combined buildings with car parking areas), the City considers it appropriate to consider the implications or restrictions of traffic at the development application stage.

67. The possible development outcomes vary significantly, however there are requirements for the impacts of traffic to be assessed at the development application stage, when the true form of the development on the sites is clear. It is at that stage, like many commercial proposals in the City, the applicant will have to demonstrate in sufficient detail which reflects the scale of the development, that the traffic impacts, and access/egress arrangements provide for an orderly planning outcome. If the applicant is not able to demonstrate acceptable traffic impacts, the application is not likely to be supported.

Points of Vehicle Access

68. The specific points of access are typically determined at the development application stage, when the opportunities and constraints of the landowners intended development outcome are known. As one landowner owns the two sites closest to the corner there is flexibility for access points

to be taken either from Hale Road or Wimbridge Road, however this is a matter appropriately dealt with at the development application stage.

69. The City notes that depending on the timeframe for development it is possible that improvements to Hale Road may result in future median islands or other road treatments restricting access to the site.

Lack of Integration with Existing Development on Hale Road

70. The proposed amendment presents as a logical extension of the existing pattern of development along Hale Road. The City considers the proposed amendment to make planning for the stretch of Hale Road more consistent than the current structure plan.

71. The City is satisfied that the proposed amendment would have the potential to integrate with the established built form on Hale Road through the development application process. Given that the proposed amendment applies consistently across three undeveloped sites, it is likely that coordination could occur through the development application process on car parking, access, built form, and landscaping.

72. To ensure that the sites are designed to facilitate reciprocal vehicle and pedestrian access the Council could advise the WAPC that a notation on the amended structure plan would be appropriate.

FINANCIAL CONSIDERATIONS

73. Nil.

SUSTAINABILITY

Social Implications

74. Nil.

Economic Implications

75. The applicant anticipates that the modification to the land use designation will facilitate a future development application for a combined commercial and mixed-use development. Commercial investment in the sites will have a positive benefit on services available to the local community and local employment opportunities.

Environmental Implications

76. Nil. The subject sites have been cleared in the past to facilitate the historical plant nursery and residential land uses.

RISK MANAGEMENT

77.	Risk: Council recommends that the Western Australian Planning Commission (WAPC) refuse the proposed structure plan amendment.		
	Consequence	Likelihood	Rating
	Moderate	Possible	Medium
	Action/Strategy		
	Regardless of Council's recommendation, the final determination of the appropriateness of the amendment will be determined by the WAPC.		
	There is a risk that a recommendation of refusal could be overturned, with Council missing the opportunity to recommend modifications to the amendment.		
	Council should consider whether the amendment is capable of support, subject to amendments.		

CONCLUSION

- 78. The City is satisfied, that, on balance, the proposed amendment to the existing Wattle Grove Urban Cell – U9 Adopted ODP (Structure Plan) represents an orderly extension of the nearby existing 'Commercial' designation.
- 79. It aligns with the City's strategic aspirations to facilitate appropriate development which will both provide services to the local community, as well as provide employment opportunities.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council:

1. RECOMMEND the amended Outline Development Plan be approved by the Western Australian Planning Commission.
2. FORWARD the amended Outline Development Plan to the Western Australian Planning Commission for endorsement.

10.1.2. Forrestfield / High Wycombe Stage 1 Industrial Area - Development Contribution Plan Report: Annual Review - Consideration of Submissions and Final Approval

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

Previous Items	SCM 230/2018, OCM 27/2020
Directorate	Development Services
Business Unit	Strategic Planning
File Reference	PG-STU-028
Applicant	City of Kalamunda
Owner	Various

Attachments	1. DCP Report with attachments [10.1.2.1 - 134 pages]
	2. Consulting Engineers Summary Report - Infrastructure Cost Estimates [10.1.2.2 - 193 pages]
	3. Submission Table [10.1.2.3 - 46 pages]
Confidential Attachments	1. Confidential Submitter List [10.1.2.1 - 1 page]
	2. Senior Counsel – Legal Advice [10.1.2.2. - 12 pages]
	3. McLeods Legal Advice [10.1.2.3 - 19 pages]

Provided under separate cover

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STRATEGIC PLANNING ALIGNMENT

Kalamunda Advancing Strategic Community Plan to 2027

Priority 3: Kalamunda Develops

Objective 3.1 - To plan for sustainable population growth.

Strategy 3.1.1 - Plan for diverse and sustainable housing, community facilities and industrial development to meet changing social and economic needs.

EXECUTIVE SUMMARY

1. The purpose of this report is for the Council to consider submissions received during advertising, and final adoption, of the Forresterfield / High Wycombe Industrial Area Stage 1 (FF/HW Stage 1) – Development Contribution Plan Report (DCP Report) annual review (Attachment 1).
2. At its Ordinary Meeting held 25 February 2020, the Council resolved to adopt the DCP Report and an interim Cost Contribution rate of \$23/m² for the purposes of public advertising. The interim rate was also adopted to be used immediately as the applicable rate for new developments being approved within the DCP area.
3. The DCP Report was advertised to landowners within the FF/HW Stage 1 area during March and April 2020. At the conclusion of the public advertising period, a total of eight submissions were received, comprising six objections and two comments on the matter. Further discussion regarding the nature of objections and comments is provided in the Details and Analysis section of this report.
4. It is recommended that the Council adopt the DCP Report and the Cost Contribution rate of \$22.43/m².

BACKGROUND

5. **Locality Plan:**



6. The Scheme Amendment to include the DCP Scheme within the City's Local Planning Scheme No.3 (LPS3) was gazetted in May 2013. This allowed the City to place on development and subdivision approvals, the obligation to pay a Cost Contribution for common infrastructure and administration costs to manage the DCP.
7. Following the gazettal of the DCP, the Council was required to adopt a DCP Report and cost apportionment schedule. The DCP Report and the associated cost apportionment schedule sets out, in detail, the calculation of cost contributions for development in accordance with the methodology shown in the DCP.
8. The DCP Report needs to be a dynamic document to maintain the currency of the cost of infrastructure, land and other DCP items. The DCP Report does not form part of LPS3 but, once adopted by the Council, is required by Clause 6.5.11.2 of LPS3 to be reviewed at least annually.

9. **Previous Reviews**

Historical rates for the DCP Report review are as follows:

Date Adopted	Cost Contribution Rate
December 2012	\$23.03/m ²
December 2013	\$28.49/m ²
June 2015	\$31.23/m ² Reduced to \$29.66/m ² to account for only 50% of the cost of Sultana Road West.
December 2016	\$29.79/m ²
December 2018	\$17.01/m ² Comprehensive review of utility cost estimates and reduced land value resulting in significant reduction in cost.
February 2020	\$23/m ² interim rate (for advertising and immediate application). Included a review of calculation to ensure consistent with SPP3.6 and LPS3.

10. At its Special Meeting held 3 December 2018, the Council resolved to adopt the DCP Report and the Cost Contribution rate of \$17.01/m².
11. As a consequence of matters arising from the 2018 DCP Report annual review, the City of Kalamunda (City) undertook a thorough review and analysed the DCP to determine compliance with relevant LPS3 provisions and the requirements established through State Planning Policy 3.6 – Development Contributions for Infrastructure (SPP3.6).

- 12. Prior to undertaking the most recent annual review, the City sought advice on the interpretation of the provisions of the LPS3 and SPP 3.6 relating to the calculation and application of the DCP rate. The confidential advices are comprehensive and provide for a way forward which meets the intent and principles of the DCP, LPS3 and SPP3.6. The advices are included as a Confidential Attachment for the benefit of Council.
- 13. The most recent DCP review and procedural adjustments to the operation of the DCP have been undertaken having regard to the advices received.

DETAILS AND ANALYSIS

- 14. **Method for Calculating Contributions**
 Prior to the DCP Report considered by the Council on 25 February 2020, the Cost Contribution was calculated using the whole of the Method for Calculating Contributions (Method) as contained within Schedule 12 of LPS3. This section contains an equation and supplementary notes used for calculating the Cost Contribution Rate as follows:

$\frac{\text{Contribution Rate} = \text{Cost of infrastructure items} + \text{cost of administrative items (\$)}}{\text{Net lot area (m}^2\text{)}}$	} EQUATION
Net lot area = Contribution Area – (Area of Road Reserve + Developed Area)	
Cost Contribution Schedule adopted by the local government for DCA 1 which will be reviewed annually.	} NOTES
Cost of infrastructure items = remaining infrastructure costs – funds held as money	

- 15. As outlined in the report to OCM on 25 February 2020, as a consequence of the application of the above equation in its entirety, together with the supplementary notes, as each landowner makes their cost contribution over time, the developed area is deducted from the ‘net lot area’ and the constructed infrastructure and money collected is also removed from the equation, leaving only the remaining (estimated) infrastructure and administrative costs to be divided by the net lot area of undeveloped land.
- 16. That approach has resulted in some landowners who had developed early, with a rate based on preliminary cost estimates, contributing at a higher rate than landowners who have developed at a later time and with a rate based on the actual cost of infrastructure or more refined estimates. The inclusion of contributions collected, based on higher estimates, as part of the equation also reduced the cost contributions of later landowners, raising issues of equity to those early contributors.
- 17. In addition, the calculation method resulted in the landowners, who are yet to contribute, only making a contribution towards infrastructure that is yet to be built, and not infrastructure that has already been built, and to which the landowner and the development receives a benefit.

18. In summary, the cost of all infrastructure required to be delivered by the DCP has not been fairly distributed amongst all landowners over the course of the DCP's operation.
19. The approach has resulted in a situation that is inconsistent with the overarching principles of determining infrastructure contributions (outlined in SPP3.6) and specifically the principle of equity.
20. In order to comply with the requirements of LPS3 and SPP3.6, and to proceed with the operation of the DCP in a practical and equitable manner, the equation included in the above method will still be used, but the City has been advised that it should not have regard to the supplementary notes included below the equation (in particular the use of 'funds held as money' or contributions collected).
21. This will result in all infrastructure and administrative costs (based on both estimates and on actual costs) being divided by the net lot area (all developable area minus road reserves) and will address the equity issues.
22. A key area of concern raised through submissions received during advertising of the DCP Report, was that the City's interpretation of LPS3, to disregard certain words in the 'Method for Calculating Contributions' (refer to discussion above) would require; an amendment to the LPS3, public advertising, and ultimately the approval of the Minister for Planning through a scheme amendment.
23. In this regard, the City has been advised that the approach adopted does not constitute or require an amendment to LPS 3. Further detail on this aspect are contained within the confidential attachment for the benefit of Council.
24. The objections also refer to the City not undertaking prior advertising before the immediate application of the interim \$23/m² contribution rate. It is argued in Submissions 3 that this process is in breach of the landowners' and developers' rights of consultation and arbitration, as well as accountability in the process of determining the immediate interim rate, in breach of SPP3.6 and the City's LPS 3.
25. It is noted that the City is not required to undertake advertising prior to adopting a DCP Report and a new cost contribution rate. However, the City does in practice advertise during a DCP review to ensure good governance and transparent decision making. It was necessary to apply the interim rate immediately following the Council's consideration on 25 February 2020 to ensure the timely determination of development approvals and building permits and to ensure that any new approvals and consequent

cost contributions would be based on the appropriate calculation method and rate.

26. Previous DCP reviews did not highlight the issue in relation to the use of contributions collected in the equation. Based on the City's review, the use of contributions collected in the calculation of the contribution rate occurs in several other DCPs within the metropolitan area. However, what is evident in these DCPs is that there have not been any significant variances in infrastructure estimates as has occurred in this instance.
27. **Reconciliation of Interim Cost Contributions**
The major infrastructure items within the DCP have been constructed, including the Ashby / Nardine Close connection, Stage 1 of the Nardine Close extension, and major intersection upgrades for Restricted Access Vehicle Classification (RAV) 7 and Bonser Road has recently reached practical completion.
28. There are some infrastructure items (ie. Stage 2 of the Nardine Close extension, Milner Road, Sultana Road West, Berkshire Road and the bush forever fencing) that are yet to be constructed. These items will progressively be constructed as priorities in the DCP are reviewed and funds become available.
29. In addition, there are some other infrastructure items that have either been previously removed or modified (ie. Dundas Road, the Berkshire / Milner intersection and widening to Berkshire Road) as part of reviews to the planning framework for the broader area, or that may no longer be required, resulting in changes to the infrastructure items within DCP over time.
30. The changes over time have impacted the contribution rates that have applied over the same period, along with the transition from estimated costs to actual costs as the rate is continuously reviewed and infrastructure is progressively delivered.
31. LPS3 and SPP3.6 establishes that the contributions that have been paid, or the initial contributions to be paid, when based on estimated costs or a combination of estimated and actual costs, is not final unless pursuant to Clause 6.5.11.4 of LSP3, the City enters into a specific agreement with the owner stipulating the payment based on estimates is a final payment.
32. In the absence of a specific agreement, it is only once all the final infrastructure costs have been established (constructed and paid for) can a final contribution rate for all landowners be determined.

33. In the report to Council on 25 February 2020, it was suggested that the final cost contribution rate could potentially be ascertained in approximately three years (at the conclusion of the 10-year DCP operative timeframe outlined in Schedule 12 of LPS 3). However, in the context of the economic impacts likely to be experienced in the property and development sector because of the COVID-19 pandemic, the take up of development may not occur at the rate previously expected.
34. While it may be possible to ascertain with some certainty and accuracy the estimated costs of outstanding infrastructure items by 2023, it is highly unlikely that all land will be developed and infrastructure items will be constructed by the end of the DCP's operative life.
35. If there is a need to extend the timeframe for the DCP, an amendment to the LPS3 will be required. The City will need to further consider the need for an amendment to extend the timeframe of the DCP having regard to the take up of development over the next three years.
36. Once a final cost contribution rate is known, final invoices or credits for the interim Cost Contributions made will need to be issued. This will mean that some landowners who have paid higher amounts will be provided a credit and some landowners who have paid lower amounts may be required to make an additional contribution.
37. In relation to the landowners who have paid a lower amount, this matter will be considered by the Council at the conclusion of the operation of the DCP when all infrastructure costs and the final financial position of the DCP is known.
38. At the conclusion of the DCP, there may still be some landowners who have not yet developed. The City will have to establish a separate agreement with those landowners to ensure contributions are collected at a future time when they, or a future owner of the land, decide to develop.
39. As part of the review, it has been identified that the landowners of any proposed development will be required to enter into an agreement with the City as a condition of development approval.
40. The agreement will be to formalise the contribution process and ensure security over future payments, as well as providing certainty for any potential credits that may be due at the end of the operation of the DCP.
41. The costs for preparing these agreements have been estimated and are included as an administrative cost within the DCP. It is noted that the estimated costs presented to the OCM on 25 February 2020 was for approximately \$5,000 per agreement (totalling \$150,000 for 31

landowners yet to develop), however this has been revised to approximately \$3,000 (totalling \$90,000) upon further review and in response to submissions received.

42. Initial versions of the DCP calculated contributions based on a gross area (calculated based on total land area) and collected on a net area (deducting areas for road reservations). This resulted in a short fall of contributions of approximately \$195,463. Under the previous DCP calculation methodology, the short fall was proposed to be reconciled at the end of the DCP. As a result of the most recent review, and with payments being considered interim until the conclusion of the DCP, the shortfall will no longer occur as all contributions will be reconciled to the final DCP amount. In this context, the deduction that was previously included has been removed from the calculation of the DCP rate.
43. In summary, based on the requirements of LPS3 and SPP3.6, Cost Contributions that have been made to date are considered interim payments (in the absence of any formal agreement). Furthermore, all future contributions will be considered interim payments until the end of the DCP.
44. At the conclusion of the DCP, when the final contribution rate is known (based on actual costs of all infrastructure), all previous interim contributions made will need to be reconciled against the final rate based on actual costs of the final list of infrastructure items delivered.
45. Five of the submissions received during advertising of the DCP Report raise concern with the approach taken by the City to deem all cost contributions based on estimated costs as 'interim' until actual costs are known (infrastructure is completed) or ascertained with certainty, and to reconcile costs at the end of the DCP's operative life. It is argued that this process is not provided for, or allowed, under the provisions of LPS 3 and is in breach of the principles underlying DCPs, principally transparency and certainty.
46. To summarise the City's approach and the relevant provisions of LPS3 in arriving at this approach, the following is noted:
 - a) Clause 6.5.11.4 provides that where any cost contribution has been calculated on the basis of an estimated cost, the local government is to adjust the cost contribution of any owner in accordance with the revised estimated costs. The City may also accept a cost contribution, based upon estimated costs, as a final cost contribution and enter into an agreement with the owner accordingly to settle the acceptance of the final cost contribution and the terms of acceptance.

- b) Under Clause 6.5.14.1, the owner, with the agreement of the local government, is to pay the Owner's cost contribution by a list of different methods, including "some other method acceptably to the local government" or "any combination of these methods".
- c) Clause 6.5.14.2 provides that an owner, with the agreement of the local government, may pay the Owner's cost contribution in a lump sum, by instalments or in such other manner acceptable to the local government.
- d) Clause 6.5.14.3 provides that payment by an Owner of the cost contribution, including a cost contribution based upon estimated costs, in a manner acceptable to the local government, constitutes full and final discharge of the owner's liability under the DCP and in that event, the local government is required to provide certification in writing to the owner of such discharge if requested.
- e) Clause 6.5.14.3 is clear that an owner only receives a final discharge if a contribution is paid 'in a manner acceptable to the local government'. As outlined above, the City will deem a cost contribution as full and final discharge of the Owner's liability only once all the final infrastructure costs have been established (constructed and paid for) and, a final contribution rate is determined and costs are reconciled to the satisfaction of the City.
- f) It is noted that the local government may accept a cost contribution based upon estimated costs as a final cost contribution but for it to be a final contribution, this is required to be settled through an agreement between the local government and the owner.
- g) An agreement would provide for an adjustment of the owner's cost contribution, being a refund by the City to the owner if the owner's interim cost contribution exceeds the final cost contribution, or alternatively an additional contribution by the owner if the final cost contribution rate exceeds the interim cost contribution.

47. Having regard to the above, it is clear that the LPS3 provisions enable the City to revise the estimate of an owner's cost contribution from time to time, to receive initial payment of a cost contribution, and to make agreements with an owner as to the payment of the whole or any balance of a cost contribution.

48. **DCP Review**

At each DCP Report review, all factors contributing to the contribution rate must be revised. The significant factors reviewed are as follows:

- a) Remaining developable land;
- b) Land requiring acquisition;
- c) Land valuation;
- d) Estimated and actual costs of infrastructure works;
- e) Administration costs; and

f) Priority of infrastructure works.

Further discussion regarding these factors are provided below.

49. **Remaining developable land**

As of the end of March 2020, 31 of the 52 lots (approx. 60% of all lots) within the Development Contribution Area were undeveloped equating to approximately 328,715m² of 662,344.4m² (approx. 50% of land area).

50. Based on the rate of development occurring since the DCP was established in May 2013, the DCP has developed at approximately 50,000m² per year, equivalent to five one-hectare lots which are commonly found in the FF/HW Stage 1 area.

51. **Land Requiring Acquisition**

As of the end of March 2020, 16,277.5m² has been acquired. To facilitate the delivery of infrastructure in the FF/HW Stage 1 area. Approx. 11,789.06m² is required to be acquired, representing approximately 42% of all land required for road construction.

Acquired Area (m ²)	Cost
16,277.5m ²	\$4,225,510
Requiring Acquisition (m ²)	Cost
11,789.06	\$2,947,265

52. It is noted that the detailed designs prepared for Milner Road and Sultana Road West has confirmed that the 93m² land acquisition is no longer required on Lot 200 (103) Milner Road. However, the design process has identified a need for an area to accommodate Western Power switchgear and low voltage kiosk to the northern side of the intersection requiring 18.06m² of land to be acquired, as a result of the removal of a power pole to facilitate intersection works.

53. A breakdown of the land areas acquired and yet to be acquired is provided in the Section 2.3 of the DCP report (Attachment 1).

54. **Land Valuation**

Historical land values that have informed the previous DCP reviews are as follows:

Date DCP Review Adopted	Land Value
December 2012	\$250/m ²
December 2013	\$275/m ²
June 2015	\$260/m ²
December 2016	\$220/m ²

December 2018	\$220/m ²
February 2020	\$240/m ² interim rate (for advertising and immediate application).
June 2020	\$250/m ² (for adoption of the DCP report)

55. It is noted that the land value presented to the Council on 25 February 2020 was \$240/m² based on a land valuation completed in July 2019. In March 2020, an updated land valuation was provided with a land value rate of \$250/m². The land valuation has been appended to the DCP report in Attachment 1.
56. **Estimated and Actual Costs of Infrastructure Works**
As at the end of March 2020, approximately \$3.15m is required to complete the remaining infrastructure works, with \$3.69m spent on infrastructure works to date. Details of these estimates are provided in Attachment 1.
57. The following is noted with regard to the key changes to infrastructure items since the Council's consideration on 25 February 2020 and which have informed the estimated costs in the draft DCP Report currently before the Council for adoption.
58. **Milner Road and Sultana Road West Designs**
In June 2020, the City received detailed designs for Milner Road and Sultana Road West to 85% status engineering drawings. The designs accommodate category Restricted Access Vehicle (RAV) 7 (36.5m long vehicles) for Milner Road between Berkshire Road and Nardine Close, and 'As of Right' (19m semi-trailer) vehicles for Milner Road between Nardine Close and Sultana Road West. Sultana Road West has been designed with a 9m wide pavement for As of Right vehicles.
59. Regarding the designs prepared for the section of Milner Road between Nardine Close and Sultana Road West and the whole of Sultana Road West, prior to completing the 85% design process the City surveyed existing and approved industrial operators who front on to these sections of road. This process confirmed that none of the businesses currently require, or will require in the future, access for larger RAV vehicles beyond the 'As of Right' standard 19m semi-trailer. Accordingly, the design reflects the current and future access needs with a view of minimising unnecessary infrastructure costs.
60. It is important to note that this process has provided greater confidence in the designs, estimated costs and associated project risks. Accordingly, the contingency included in the DCP been reduced from the previous

contingency of 10% for Milner Road and 20% for Sultana Road West to 5% for both items.

61. **Berkshire Road**

In January 2020, the City received State Government funding through the WA Bicycle Network (WABN) scheme to undertake a design for shared paths on Berkshire and Dundas Road. Subject to the designs and construction estimates being finalised in 2021, the City anticipates grant funding for this project to become available. At this stage, it is not certain that WABN funding for construction will be available. As a result, the DCP has been amended for Berkshire Road to remove the shared path item and instead include the completion and necessary upgrades to the existing 2m wide footpath on the northern side of Berkshire Road as the lowest cost / certainty item to facilitate pedestrian movements from the developments of the lots.

62. A clearance assessment has also been undertaken to all overhead services that cross Berkshire Road (Western Power consumer lines) to determine safe clearance requirements for Restricted Access Vehicle routes. This assessment noted that five overhead consumer lines are required to be undergrounded which is anticipated result in a total cost of \$87,500.

63. As a result of a clearly defined scope for works and cost planning on Berkshire Road, the contingency included in the DCP is 5%.

64. **Stage 2 of the Nardine Close extension (Road 2A)**

With regard to Stage 2 of the Nardine Close extension (Road 2A), a development application was approved by the Joint Development Assessment Panel in May 2020 for a place of worship at Lot 50 Sultana Road West, that would utilise Sultana Road West as access entirely, and would not require internal light industrial oriented access to the FF/HW Industrial area, via Nardine Close. Based on the information available to the City, Lot 50 Sultana Road West has been purchased with the intent of developing the site as a place of worship.



65. While the information currently available, and the development approval, indicates that the place of worship development will proceed, the place of worship development has not commenced construction. This leaves open the risk that the development will not proceed and the potential that the site could be developed and used for light industrial purposes. Accordingly, at this stage, the City cannot recommend to Council that Stage 2 of the Nardine Close extension be removed as an item from the DCP until there is certainty that the site does not require access from Nardine Close. To be certain, it is considered that the development should commence for the place of worship development, which generally means that construction has commenced.
66. While the removal of Stage 2 of the Nardine Close extension would reduce land acquisition and road construction costs to the DCP, the existing temporary cul-de-sac would be required to be brought up to a standard fit for a permanent road reserve.
67. The City sought an opinion on the construction requirements and estimated costs to formalise the temporary cul-de-sac in its current position. Due to concerns being raised by one landowner that the existing cul-de-sac arrangement will not provide adequate access to Lot 51, an alternative arrangement was also considered with the cul-de-sac being modified to be centrally located on the boundary dividing Lots 308 and 51.
68. The analysis, which is provided in Attachment 2 of this report, finds that the existing temporary cul-de-sac location would not detrimentally impact access to Lot 51 Sultana Road West and would allow for the installation of crossovers consistent with industrial sites in the area. Furthermore, the retention of the existing cul-de-sac location would result in construction cost savings of approximately \$56,000 and less land area to be acquired. The retention of the existing cul-de-sac location would therefore be the

preferred option in the event that Stage 2 of the Nardine Close extension is removed from the DCP.

69. Necessary works for the retention of the existing cul-de-sac include service relocations, fencing, footpath, a crash barrier to protect the existing dwelling adjacent to the cul-de-sac, and an emergency accessway linking Nardine Close to Sultana Road West for bushfire purposes. Construction costs are estimated to be approximately \$264,400 (ex GST) to make permanent the existing cul-de-sac.
70. On balance, if Stage 2 of the Nardine Close extension (Road 2a) is removed from the DCP, net infrastructure costs and land acquisition would reduce by approximately \$850,000 and the cost contribution rate would reduce to approximately \$21/m².
71. The City will consider, at the time the building has commenced construction, amending the Local Structure Plan and DCP to remove Stage 2.
72. Notwithstanding the City's recommendation in relation to Stage 2, should Council feel comfortable with the level of certainty regarding the place of worship, Council can determine to remove Stage 2 and reduce the DCP rate accordingly.
73. **Administrative Items**
As at the end of March 2020, \$573,912.89 of administrative costs have been spent from the DCP and an estimated \$345,000 is required to administer the DCP for the remaining 3 years, until the conclusion of the 10-year DCP operative timeframe under Schedule 12 of LPS3, unless this period is extended by the City through an LPS3 amendment. Details of these estimates are provided in Attachment 1.
74. As part of the administrative process adopted by the Council on 25 February 2020, the applicant/owner of any proposed development will be required to enter into an agreement with the City as a condition of development approval for the provision of cost contributions. The administrative costs have been reviewed to include the cost of the preparation of the agreement for the remaining properties to be developed within the DCP area. It is noted that the estimated costs presented to the OCM on 25 February 2020 was for approximately \$5,000 per agreement (totalling \$150,000 for 31 landowners yet to develop), however this has been amended to approximately \$3,000 per agreement (totalling \$90,000) upon further review and in response to submissions received.

75. **Priority of Infrastructure Works**

The following items were identified as priorities in the previous DCP reviews and are either completed works or under construction:

- a) Nardine / Ashby Close design, land acquisition and construction;
- b) Nardine Close / Milner Road intersection design and construction;
- c) Ashby Close / Berkshire Road intersection design and construction;
- d) Berkshire / Milner Road intersection design and construction; and
- e) Nardine Close Extension (Road 2A: Stage 1) design and construction.

76. Subject to the availability of funding, the following items are now considered current priority items (listed in order of priority):

- a) Ongoing administration costs, including designs to support detailed cost estimates;
- b) Bonser Road (previously referred to as Road 1) is being prefunded by the landowner of Lot 547 Berkshire Road, the road was completed in June 2020. Although the construction of Bonser Road is completed, this is included in the priority list as the DCP is yet to repay the land acquisition, design and construction costs. It is further noted that this item includes a second stage which will follow the acquisition of truncations from Lots 16 and 17 Berkshire Road, upgrades to bring the Bonser Road intersections up to a standard suitable for category RAV7 vehicles;
- c) Nardine Close Extension (Road 2A: Stage 2) design, land acquisition and construction. In the event that Stage 2 is not required given land use changes in the area, this item will be reprioritised ahead of Bonser Road and replaced with costs associated with bringing the temporary cul-de-sac up to a permanent standard, and design, land acquisition and construction of an emergency accessway on the north-west side of Lots 50 and 51 Sultana Road West;
- d) Berkshire Road foot path and utility adjustments;
- e) Milner Road construction;
- f) Sultana Road West construction; and
- g) Bush Forever Fencing.

77. Should Council decide to remove Stage 2 of the Nardine Close extension as an infrastructure item, the above list will be reprioritised to facilitate land acquisition and construction requirements to make good the temporary arrangements resulting from Stage 1 of the Nardine Close extension (the existing temporary cul-de-sac). In this regard, the priority of works and land acquisition will be included ahead of Bonser Road.

78. As noted above, development in the FF/HW Stage 1 area has occurred at a rate of approximately 50,000m² per year. At the recommended development contribution rate, and assuming development occurs at a

rate consistent with previous years, it can be projected that \$1.1m of income will be provided per year to fund the above items. However, it is noted that the economic impacts of COVID-19 may slow rates of development.

APPLICABLE LAW

79. **Local Planning Scheme No. 3**
The Cost Contributions are administered and determined in accordance with the provisions of Clause 6.5 and Schedule 12 of LPS3.
80. Clause 6.5.11.2 of LPS3 requires the DCP cost estimates to be reviewed at least annually.
81. Clause 6.5.11.4 of LPS3 requires the adjustment of Cost Contributions that are calculated on the basis of an estimated cost (and revised estimated cost) and contemplates an agreement between the City and the landowners to establish a final Cost Contribution based on estimated costs.

APPLICABLE POLICY

82. The review of the DCP has been undertaken in accordance with the requirements of State Planning Policy 3.6 – Development Contributions for Infrastructure.

STAKEHOLDER ENGAGEMENT

83. Following the Council's adoption of the draft DCP Report and an interim Cost Contribution rate of \$23/m², advertising was undertaken with the landowners within the Development Contribution Area in accordance with *Local Planning Policy 11 – Public Notification of Planning Proposals*. Specific correspondence explaining the process was issued to landowners.
84. During the advertising period, a total of eight submissions were received, comprising six objections with comments and two submission commenting on the proposal (Attachment 3). The key comments raised are discussed under the Details and Analysis section of this report.
85. Consulting engineers were engaged to undertake an independent and comprehensive review of infrastructure cost estimates, these estimates have formed the basis of unconstructed works within the DCP Report. A copy of the report containing infrastructure cost estimates is provided in Attachment 2.

86. Prior to undertaking the most recent annual review, the City sought advice on the interpretation of the provisions of the LPS3 and SPP 3.6 relating to the calculation and application of the DCP rate. The confidential advices are comprehensive and provide for a way forward which meets the intent and principles of the DCP, LPS3 and SPP3.6. The advices are included as a Confidential Attachment for the benefit of Council.
87. The most recent DCP review and procedural adjustments to the operation of the DCP have been undertaken having regard to the advices received. The Council noted the advice at its Ordinary Meeting held 25 February 2020.

FINANCIAL CONSIDERATIONS

88. The operation of the DCP presents a major administrative responsibility for the City. While the DCP is self-funded, the City has an implicit obligation to manage the revenues and works.
89. The remaining developable area is reliant on the DCP to provide the necessary infrastructure to facilitate development. In particular, the timely provision of roads and drainage is critical for industrial precincts as most developments rely on these improvements for suitable access. Additionally, the area wouldn't have been rezoned for industrial purposes if the necessary infrastructure was provided.
90. As outlined in the Details and Analysis Section of this report, the reconciliation of costs will be required once a final cost contribution rate is known or ascertained with certainty. This process will involve a credit to those landowners who have paid at a higher rate, with the funds necessary to make this credit being available in the DCP reserve account.
91. Additional contributions may be required from those landowners who have paid at a lower rate. Based on the proposed rate, the anticipated payments would total approximately \$300,000.
92. The Council will consider the reconciliation of any possible future payment at the conclusion of the operation of the DCP.

SUSTAINABILITY

Social Implications

93. The provision of infrastructure in a timely, coordinated and responsible manner can have a significant impact on the quality of life for both existing and future occupiers.

94. Impacts on the quality of life need to be considered at both a micro and macro level, with infrastructure planning needing to deliver net community benefits and recognising that the expectations of not every single landowner will be able to be satisfied.

Economic Implications

95. The implementation of DCPs, as a basic principle, are not intended to deliver infrastructure, services or similar that would not ordinarily be provided through subdivision and development processes; as such, a DCP does not offer any direct economic benefits to an area. DCPs can, however, assist in the timely, efficient and equitable provision of infrastructure that may in turn facilitate economic growth and employment creation.

Environmental Implications

96. The proposed DCP infrastructure is identified in areas where vegetation is predominantly cleared. A portion of road reservation abuts a Bush Forever Reserve and during the construction phase, due consideration will have to be given to ensure impacts to this area are minimised.

RISK MANAGEMENT

97. **Risk:** The removal of Stage 2 of the Nardine Close extension before the City is certain that the place worship development at Lot 50 Sultana Road West will proceed, leaves open the possibility that the site will be developed for light industrial purposes without coordinated access to Nardine Close. The City would potentially, need to fund the road directly from Rates funding or re-introduce Stage 2 at a later review providing uncertainty in the rate and increasingly the number of landowners where additional funds would need to be collected.
- | Consequence | Likelihood | Rating |
|--|------------|--------|
| Major | Possible | High |
| Action/Strategy | | |
| It is recommended that Stage 2 of the Nardine Close extension remain in the DCP until development commences for the place of worship development at Lot 50 Sultana Road West. An amendment to the Local Structure Plan and DCP to remove Stage 2 can occur thereafter. | | |
98. **Risk:** The retention of Stage 2 of the Nardine Close extension as an item in the DCP on the premise that the place worship development at Lot 50 Sultana Road West will proceed, results in the DCP continuing to collect funds for infrastructure that may not be required and result in a higher number of refunds at the conclusion of the operation of the DCP.

Consequence	Likelihood	Rating
Significant	Likely	High
Action/Strategy		
The DCP is structured in a way that payments are interim until the conclusion of the DCP, and if the infrastructure costs reduce in the future through the removal of Stage 2 of the Nardine Close extension, this will be reconciled to the final DCP amount and repayments made accordingly.		

99.

Risk: Not undertaking the review so the Development Contribution Plan is not in alignment with current infrastructure and administrative costs.		
Consequence	Likelihood	Rating
Significant	Rare	Medium
Action/Strategy		
Ensure the Council is aware that a DCP review is required to ensure the new rate is reflective of projected costs to deliver infrastructure works and land purchases. Additionally, Clause 6.5.11.2 of LPS3 states that reviews should occur at least annually.		

100.

Risk: There is insufficient money collected in the DCP to fund infrastructure upgrades.		
Consequence	Likelihood	Rating
Possible	Major	High
Action/Strategy		
Ensure that the City enters into agreements with landowners to ensure the adjustment of Cost Contributions at the end of the DCP's operational life. Undertake annual reviews to ensure the scope of infrastructure remains relevant and to maintain the currency of the cost of infrastructure, land and other DCP items.		

101.

Risk: The City may not be able to secure additional funds from landowners who have paid at a lower amount to the final cost contribution rate.		
Consequence	Likelihood	Rating
Significant	Possible	High
Action/Strategy		
Ensure landowners are advised that the cost contribution is not deemed to be final until a final cost contribution rate is known or ascertained with certainty.		

102.	Risk: Errors are contained within the DCP estimates and calculation.		
	Consequence	Likelihood	Rating
	Major	Possible	High
	Action/Strategy		
	Ensure figures are audited and sourced from financial statements. Ensure cost estimates are reviewed annually and provided by an independent consultant.		

CONCLUSION

- 103. The recommendations contained within this report regarding the interpretation of the method and establishing a Cost Contribution is necessary to ensure an equitable DCP for the remainder of the DCP’s operative life (until approx. 2023) or until a final cost contribution rate is known or ascertained with certainty.
- 104. A process has been proposed to reconcile Cost Contributions only once a final cost contribution is established (i.e. when all the infrastructure is built, and the actual cost of the infrastructure is known). This exercise will involve credits being issued to some landowners who made a higher contribution, and the City may seek additional Cost Contributions from other landowners who contributed at a lower rate.
- 105. The Council will consider the reconciliation of any possible future payment from these owners at the conclusion of the operation of the DCP.
- 106. Based on the recommended method and inputs for establishing the Cost Contribution discussed earlier in this report and the costs outlined in the DCP Report, the Cost Contribution Rate is determined by dividing the total cost of infrastructure and administrative items by the net lot area of the DCA. The following formula has been used in this regard:

Cost of infrastructure items		Cost of administrative items
\$13,937,142.04	+	\$918,912.89
Net lot area of DCA		
662,344.44 m ²		
Contribution Rate	=	\$22.43 /m²

- 107. Accordingly, it is recommended that the Council adopt the DCP Report and the interim Cost Contribution rate of \$22.43/m².

Voting Requirements: Simple Majority

RECOMMENDATION

That Council:

1. NOTE the submissions received during advertising of the Forrestfield / High Wycombe Industrial Area – Stage 1 Development Contribution Plan Report (Attachment 3).
2. ADOPT the Forrestfield / High Wycombe Industrial Area Development Contribution Plan Report (Attachment 1).
3. ADOPT the Cost Contribution Rate of \$22.43/m² effective immediately.
4. AUTHORISE the Chief Executive Officer to issue correspondence to landowners advising of the adopted Cost Contribution Rate.

10.2. Asset Services Reports

10.2.1. Kalamunda Road Functional Review - Abernethy Road to Roe Highway Adoption

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

Previous Items	OCM 175/2019; OCM 35/2020
Directorate	Asset Services
Business Unit	Asset Planning
File Reference	4.00009360
Applicant	N/A
Owner	N/A

Attachments	1. Kalamunda Road Stage 2 Technical Report [10.2.1.1 - 131 pages]
	2. Kalamunda Road Section 1 Abernethy to Wittenoom Concept Plan [10.2.1.2 - 1 page]
	3. Kalamunda Road Section 2 Wittenoom to Cyril Concept Plan [10.2.1.3 - 1 page]
	4. Kalamunda Road Section 3 Cyril to Roe Concept Plan [10.2.1.4 - 1 page]
	5. Kalamunda Road Final Engagement Report [10.2.1.5 - 14 pages]
	6. Kalamunda Road Engagement Comments and Responses [10.2.1.6 - 3 pages]

TYPE OF REPORT

- | | | |
|-------------------------------------|-------------|--|
| <input type="checkbox"/> | Advocacy | When Council is advocating on behalf of the community to another level of government/body/agency |
| <input checked="" type="checkbox"/> | Executive | When Council is undertaking its substantive role of direction setting and oversight (e.g. accepting tenders, adopting plans and budgets) |
| <input type="checkbox"/> | Information | For Council to note |
| <input type="checkbox"/> | Legislative | Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal |

STRATEGIC PLANNING ALIGNMENT

Kalamunda Advancing Strategic Community Plan to 2027

Priority 1: Kalamunda Cares and Interacts

Objective 1.2 - To provide a safe and healthy environment for community to enjoy.

Strategy - 1.2.1 Facilitate a safe community environment.

Priority 1: Kalamunda Cares and Interacts

Objective 1.3 - To support the active participation of local communities.

Strategy 1.3.1 - Support local communities to connect, grow and shape the future of Kalamunda.

Priority 3: Kalamunda Develops

Objective 3.2 - To connect community to quality amenities.

Strategy 3.2.2 - Provide and advocate for improved transport solutions and better connectivity through integrated transport planning.

EXECUTIVE SUMMARY

1. The purpose of this report is to seek Council adoption of the final Kalamunda Road Functional Review and Upgrade Plan (Plan). The Plan will then be used to inform future development activities, planning for and programming of capital works and preparation of grant submissions.
2. In July 2019, the Council adopted the results of a community consultation and endorsed the study to proceed on the basis of a "Lower Capacity Main Street". Subsequently in March 2020 the Council endorsed the plan for advertising to the community.
3. Following public advertising, feedback has been received from 29 respondents with no significant matters that would require a change to the concepts and long-term planning. Council is requested to adopt the plan.

BACKGROUND

4. The purpose of this project was to determine and plan for the optimum function of Kalamunda Road between Roe Highway and Abernethy Road into the future. The project needed to identify a preferred future vision of the functionality of the road and then to complete investigations and modelling to identify relevant costs, designs and works plans which will allow Council to make an informed judgement on the proposal.

5. The City appointed Cardno (WA) Pty Ltd in February 2019 to undertake this project in two stages.
6. Stage 1 of the project involved the preparation of concept plans and to undertake community consultation on these concepts. The community consultation element involved engagement with residents, business owners and other stakeholders via an online survey as well as direct engagement with the community and business owners through a series of workshops, and preliminary constraints mapping and preliminary technical analysis of low impact and high impact options.
7. Stage 1 was completed and reported to Council in July 2019 (OCM 175/2019). Following receipt of 224 survey responses and after considering the responses and comments, the Council adopted the recommendation to proceed with Stage 2 on the basis of a "Lower Capacity Main Street".
8. In March 2020, Council endorsed the Stage 2 designs of the Lower Capacity Main Street for community consultation (OCM 35/2020).

DETAILS AND ANALYSIS

9. This report focuses on two main issues for Council – the proposed layout of Kalamunda Road and intersections (paragraphs 10 to 15) prepared prior to Community Consultation and the outcomes of the Community consultation on this Plan (paragraphs 16 to 27).
10. Stage 2 of the project, involved identifying constraints, traffic modelling, access needs, confirmation of pedestrian and cycling infrastructure needs, stakeholder consultation and preparation of concept designs.
11. The technical report on the investigations associated with Stage 2 is included as Attachment 1. The concept designs are also provided as separate Attachments 2, 3 and 4.
12. Key features of the concept designs include:
 - a) a new roundabout at the intersection of Stirling Crescent and Kalamunda Road;
 - b) closure of Fernan Road access to Kalamunda Road;
 - c) a signalised pedestrian crossing at Fernan Road (subject to Main Roads WA approvals);
 - d) retention of the roundabout at Newburn Road and Kalamunda Road;
 - e) a new roundabout at the intersection of Cyril Road and Kalamunda Road;

- f) a new roundabout at the intersection of Range Court and Kalamunda Road;
 - g) closure of the existing Range View Road access to Kalamunda Road with the opening of Range Court to align with Hawkevale Road at a new roundabout;
 - h) higher quality and extent of cycling and pedestrian infrastructure; and
 - i) improved streetscaping, plants, trees and lighting
13. Key information arising from the traffic modelling includes:
- a) Kalamunda Road is near or at its operational capacity in the vicinity of Hawkevale Road, being 15,000 vehicles per day;
 - b) an estimated 4,823 vehicles will be diverted to the wider road networks as a result of constraining the traffic volumes on Kalamunda Road;
 - c) the types of intersection upgrades are proposed to reflect the level of service of the respective intersections. Intersections that are not proposed to be upgraded have been modelled to operate effectively within the timeframe of the study; and
 - d) there are no speed limit changes proposed as a result of this work.
14. The sections which are recommended to be treated with a high priority in the next few years are Section 2B, Section 2C and Section C:
- a) Section 2B involves retaining the roundabout at Newburn Road and installing a new roundabout at Cyril Road, with streetscaping improvements in between, including at Kenneth Road (\$1.78 Million);
 - b) Section 2C involves improvements at the High Wycombe Village Shopping Centre with the closure of Fernan Road and pedestrian crossing there (\$520,000); and
 - c) Section C involves a new roundabout at the intersection of Range Court and Kalamunda Road, and the closure of Range View Road (\$2.04 Million).
15. The anticipated benefits of this project include the following:
- a) determine the most feasible and preferred function for Kalamunda Road taking into consideration community feedback as well as long-term traffic and movement network demands;
 - b) ensure that the role of Kalamunda Road within the broader movement network continues to function as an effective, efficient and safe road connection for the local community;
 - c) significantly improve road safety for non-motorised road users such as pedestrians, cyclists and other vulnerable users;
 - d) significantly increase active transport and public transport use through the provision of supporting infrastructure;

- e) provide clarity for the City of Kalamunda and landowners in the area with regard to future land ownership and urban development in the context of the future function and design of Kalamunda Road;
 - f) secure support from Council and relevant State Government agencies including the Department of Transport, Main Roads Western Australia, Public Transport Authority and the Department of Planning, Lands and Heritage with regard to the future function and design of Kalamunda Road; and
 - g) ensure that the preferred design aligns with Council and State Government policies and strategies including the City's draft Traffic and Transport Policy, the City's future Integrated Transport Strategy and general higher order road network planning in the area.
16. The stakeholder consultation report for Stage 1 is available in the minutes of the July 2019 Ordinary Council Meeting.
17. The Kalamunda Road Functional Review and Upgrade Plan Draft Report was issued for consultation with the community from 21 April to 18 May 2020.
18. The consultation was delivered under a Communications and Engagement Plan that follows the International Association for Public Participation best practice principles.
19. 5,000 copies of the survey were issued to addresses adjacent to the proposed works, with advertising also undertaken online and responses recorded through the City's Engage website.
20. Details of the reach and other engagement statistics are available to view in the Community Engagement Report, provided as Attachment 5.
21. 29 responses were received on the survey and support for the proposed concept plans was 62.1%, consisting of:
- a) 27.6% strongly agree;
 - b) 34.5% mostly agree;
 - c) 6.9% neutral;
 - d) 27.6% mostly disagree; and
 - e) 3.4% strongly disagree (1 respondent).
22. Those whom strongly and mostly agreed provided comments that reflected:
- a) appreciation of the roundabouts in specific locations;
 - b) appreciation of the use of roundabouts to enable traffic flow, discourage heavy vehicles, and improve safety; and
 - c) appreciation of safety and aesthetics.

23. Those whom disagreed and strongly disagreed provided comments relating to:
- a) dislike of roundabouts;
 - b) concerns regarding specific intersection treatments/proposals; and
 - c) concerns that the treatments won't be effective, particularly around heavy vehicles.
24. Responses to specific comments are provided in Attachment 6.
25. Most of the concerns will be addressed as the City progresses to detailed design, which will include more detailed consultation with the local community.
26. It is noted that whilst only 29 submissions were received for the Stage 2 consultation, the high level of interest in the Stage 1 consultation and preference for the Local Access Road layout suggest that the community is largely satisfied with the decision made by Council in July 2019.
27. None of the concerns were significant enough to require a change to the concept designs and long-term planning. The Kalamunda Road Functional Review and Upgrade Plan can therefore be adopted as per Attachments 1 to 6.

APPLICABLE LAW

28. *Local Government Act 1995.*

APPLICABLE POLICY

29. Nil.

STAKEHOLDER ENGAGEMENT

30. The community was consulted in Stage 1 as identified in a previous report OCM 175/2019.
31. Community consultation was arranged to seek feedback on the draft report. This has been reported above in the detail.

FINANCIAL CONSIDERATIONS

32. All works identified in the Plan will be further scoped and submitted when needed to the City's Capital Works Program. The works are likely to attract State Government funding through the Metropolitan Regional Roads Group Improvement Program.

SUSTAINABILITY

33. The planned upgrade of Kalamunda Road is expected to provide the following benefits:
- ensure that the role of Kalamunda Road within the broader movement network continues to function as an effective, efficient and safe road connection for the local community;
 - significantly improve road safety for non-motorised road users such as pedestrians, cyclists and other vulnerable users;
 - significantly increase active transport and public transport use through the provision of supporting infrastructure;
 - provide indirect economic benefits to the community through increase in amenity and quality of living; and
 - provide environmental benefits by limiting emissions and noise growth from traffic and enhancing street environments.

RISK MANAGEMENT

34.

Risk: That the modelling and assumptions are incorrect leading to poor outcomes.		
Consequence	Likelihood	Rating
Moderate	Unlikely	Low
Action/Strategy		
As this is a long-term plan, there will be ample time to review modelling and update over time with current data.		

35.

Risk: Inability to source funding for the work that results in the City not able to realise the benefits.		
Consequence	Likelihood	Rating
Significant	Unlikely	Medium
Action/Strategy		
Continue to seek funding sources suited to the type of work.		

CONCLUSION

36. The public has been consulted on the Kalamunda Road Functional Review and Upgrade Plan Draft Report. Only 29 responses were received,

suggesting that the majority of the community is accepting of the plan. Given the number of responses received during the 2019 consultation period (224), the City can be confident that the community needs have been successfully incorporated.

37. This Plan puts the City in a strong position of being able to plan the future upgrade of the road and take advantage of funding opportunities as they arrive.
38. With no impediment being identified, the plan can now be finalised and put into use.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council ADOPT the Kalamunda Road Functional Review and Upgrade Plan as shown in Attachments 1 to 4 to this report.

10.2.2. Consideration of Tenders for the Supply and Laying of Asphalt Road Surfacing (RFT 2010)

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

Previous Items	OCM 67/2011; OCM 155/2014; OCM 86/2015
Directorate	Asset Services
Business Unit	Asset Delivery
File Reference	AD-TEN-005
Applicant	N/A
Owner	N/A
Attachments	Nil
Confidential Attachments	1. Tender Evaluation Report [10.2.1.1 – 12 pages] 2. Price Schedules [10.2.1.2 – 13 pages]
Provided under separate cover	<u>Reason for Confidentiality: Local Government Act 1995 s5.23 (c)</u> <i>“a contract entered into, or which may be entered into, by the local government which relates to a matter to be discussed at the meeting.”</i>

TYPE OF REPORT

- Advocacy When Council is advocating on behalf of the community to another level of government/body/agency
- Executive When Council is undertaking its substantive role of direction setting and oversight (e.g. accepting tenders, adopting plans and budgets)
- Information For Council to note
- Legislative Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person’s rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal

STRATEGIC PLANNING ALIGNMENT

Kalamunda Advancing Strategic Community Plan to 2027

Priority 3: Kalamunda Develops

Objective 3.2 - To connect community to quality amenities.

Strategy 3.2.1 - Optimal management of all assets.

Strategy 3.2.2 - Provide and advocate for improved transport solutions and better connectivity through integrated transport planning.

EXECUTIVE SUMMARY

1. The purpose of this report is to consider the acceptance of a tender for the supply and laying of asphalt road surfacing for the City of Kalamunda (City).
2. The City issued a Request for Tender seeking to engage a contractor for Supply and Laying of Asphalt Road Surfacing (RFT 2010).
3. It is recommended Council accept the schedule of rates tender from Fulton Hogan Industries (ACN 000 538 689) for a three-year period, with one single year option for extension.

BACKGROUND

4. The supply and laying of asphalt road surfacing is currently undertaken under Contract 1505 which commenced on 27 July 2015 and is due to expire on 27 July 2020.
5. The scope of works for this tender is for the supply and laying of asphalt road surfacing for a period of three years with an option to extend by one year as per specification and drawings, to areas directed by the City for both operational (maintenance) and capital works.
6. It would not be as cost effective for the City to undertake these works inhouse given the specialist plant required and the 'ad hoc' nature of the works.

DETAILS AND ANALYSIS

7. The City issued RFT 2010 seeking to engage a suitably experienced and qualified Civil Contractor to undertake the supply and laying of asphalt road surfacing to areas directed by the City. Tenders closed on 18 May 2020, with six tenders received by the closing date.

8. Tenders received by the closing date were from the following companies (in alphabetical order):

- a) Asphaltech Pty Ltd;
- b) Civcon Civil Project Management Pty Ltd;
- c) Downer EDI Works Pty Ltd;
- d) Fulton Hogan Industries;
- e) Kee Surfacing Pty Ltd; and
- f) Roads 2000 Pty Ltd.

9. An Evaluation Panel was convened of suitable qualified City Officers to assess the tenders received.

10. Tenders were assessed in a staged process of firstly checking for compliance to matters set out in the tender invitation. Compliant tenders were then assessed against qualitative criteria (again set out in the tender invitation). The Qualitative Criteria and weighting were determined as follows:

Qualitative Criteria	Weighting
Relevant Experience	30%
Tenderer's Resources	20%
Key Personnel Skills & Experience	20%
Demonstrated Understanding of the Requirements	30%

11. Compliant tenders which met or exceeded the qualitative pass mark of 60% were then assessed for price.

12. The six compliant tenders were ranked as follows regarding the Qualitative Criteria:

Tenderer	Score	Rank
Asphaltech Pty Ltd	70%	1
Fulton Hogan Industries	64%	2
Roads 2000 Pty Ltd	61%	3
Downer EDI Works Pty Ltd	60%	4
Civcon Civil Project Management Pty Ltd	50%	5
Kee Surfacing Pty Ltd	41%	6

13. Four tenders achieved the required minimum of 60% as a Qualitative Pass Mark (QPM). The remaining two tenderers below the required QPM were eliminated from further assessment.

14. A price assessment was then undertaken for the remaining four tenders to determine the best value for money outcome for the City.
15. The Tender Evaluation Report is provided as Confidential Attachment 1 to this report.
16. The recommended tender best satisfied the City's requirements in terms of:
 - a) meeting or exceeding the qualitative assessment benchmark;
 - b) proven capacity and capability to undertake the work;
 - c) satisfying reference checks from previous clients;
 - d) satisfying independent financial reference checks of the proposed contractor; and
 - e) providing the best value for money outcome.
17. The Evaluation Panel has recommended Fulton Hogan Industries as the preferred Tenderer based on having best satisfied all criteria in the Evaluation Process and having submitted the most competitive pricing for their services.
18. The basis of the contract is to engage the Contractor on an agreed set of rates to undertake works as needed and within budget provisions. As such, given the effort in scoping the necessary works from year to year, this is the preferred and most efficient way of undertaking works.
19. The contract is proposed to be for an initial term of three years with a further one-year extension option at the discretion of the City. Prices submitted in the Schedule for Rates price schedule remain fixed for the periods specified, except for the adjustment in contract price based on the rise and fall of bitumen prices, which shall be calculated as per the formula given in the Specifications and Scope of Services.

APPLICABLE LAW

20. Section 3.57 of *Local Government Act 1995*. Part 4 of the *Local Government (Functions and General) Regulations 1996*.

APPLICABLE POLICY

21. Policy C-PP01 – Purchasing, has been followed and complied with.

FINANCIAL CONSIDERATIONS

22. It is estimated that the annual spend on asphalt services will be in the order of \$700,000 depending on the approved capital works infrastructure program and the extent of asphalt maintenance works. This cost forms

part of the overall annual budget for both operational (maintenance) and capital works.

SUSTAINABILITY

23. Nil.

RISK MANAGEMENT

24.	Risk: That the Contractor fails to provide the services to the satisfaction of the City requiring the time and cost expense of re-tendering the services		
	Consequence	Likelihood	Rating
	Unlikely	Moderate	Low
	Action/Strategy		
	Corporate scorecard demonstrates financial viability of the Contractor, reference checking has shown good performance elsewhere and the City's tendering documents are explicit in service standards required.		

CONCLUSION

25. Setting in place a contract with known costs for asphalt services for a potential four-year period is an effective and efficient process which overcomes the administrative burden of having to seek quotes on an ongoing basis for both ad hoc and programmed works.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council ACCEPT the tender for the Supply and Laying of Asphalt Road Surfacing (RFT 2010) from Fulton Hogan Industries ACN 000 538 689 as per the schedule of rates set out in Confidential Attachments 1 and 2 for a three-year period from 28 July 2020, with the option of a one-year extension at the City of Kalamunda's discretion.

10.3. Corporate Services Reports

No Reports Presented.

10.4. Office of the CEO Reports

10.4.1. **Community Sporting and Recreation Facility Funding Program - Small Grants Applications August 2020**

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

Previous Items	N/A
Directorate	Office of the CEO
Business Unit	Leisure Planning
File Reference	
Applicant	City of Kalamunda
Owner	City of Kalamunda
Attachments	Nil

TYPE OF REPORT

- Advocacy When Council is advocating on behalf of the community to another level of government/body/agency
- Executive When Council is undertaking is substantive role of direction setting and oversight (eg accepting tenders, adopting plans and budgets)
- Information For Council to note
- Legislative Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal

STRATEGIC PLANNING ALIGNMENT

Kalamunda Advancing Strategic Community Plan to 2027

Priority 1: Kalamunda Cares and Interacts

Objective 1.2 - To provide a safe and healthy environment for community to enjoy.

Strategy- 1.2.3 Provide high quality and accessible recreational and social spaces and facilities.

Strategy - 1.2.1 Facilitate a safe community environment.

Priority 1: Kalamunda Cares and Interacts

Objective 1.3 - To support the active participation of local communities.

Strategy 1.3.1 - Support local communities to connect, grow and shape the future of Kalamunda.

Priority 3: Kalamunda Develops

Objective 3.2 - To connect community to quality amenities.

Strategy 3.2.1 - Optimal management of all assets.

EXECUTIVE SUMMARY

1. The purpose of this report is to seek Council endorsement and rank in priority order two funding applications through the Department of Local Government, Sport and Cultural Industries (DLGSC) Community Sporting and Recreation Facilities Fund (CSRFF) August 2020 Small Grants round.
2. The two CSRFF funding applications being considered are:
 - a) Kalamunda Lesmurdie Little Athletics Club (KLLAC) – Storage area extension.
 - b) Kalamunda Cricket Club (KCC) – Synthetic cricket wicket installation.
3. It is recommended that Council:
 - a) ENDORSE the submission of two CSRFF funding applications in the August 2020 Small Grants Round and rank them in the priority order of:
 - i. Kalamunda Lesmurdie Little Athletics Club – Extension of the storage area within Pat Moran Pavilion at Kalamunda Sporting Precinct.
 - ii. Kalamunda Cricket Club – Installation of a new synthetic cricket wicket in the Northern Oval at Kalamunda Sporting Precinct.
 - b) NOTE an amount of \$38,000 has been included within the City's 2020/21 Budget for the KLLAC storage area extension project.

BACKGROUND

4. Through the CSRFF program, the State Government provides financial assistance to community groups and local governments to develop basic infrastructure for sports and recreation.
5. The CSRFF program aims to increase participation in sports and recreation with an emphasis on increasing physical activity through the provision of well-planned facilities.
6. The maximum CSRFF grant available will be no greater than one third of the total estimated project cost.
7. The DLGSCI requires the City to assess CSRFF applications and rank each application in priority order for funding.
8. All CSRFF applications for the August 2020 Small Grants Round are to be submitted to DLGSC by 4pm on the 14th August 2020.
9. It is anticipated that successful applicants will be advised in October 2020, with funds to be expended by 15 June 2021.
10. The timeline for the CSRFF application process has been brought forward by three weeks in order to approve successful projects sooner, in the anticipation of them providing an immediate economic stimulus, in support of recovery efforts from COVID-19.

DETAILS AND ANALYSIS

KLLAC – Storage Area Extension

11. The KLLAC in partnership with KCC and Kalamunda Districts Junior Football Club (KDJFC) submitted a Capital Grants Application in September 2019 requesting City funding support for the extension of the storage area within Pat Moran Pavilion at Kalamunda Sporting Precinct.
12. The KLLAC currently operate their training programs at the Kalamunda Sporting Precinct in the summer season and store all their athletics equipment in a sea container based on Department of Education ground at Kalamunda Senior High School (KSHS), therefore they are unable to guarantee long term tenure. The sea container is currently located in a position that it is very difficult for children and club volunteers to carry heavy equipment to and from the sports field.
13. The extension of the storage area within Pat Moran Pavilion will provide KLLAC with a permanent storage solution and resolve the need for additional storage from KCC and KDJFC. The project will facilitate KLLAC

becoming a co-tenant of Pat Moran Pavilion, which will provide a further benefit by allowing them to have permanent access to kitchen and toilet facilities. This project is considered a good example of facility colocation and prevents potentially costly facility duplication on the site.

14. Combined, the three user groups are estimated to have a total of 740 members, who will benefit from the project.
15. The Strategic Sport and Recreation Committee (SSRC) supported the need for the project and recommended that Council consider an amount of \$38,000 towards this project in the 2020/21 budget and submit a CSRFF Small Grants Application. The SSRC ranked the project 1 of 2.
16. The total estimated project cost is \$100,500. The CSRFF programs allows the project to receive up to one third of the total estimated project cost.

KCC – Synthetic Cricket Wicket Installation

17. The KCC are seeking to install a new synthetic cricket wicket in the northern oval at the Kalamunda Sporting Precinct. KCC are currently utilising multiple Reserves across the City for their home games, which is not ideal from a player retention, volunteer management and social connectivity perspective. KCC currently has a total membership of 192.
18. KCC has identified that having a new synthetic cricket wicket will provide significant benefits to their club including:
 - a) Being able to host two senior or three junior cricket matches concurrently at the one site. This will enhance player retention and reduce volunteer management issues that are associated with operating sports across multiple venues.
 - b) A cricket wicket being located directly adjacent to Pat Moran Pavilion will provide viewing facilities for players and spectators. This will enable the club to enhance its financial viability as it will retain its existing membership base and enable an expanded kiosk operation.
19. A Deed of Agreement between the City and KCC is currently being developed based on the agreed project principles workshopped with the Reserve stakeholders.
20. The total estimated project cost is \$18,612. KCC has agreed to fully fund the capital installation costs and associated annual operational expenses, however, is seeking external capital funding opportunities to reduce its financial outlay.
21. The two projects have been ranked in the above order due to the:
 - a) SSRC assessment and prioritisation process; and

- b) Level of community benefit for the projects given the number users affected.

APPLICABLE LAW

- 22. *Section 5.56 of the Local Government Act 1995 (WA)* requires that the local government plan for the future of the district.

APPLICABLE POLICY

- 23. Capital Grants Clubs & Community Groups (GOV11) provides key principles, priorities, needs and assessment criteria for future upgrades or new community and recreation infrastructure.

STAKEHOLDER ENGAGEMENT

- 24. KLLAC – Extension of the storage area within Pat Moran Pavilion has been reviewed by the relevant City's Technical Officers and then assessed by the SSRC. This project has been endorsed by the KLLAC, KDJFC and KCC.
- 25. KCC – Installation of a new synthetic cricket wicket has been reviewed by the City's Technical Officers and has been endorsed by the KLLAC, KSHS and KDJFC.
- 26. Should the CSRFF funding be successful with DLGSC, further consultation will be undertaken with the relevant site stakeholders.

FINANCIAL CONSIDERATIONS

- 27. The City of Kalamunda's contribution towards the proposed projects will be dependent on the outcome of the CSRFF applications.
- 28. **KLLAC – Storage area extension**
As resolved at the 30 June 2020, Special Council Meeting, Council adopted the 2020/2021 budget including funding support of up to \$38,000 for the extension of the storage area within Pat Moran Pavilion.

The total estimated project cost is \$100,500. The project is proposed to be funded through the following sources:

Organisation	Funding Contributions ex GST and City overheads
CSRFF	\$33,500
City of Kalamunda	\$38,000
KLLAC, KDJFC and KCC	\$29,000
Total Estimated Project Cost	\$100,500

29. If a CSRFF grant application is successful, then the grant must be acquitted by 15 June 2021.
30. If a CSRFF application is unsuccessful then, Council would need to consider whether to:
- a) fund the full amount of the shortfall (potentially an additional \$33,500 exclusive GST);
 - b) require the relevant sporting clubs to fund the full amount of the shortfall;
 - c) agree to jointly fund the full amount of the shortfall with the relevant sporting clubs;
 - d) not to progress the project this financial year (2020/21) and seek to reapply for funding through CSRFF at the next opportunity being February 2021. Should this occur, funding would not be available until the 2021/22 financial year.

KCC – Synthetic Cricket Wicket Installation

31. KCC did not seek funding through the City of Kalamunda Capital Grants program as they have agreed to fully fund the capital installation costs and annual operational expenses themselves. The project is proposed to be funded through the following sources:

Organisation	Contributions ex GST
CSRFF	\$6,204
City	Nil
KCC	\$12,408
Total Estimated Project Cost	\$18,612

32. If a CSRFF grant application is successful, then the grant must be acquitted by 15 June 2021.
33. If a CSRFF grant application is unsuccessful then, KCC would need to consider its funding options.

SUSTAINABILITY

Social Implications

34. The provision of high-quality community sport and recreation facilities is essential in developing a positive sense of community and health wellbeing.

Economic Implications

35. The implementation of the two applications will likely provide local job opportunities and provide increase economic activity to the local community during the construction phase.

Environmental Implications

36. No environmental implications have been identified for either of the two Applications.

RISK MANAGEMENT

37.

Risk: That the CSRFF applications are unsuccessful.		
Consequence	Likelihood	Rating
Moderate	Possible	Medium
Action/Strategy		
Council and / or the relevant sporting clubs may decide to contribute the full amount of the total estimate project cost, or potentially consider reapplying in a future CSRFF funding round.		

CONCLUSION

38. Two funding applications are being considered through the DLGSC CSRFF August 2020 Small Grants round being:
- KLLAC – Extension of the storage area within Pat Moran Pavilion at Kalamunda Sporting Precinct.
 - KCC (Applicant) – Installation of a new synthetic cricket wicket in the Northern Oval at Kalamunda Sporting Precinct.
39. The two projects have been ranked in the above order due to the:
- SSRC assessment and prioritisation process; and
 - Level of community benefit for the projects given the number users affected.

40. It is anticipated that successful applicants will be advised in October 2020, with funds to be expended by 15 June 2021.

In summary, it is recommended that Council endorse the submission of two CSRFF applications in the August 2020 Small Grants Round.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council:

1. ENDORSE the submission of two Department of Local Government, Sport and Cultural Industries Community Sporting and Recreation Facilities Fund applications in the August 2020 Small Grants Round and rank them in the priority order of:
 - a) Kalamunda Lesmurdie Little Athletics Club – Extension of the storage area within Pat Moran Pavilion at Kalamunda Sporting Precinct.
 - b) Kalamunda Cricket Club – Installation of a new synthetic cricket wicket in the Northern Oval at Kalamunda Sporting Precinct.

2. NOTE an amount of \$38,000 has been included within the City of Kalamunda's 2020/21 Budget for the extension of the storage area within Pat Moran Pavilion at Kalamunda Sporting Precinct.

11. Closure