

TOWN OF COTTESLOE



STRATEGIC PLANNING COMMITTEE MINUTES

MAYOR'S PARLOUR, COTTESLOE CIVIC CENTRE
109 BROOME STREET, COTTESLOE
6.00 PM, WEDNESDAY, 20 AUGUST 2014

CARL ASKEW
Chief Executive Officer

22 August 2014

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STRATEGIC PLANNING COMMITTEE

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6.3 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

7 DECLARATION OF INTERESTS

The CEO declared an impartiality interest in item 10.1.3 Chief Executive Officer's Annual Performance Review, as it directly relates to his employment.

8 CONFIRMATION OF MINUTES

Moved Cr Rowell, seconded Cr Jeanes

[Minutes February 19 2014 Strategic Planning Committee.docx](#)

The Minutes of the Ordinary meeting of the Strategic Planning Committee, held on 19 February 2014 be confirmed.

Carried 3/0

9 PRESENTATIONS**9.1 PETITIONS**

Nil.

9.2 PRESENTATIONS

Nil.

9.3 DEPUTATIONS

Nil.

The Presiding Member considered the reports as per the published order of the agenda.

10 REPORTS**10.1 GENERAL****10.1.1 DEPOT FUNDS STRATEGY**

File Ref: SUB/1824
Attachments: [Depot Funds Allocation Strategy](#)
Responsible Officer: Carl Askew
Chief Executive Officer
Author: Mat Humfrey
Manager Corporate & Community Services

Proposed Meeting Date: 20 August 2014
Author Disclosure of Interest: Nil

SUMMARY

Council is being asked to consider a strategy document that shows how the funds from the immanent sale of the former depot site at 2B Nailsworth Street could be allocated over a period of 10 years.

BACKGROUND

The Town has been progressing the sale of the former depot site for some time. It was recognised many years ago, that the depot occupied very valuable real estate and that its development would not only provide windfall funds, but would provide for the best use of this land.

In 2012, negotiations with the Town of Mosman Park for a common depot site stalled with the Town of Mosman Park not supporting the proposal and the decision was taken to shift depot operations from the Nailsworth Street site to a commercial site on Stack Street in Fremantle. This cleared the way for the depot buildings and facilities to be removed and the site prepared for development.

During 2013 a detailed planning process was completed for the depot site that resulted in subdivision approval being granted. The Town then progressed the sale of the site via a tender process, which requires the purchaser to develop the site in accordance with the approved subdivision plan.

STRATEGIC IMPLICATIONS

The allocation of these funds allows the Town to implement many of the projects that are listed in the Strategic Community Plan that Council has adopted – without placing an added burden on ratepayers.

POLICY IMPLICATIONS

Nil

STATUTORY ENVIRONMENT

The Local Government Act 1995 requires each local government to prepare a Strategic Community Plan and a Corporate Business Plan. These plans are then supported by underpinning plans, such as the 10 Year Financial Plan. This particular document, if adopted, will be incorporated into the 10 Year Financial Plan.

While this document has no legislative weight, it does provide a very clear direction on how Council intends for these funds to be allocated.

FINANCIAL IMPLICATIONS

The sale of the former depot site represents a significant windfall event for the Town. It will allow for a reduction in debt (and lower repayments as a result) and the upgrade and improvement of significant infrastructure, without burdening ratepayers.

The replacement and improvement of infrastructure will reduce the overall maintenance requirements of the Town each year, and will free up resources to undertake further improvements and other preventative measures.

STAFFING IMPLICATIONS

Nil

SUSTAINABILITY IMPLICATIONS

Nil

CONSULTATION

A workshop has been held between elected members and senior staff where projects and ideas were discussed and some priorities assigned to them.

STAFF COMMENT

The imminent settlement of the sale of the former depot site now means that Council has to consider how the funds will be allocated. The funds represent a significant windfall amount for the Town and the strategic allocation of these funds ensures the best return for the residents and ratepayers in the long term.

The attached strategy provides for a balance of short and long term gains for the community, while representing an overall reduction in pressure on rates income. Some of the projects, such as the improvements to ablutions at the beach front, have been a priority for the community for a considerable period of time and should provide the community with a visible benefit for the sale of the former depot site.

The reorganisation and reduction of the Town's debt should also reduce the pressure on rates income in both the medium and long term. The current loans were taken out at a time when interest rates were at much higher levels than they currently are. By initially paying out the loans and only replacing them when required in three years time, there is a strong likelihood that the rate of interest paid will be significantly lower than that of the current loans.

The strategy has also been put together in a way that will allow it to be easily incorporated (and monitored) through any potential reform process. By clearly

articulating how the funds will be allocated (and in what years) it will be easily observed whether or not the commitments are being met. Quite simply, if the projects don't appear in the capital section of the corresponding year's budget, the plan hasn't been honored.

The attached plan is certainly not a spend fest – it represents a responsible allocation of funds. While there are several new assets listed, the majority are replacements and upgrades of existing, somewhat aged, assets – work that would be required to be undertaken at some point in the next 10 years in any case. The Town Centre, ablutions at the beach, beach access paths, Lesser Hall and so on, are assets that are heavily used by the community and currently in need of refurbishment. Council has shown a very high level of responsibility and strategic thinking, to put forward projects and priorities that provide an overall return for the community.

If the document is adopted by Council, the next step will be to undertake a series of budget amendments to the current year's budget, to allow for the allocation of funds as shown in this plan. The budget amendments will be put forward once the date for settlement is confirmed. An additional process will also be undertaken of updating the Long Term Financial Plan, which will be re-presented to Council later this year.

VOTING

Simple Majority

COMMITTEE DISCUSSION

Committee discussed the report and attached strategy, noting that the plan has a 10 year allocation period with most works centred on the first four years. Manager Corporate and Community Services advised that, if adopted, works will commence immediately, with the remainder of the "out years" being included within Council's 10 year long term financial plan, which will be reviewed annually. Funds from the depot sale will be placed in a specific "infrastructure reserve" and held for future allocation. Committee noted the projects listed in the strategy and agreed that some would require further discussion and detailed reporting prior to final commitment of funds. In general Committee supported the strategy, inclusive of the proposal of *paydown* existing debt in order to improve the Town's immediate financial position whilst acknowledging the potential need for project specific loans in the future.

OFFICER RECOMMENDATION

Moved Mayor Dawkins, seconded Cr Rowell

THAT Council adopt the Depot Funds Allocation Strategy 2014 – 2024 as attached.

AMENDMENT

Moved Cr Jeanes, seconded Mayor Dawkins

That the attached strategy be amended so that the contribution towards the Watch Tower be incorporated into the allocation for the implementation of the Foreshore Plan.

Carried 3/0

COMMITTEE RECOMMENDATION

THAT Council adopt the amended Depot Funds Allocation Strategy 2014 – 2024.

AMENDED SUBSTANTIVE MOTION WAS PUT

Carried 3/0

10.1.2 BUSINESS PLAN FOR THE DEVELOPMENT / SALE OF LOTS 2, 4, 6 AND 8 STATION STREET COTTESLOE

File Ref: SUB/1830
Attachments: [Submissions Received](#)
[Amended Business Plan](#)
Responsible Officer: Carl Askew
Chief Executive Officer
Author: Mat Humfrey
Manager Corporate & Community Services
Proposed Meeting Date: 19 August 2014
Author Disclosure of Interest: Nil

SUMMARY

Council has previously resolved to advertise a business plan for the sale of lots 2, 4, 6 and 8 Station Street following some interest in the site itself. A submission period has been completed and the revised business plan is being presented for consideration.

BACKGROUND

The site in question consists of four lots (2, 4, 6 and 8 Station Street) which are currently used as a carpark. The lots appear to have been acquired by the Town in the 1950's although the purpose for which they were acquired is not clear. The land itself is owned fee simple with no memorials or encumbrances on the title. As such, other than the requirement to develop a business plan, there is no other hurdle to the disposal of this valuable asset.

The carpark currently situated there has been in place for a considerable period of time and is currently well used by people visiting the Town Centre, train commuters, as well as people who work within the Town Centre. This use will need to be considered before any development of the lots occurs.

The Town has considered developing this site on many occasions. Development concept plans have typically consisted of a mixed use development, consisting of residential and commercial spaces. While there has been a will to develop the site in recent times, the cost of developing the site to the standard required has prevented the Town from proceeding. It was envisaged that a portion of the proceeds from the sale of the former depot site could be allocated to this development and in turn the profits from the development then used to better the Town's financial position. However impending local government reform plus the complexities and risks associated with such a development, means that a straight sale of the property may represent a better return for the Town's residents and ratepayers.

STRATEGIC IMPLICATIONS

The transaction that would result from the business plan would allow Council to proceed with several strategies and projects that are contained within the Town's Strategic Community Plan.

POLICY IMPLICATIONS

Nil

STATUTORY ENVIRONMENT

The sale of local government assets are covered by sections 3.58 and 3.59 of the Local Government Act 1995, which are reproduced below for reference.

3.58. Disposing of property

- (1) *In this section —*
dispose includes to sell, lease, or otherwise dispose of, whether absolutely or not;
property includes the whole or any part of the interest of a local government in property, but does not include money.
- (2) *Except as stated in this section, a local government can only dispose of property to —*
 - (a) *the highest bidder at public auction; or*
 - (b) *the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.*
- (3) *A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property —*
 - (a) *it gives local public notice of the proposed disposition —*
 - (i) *describing the property concerned; and*
 - (ii) *giving details of the proposed disposition; and*
 - (iii) *inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given;*

and
 - (b) *it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.*
- (4) *The details of a proposed disposition that are required by subsection (3)(a)(ii) include —*
 - (a) *the names of all other parties concerned; and*
 - (b) *the consideration to be received by the local government for the disposition; and*
 - (c) *the market value of the disposition —*
 - (i) *as ascertained by a valuation carried out not more than 6 months before the proposed disposition; or*
 - (ii) *as declared by a resolution of the local government on the basis of a valuation carried out more than 6 months before the proposed disposition that the local government believes to be a*

true indication of the value at the time of the proposed disposition.

- (5) This section does not apply to —
- (a) a disposition of an interest in land under the Land Administration Act 1997 section 189 or 190; or
 - (b) a disposition of property in the course of carrying on a trading undertaking as defined in section 3.59; or
 - (c) anything that the local government provides to a particular person, for a fee or otherwise, in the performance of a function that it has under any written law; or
 - (d) any other disposition that is excluded by regulations from the application of this section.

3.59. Commercial enterprises by local governments

- (1) In this section —
- acquire** has a meaning that accords with the meaning of **dispose**;
- dispose** includes to sell, lease, or otherwise dispose of, whether absolutely or not;
- land transaction** means an agreement, or several agreements for a common purpose, under which a local government is to —
- (a) acquire or dispose of an interest in land; or
 - (b) develop land;
- major land transaction** means a land transaction other than an exempt land transaction if the total value of —
- (a) the consideration under the transaction; and
 - (b) anything done by the local government for achieving the purpose of the transaction,
- is more, or is worth more, than the amount prescribed for the purposes of this definition;
- major trading undertaking** means a trading undertaking that —
- (a) in the last completed financial year, involved; or
 - (b) in the current financial year or the financial year after the current financial year, is likely to involve,
- expenditure by the local government of more than the amount prescribed for the purposes of this definition, except an exempt trading undertaking;
- trading undertaking** means an activity carried on by a local government with a view to producing profit to it, or any other activity carried on by it that is of a kind prescribed for the purposes of this definition, but does not include anything referred to in paragraph (a) or (b) of the definition of **land transaction**.
- (2) Before it —
- (a) commences a major trading undertaking; or
 - (b) enters into a major land transaction; or

- (c) *enters into a land transaction that is preparatory to entry into a major land transaction,*
- a local government is to prepare a business plan.*
- (3) *The business plan is to include an overall assessment of the major trading undertaking or major land transaction and is to include details of —*
- (a) *its expected effect on the provision of facilities and services by the local government; and*
 - (b) *its expected effect on other persons providing facilities and services in the district; and*
 - (c) *its expected financial effect on the local government; and*
 - (d) *its expected effect on matters referred to in the local government's current plan prepared under section 5.56; and*
 - (e) *the ability of the local government to manage the undertaking or the performance of the transaction; and*
 - (f) *any other matter prescribed for the purposes of this subsection.*
- (4) *The local government is to —*
- (a) *give Statewide public notice stating that —*
 - (i) *the local government proposes to commence the major trading undertaking or enter into the major land transaction described in the notice or into a land transaction that is preparatory to that major land transaction; and*
 - (ii) *a copy of the business plan may be inspected or obtained at any place specified in the notice; and*
 - (iii) *submissions about the proposed undertaking or transaction may be made to the local government before a day to be specified in the notice, being a day that is not less than 6 weeks after the notice is given;*
 - and*
 - (b) *make a copy of the business plan available for public inspection in accordance with the notice.*
- (5) *After the last day for submissions, the local government is to consider any submissions made and may decide* to proceed with the undertaking or transaction as proposed or so that it is not significantly different from what was proposed.*
- * Absolute majority required.*
- (5a) *A notice under subsection (4) is also to be published and exhibited as if it were a local public notice.*
- (6) *If the local government wishes to commence an undertaking or transaction that is significantly different from what was proposed it can only do so after it has complied with this section in respect of its new proposal.*
- (7) *The local government can only commence the undertaking or enter into the transaction with the approval of the Minister if it is of a kind for which the regulations require the Minister's approval.*
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- (8) *A local government can only continue carrying on a trading undertaking after it has become a major trading undertaking if it has complied with the requirements of this section that apply to commencing a major trading undertaking, and for the purpose of applying this section in that case a reference in it to commencing the undertaking includes a reference to continuing the undertaking.*
- (9) *A local government can only enter into an agreement, or do anything else, as a result of which a land transaction would become a major land transaction if it has complied with the requirements of this section that apply to entering into a major land transaction, and for the purpose of applying this section in that case a reference in it to entering into the transaction includes a reference to doing anything that would result in the transaction becoming a major land transaction.*
- (10) *For the purposes of this section, regulations may —*
- (a) prescribe any land transaction to be an exempt land transaction;*
 - (b) prescribe any trading undertaking to be an exempt trading undertaking.*

The amount prescribed for the purposes of s3.59 is set out in Regulation 8A of the Local Government (Functions and General) Regulations 1996 – which is reproduced below.

8A. Amount prescribed for major land transactions; exempt land transactions prescribed (Act s. 3.59)

- (1) *The amount prescribed for the purposes of the definition of **major land transaction** in section 3.59(1) of the Act is —*
- (a) if the land transaction is entered into by a local government the district of which is in the metropolitan area or a major regional centre, the amount that is the lesser of —*
 - (i) \$10 000 000; or*
 - (ii) 10% of the operating expenditure incurred by the local government from its municipal fund in the last completed financial year;*
 - or*
 - (b) if the land transaction is entered into by any other local government, the amount that is the lesser of —*
 - (i) \$2 000 000; or*
 - (ii) 10% of the operating expenditure incurred by the local government from its municipal fund in the last completed financial year.*
- (2) *A land transaction is an exempt land transaction for the purposes of section 3.59 of the Act if —*
- (a) the total value of —*
 - (i) the consideration under the transaction; and*
 - (ii) anything done by the local government for achieving the purpose of the transaction,*
-

is more, or is worth more, than the amount prescribed under subregulation (1); and

- (b) *the Minister has, in writing, declared the transaction to be an exempt transaction because the Minister is satisfied that the amount by which the total value exceeds the amount prescribed under subregulation (1) is not significant taking into account —*
- (i) the total value of the transaction; or*
 - (ii) variations throughout the State in the value of land*

The net impact of these sections and regulations is that if the Town wishes to sell a piece of land which is worth more than approximately \$1,400,000 – there are two stages that must be completed. The first is that a business plan must be developed and advertised for the required period of time (6 weeks). Following the consideration of any feedback received, the Town would then need to comply with the requirements of section 3.58 of the Act for the sale of the assets concerned.

It is important to note that s3.59 is quite specific in that the local government must prepare the business plan BEFORE it enters into a major land transaction. As such it is not possible to even consider an offer or to advertise for tenders (or advertise the sale in any way) before the steps required to prepare a business plan have been completed.

FINANCIAL IMPLICATIONS

The costs associated with the preparation and advertising of the business plan have been met within the adopted budget for the 2013/2014 financial year.

If the sale were to proceed as outlined, there would be a significant windfall gain for the Town of Cottesloe.

STAFFING IMPLICATIONS

Nil

SUSTAINABILITY IMPLICATIONS

Nil

CONSULTATION

One of the requirements of s3.59 is that the business plan must be advertised for a period not less than 6 weeks. At the closing of the advertising period, Council must consider any submissions received before it adopts the business plan – with or without modification.

The relevant notices and advertisements have been placed and feedback has been received. Staff have also attended two ProCott meetings, one being the Annual General Meeting, to directly engage with as many proprietors has possible. Administration staff have also worked with ProCott to encourage the best possible response. ProCott's efforts in this respect have been appreciated and inspection of the documents received would suggest that without their effort and involvement, the number of submissions received would have been significantly lower.

STAFF COMMENT

At present, this valuable asset sits in a vulnerable position. It is owned fee simple with no encumbrances, it is valuable and to an outsider, it can be “replaced” with relative ease. In the event of any local government reform, this is an asset that could be looked at to fund the costs of reform.

In ProCott's letter to businesses in the area, the following statement was made:

“Many of you will remember the difficulties Cottesloe businesses experienced with the shortage of medium term parking before the new 48 bay Station Street parking area was built. Many customers, receiving parking infringements and fines migrated to the plentiful parking offered in Claremont.”

The issues referred to in this statement were culmination of factors that were not of the Town's making. Three separate issues converged at this time, all of which had an impact on retail in the Cottesloe area.

Firstly, centre management at the nearby Cottesloe Central changed the way in which they enforced their parking restrictions. Many staff who'd previously parked at Cottesloe Central relocated to the Town Centre, where parking enforcement was viewed as much weaker.

Secondly, at the same time, the redevelopment of the Claremont shopping precinct was completed and opened for business. As with any redevelopment it had an initial attraction and took customers from other areas. At the time, there was also significant coverage about traders in Subiaco, also voicing concerns about their area and the loss of customers to Claremont.

Lastly, at or about this time, changes at nearby train stations prevented commuters from parking at these locations, which forced Public Transport Authority (PTA) patrons to look for alternate parking. This resulted in an increase in commuter parking within the Town Centre.

These three factors together created a squeeze which required further enforcement action. While the enforcement action was unpopular at the time, it did mean that staff and commuters made other arrangements, allowing more space for customers. While lessons were learned from the enforcement action, overall, it achieved the objective required of it.

Current parking data:

The current data from the Station Street car parks do not support the assertion that this car park is used primarily by customers at these shops, in fact it shows that largely this car park is not available to shop customers. The parking detection system installed (MeterEye) shows that this car park is 30% occupied by 8.00am and 70% occupied by 9.00am, most weekday mornings. This leaves less than one third available for customers. This trend is long standing and demonstrated consistently over a number of weeks during summer and winter periods.

If the figure of 70% is used, it would suggest that of the 52 bays available, 36 are used by staff or commuters with the remaining 16 available for customers and clients.

The eastern carpark (installed late last year) is rarely over 50% full between 9.00am and 5.00pm on weekdays. Peaks are seen between 12 noon and 2.00pm of around 50% to 60% and a slightly higher peak on Friday afternoons (around 70%). Essentially this means that most of the time, there are between 15 and 20 bays available within this carpark.

Requests from ProCott

The requests from ProCott are as follows:

1. *A replacement parking station with the same or greater number of parking bays be identified & agreed as suitable by both Council and ProCott members through discussions with ProCott*
2. *The replacement car park be situated on the town side of the railway line and equally as close to the town shopping centre as the existing parking station.*
3. *Before demolition of the existing Station Street carpark, the replacement parking station be completed to avoid parking congestion*
4. *That high definition surveillance cameras be installed together with suitable lighting.*
5. *That a public toilet be built on the replacement parking station.*
6. *A proportion of the funds raised from the sale of the parking station be allocated to the Council's current budget for improving the shopping district.*

The majority of submissions received supported all six of these recommendations. Others made further comments about the current state of parking arrangements in the area and pressures on retailers in this district generally. All of these comments have been noted.

On the first and second recommendation from ProCott, there are no existing sites within the Town Centre where a 52 bay carpark could be installed with the exception of a multistorey carpark on the newly completed eastern carpark at significant cost. Simply put, the Town Centre is completely developed and there is no land available for that purpose. However, if the larger picture is considered, there are options that can be put in place.

The data has revealed that a sizeable portion of the carpark in question does not appear to be used by customers, but probably more likely by staff and commuters. With 70% or more of the carpark occupied by 9.00am, there is little room left for retail customers or clients.

If the carpark were removed now and not replaced, then there is a high probability that there would be increased parking pressures, as the staff and commuters would seek alternative parking locations. However, feedback at the ProCott AGM did indicate that staff would park on the opposite side of the railway line, if parking was free, untimed and secure. Commuters, would also be able to park on the opposite side of the line, however, it would be likely that the PTA would seek to impose the \$2 fee as it does at other stations.

The only potential site in the Town Centre where additional parking could be considered is the land currently occupied by the train station parking itself. The land is currently controlled and occupied by the PTA and is used to provide a large ramp and a small amount of parking – which provides direct access to the train station itself. Recent discussions with urban planners TPG have suggested that this area is one priority for the Town as significant improvement works are needed. There is an opportunity to address both the visual appeal and replacement parking required, however the option would involve significant expense and negotiation with the Public Transport Authority.

Recommendations 4, 5 and 6 are able to be addressed through the business plan adoption, should Council wish to do so. One of the main objectives of the business plan approach outlined in s3.59 of the Act, is to ensure that communities benefit from the sale of their assets, and that any impacts on the community are mitigated. As such, an amendment has been made to the business plan (as attached) that sets aside a portion of the funds for the construction of new carpark (with CCTV), a portion of funds for the construction of a new public toilet and the setting aside of funds for the redevelopment of the Town Centre itself.

The business plan has provided for the construction of a new public toilet either within the new carpark, as part of the development at the site or at a location close to the train station. The reason for this is that anecdotally the requests for the use of toilets is coming from people who have arrived by train and the Town already supplies a set of public toilets within the Grove Library. As such, it may be that a set of toilets closer to the train station end of the Town Centre would be preferable. However, the option still exists for the Town to install the public toilets within the carpark if this is seen as the most viable option.

Setting aside sale proceeds for the redevelopment of the Town Centre itself can be achieved by allocating a portion of the funds to an appropriate reserve. The funds can then be drawn down as needed to implement improvements. These improvements can be implemented over a number of years and do not need to be known at the time of adopting the business plan.

The last three submissions received were from developers or investment firms with an interest in acquiring the lots in question. Given that the Town has already had an inquiry, this suggests that the level of interest in developing the land is quite high.

While there has been a great focus on the potential loss of parking spaces associated with any development, there has been little focus on the benefits of any development on the site. Council has previously looked at developing this site itself – providing a mix of residential and commercial uses. Importantly, at no stage has additional retail space been considered for this site.

An increase in commercial space and residential units in this location, will bring additional customers to the local businesses by its very existence. Anyone working in the commercial space will be within easy walking distance of all of the shops in the location as will anyone living in any units constructed. If a similar number of parking spaces can be preserved for customers and clients, then any development will increase the number of customers available, not decrease them. Further, the new

customers will not be influenced by other locations, as the convenience of being so close to the shops will over ride the want to get in a car and travel somewhere else.

There have been press reports stating that Council has received offers of \$1,500,000 for this site. This is an unfortunate misquote from the previous report on this item. The Town of Cottesloe has a requirement to prepare a business plan for any land transaction where the likely value of the land is \$1,400,000 or MORE. Recent valuations undertaken for the purposes of fair value reporting indicate that the site will be worth significantly more than the threshold value, but as the site may be subject to a tender process or auction, it wouldn't be prudent at this stage to reveal the exact value received.

Redevelopment of town centre precincts, by their very nature, are expensive and often controversial. In recent times, redevelopments have included residential developments on top of commercial or retail developments, firstly because of demand for such accommodation and secondly because the residential sales offset some of the significant capital costs – which take a very long time to recover from lease payments alone.

A meaningful redevelopment in the Town Centre, is likely to cost several million dollars over 3 to 5 years. At present the Town simply does not have access to such funding – with all the assets it currently owns in the area being used as carparks. Any loans taken out to undertake such a redevelopment would be unlikely to return any direct benefit to the Town, as the increase in rates generated would be very small. If a meaningful redevelopment is to be undertaken it is likely that some form of redevelopment on this site will be needed to simply generate the funds required.

VOTING

Absolute Majority

COMMITTEE DISCUSSION

Committee discussed the report and associated amended Business Plan including the need to ensure that replacement parking be in place prior to any sale and/or loss of parking. There was also more general discussion related to the future redevelopment and planning of the Town Centre. Committee acknowledged the strategy of having a Business Plan in place for the land and also noted the capacity of the Administration to manage and deliver on a range of additional projects in a short period of time. Committee also noted that any decision to sell the land could not be considered before a Business Plan had been adopted and that this would require a further report to Council, hence the “Advice Note” added to the recommendation.

OFFICER RECOMMENDATION

Moved Cr Jeanes, seconded Mayor Dawkins

THAT Council

1. Note the submissions received as attached to this report;
2. Adopt the amended business plan (as attached), specifically noting the requirement to provide the equivalent number of parking bays for customers and clients within the Town Centre itself, arrangements for staff parking and a

commitment that 50% of the funds from the sale be set aside for improvements within the Town Centre

3. Thank all those that made a submission, and in particular ProCott for their efforts in encouraging proprietors to participate in this process.

AMENDMENT

Moved Cr Jeanes, seconded Mayor Dawkins

That an advice note be added to the recommendation to state that: the sale of the land is subject to future Council resolution.

Carried 3/0

COMMITTEE RECOMMENDATION

THAT Council

1. **Note the submissions received as attached to this report;**
2. **Adopt the amended business plan (as attached), specifically noting the requirement to provide the equivalent number of parking bays for customers and clients within the Town Centre itself, arrangements for staff parking and a commitment that 50% of the funds from the sale be set aside for improvements within the Town Centre**
3. **Thank all those that made a submission, and in particular ProCott for their efforts in encouraging proprietors to participate in this process.**

ADVICE NOTE:

The sale of the land is subject to future Council resolution.

AMENDED SUBSTANTIVE MOTION WAS PUT

Carried 3/0

The CEO declared an impartiality interest in item 10.1.3 Chief Executive Officer's Annual Performance Review, as it directly relates to his employment and stated that as a consequence there may be a perception that his impartiality may be affected. Committee considered the declaration and agreed that the CEO should remain the meeting for decision of the item.

10.1.3 CHIEF EXECUTIVE OFFICER'S ANNUAL PERFORMANCE REVIEW

File Ref: PER/94
Responsible Officer: Carl Askew
Chief Executive Officer
Author: Carl Askew
Chief Executive Officer

Proposed Meeting Date: 20 August 2014
Author Disclosure of Interest The author has an interest in the matter as it directly relates to his employment.

SUMMARY

This report recommends that Council confirm the establishment of the Panel for the Chief Executive Officer's annual performance appraisal in order to make recommendations to Council in accordance with Clause 5 of the Chief Executive Officer's contract of employment.

It further recommends that Council invite Mr John Phillips from JCP Consulting, to join the panel to provide independent facilitation and professional advisory services.

BACKGROUND

In December 2013 Council considered a report in relation to the CEO's performance review and Key Result Areas (KRA's) for 2014. Specifically it resolved, in part;

That:

1. *Council receive this Performance Review report and endorses the overall rating of satisfactory - meeting the performance requirements of the position of Chief Executive Officer of the Town of Cottesloe.*
2. *The next review of the CEO's performance to be conducted by November 2014*
3. *Endorses the Key Result Areas for the 2014 appraisal period.*

Carried 8/0

In accordance with the Position Description for the Chief Executive Officer the principal Objectives of the position are;

- Provides visionary leadership and strategic management and direction for the Town of Cottesloe.
- Provides the primary link through effective engagement between the Council, Staff, Stakeholders and the Community to achieve the Town's goals and objectives.

- Responsible for ensuring the highest level of business excellence, integrity, corporate governance and accountability, which is demonstrated within an environment of transparency, trust, openness, honesty and fairness for all.
- Commits to “Broad Objectives for the Future” in the Community Plan including;
 - Protecting and enhancing the lifestyle of residents and visitors.
 - Resolving the divisive nature of the configuration of the railway and main roads.
 - Enhancing beach access and the foreshore.
 - Managing the complexities involved in pressures for development.
 - Managing infrastructure and council buildings in a sustainable way.
 - Earning the community’s confidence in council.

Clause 6.9 of the CEO’s contract reads as follows;

6.9 Annual review

6.9.1 The Remuneration Package shall be reviewed annually by the Council.

6.9.2 In a review under sub-clause 6.9.1 there is no obligation on the Local Government to increase the salary or amount of the Remuneration Package and the Local Government shall not reduce the salary or the Remuneration Package.

In May 2014 WALGA announced a change to its organisation structure and the position of Executive Manager Workplace Relations was made redundant. As part of that process the occupant of that position, Mr Phillips, negotiated to continue to provide specialty expert services as a preferred consultant, including CEO reviews to WALGA members. For the last 5 years Mr Phillips has provided this service to Council and it is proposed to continue this practice in 2014.

STRATEGIC IMPLICATIONS

The achievement of Council’s Strategic Community Plan is related to the performance of the Chief Executive Officer.

POLICY IMPLICATIONS

Nil

STATUTORY ENVIRONMENT

The relevant sections of the Local Government Act read, in part, as follows:

5.23. Meetings generally open to the public

- (1) *Subject to subsection (2), the following are to be open to members of the public —*
- (a) *all council meetings; and*
 - (b) *all meetings of any committee to which a local government power or duty has been delegated.*

- (2) *If a meeting is being held by a council or by a committee referred to in subsection (1)(b), the council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following —*
- (a) *a matter affecting an employee or employees;*
 - (b) *the personal affairs of any person;*
 - (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.*
- (3) *A decision to close a meeting or part of a meeting and the reason for the decision are to be recorded in the minutes of the meeting.*

5.38. Annual review of certain employees' performances

The performance of each employee who is employed for a term of more than one year, including the CEO and each senior employee, is to be reviewed at least once in relation to every year of the employment.

5.39. Contracts for CEO's and senior employees

(1) Subject to subsection (1a), the employment of a person who is a CEO or a senior employee is to be governed by a written contract in accordance with this section.

(1a) Despite subsection (1) -

- (a) an employee may act in the position of a CEO or a senior employee for a term not exceeding one year without a written contract for the position in which he or she is acting; and*
- (b) a person may be employed by a local government as a senior employee for a term not exceeding 3 months, during any 2 year period, without a written contract.*

(2) A contract under this section -

- (a) in the case of an acting or temporary position, cannot be for a term exceeding one year;*
- (b) in every other case, cannot be for a term exceeding 5 years.*

(3) A contract under this section is of no effect unless -

- (a) the expiry date is specified in the contract;*
- (b) there are specified in the contract performance criteria for the purpose of reviewing the person's performance; and*
- (c) any other matter that has been prescribed as a matter to be included in the contract has been included.*

(4) A contract under this section is to be renewable and subject to subsection (5), may be varied.

(5) A provision in, or condition of, an agreement or arrangement has no effect if it purports to affect the application of any provision of this section.

(6) Nothing in subsection (2) or (3)(a) prevents a contract for a period that is within the limits set out in subsection 2(a) or (b) from being terminated within that period on the happening of an event specified in the contract.

(7) A report made by the Salaries and Allowances Tribunal, under section 7A of the Salaries and Allowances Act 1975, containing recommendations as to the remuneration to be paid or provided to a CEO is to be taken into account by the local government before entering into, or renewing, a contract of employment with a CEO.

Regulation 18D:

- *The performance of the CEO be reviewed at least once a year;*
- *The CEO will have a written contract of employment, which shall include performance criteria for the purpose of conducting a review. and,*
- *A Local Government is to consider each review on the performance of the CEO carried out under section 5.38 and is to accept the review, with or without modification, or to reject the review.*

FINANCIAL IMPLICATIONS

Any change in remuneration will have a budgetary impact. The current budget allows for an increase in line with the Town's current Enterprise Agreement.

STAFFING IMPLICATIONS

Annual review of the CEO's performance is a requirement under the LG Act and Regulations.

SUSTAINABILITY IMPLICATIONS

Nil

CONSULTATION

Mayor

STAFF COMMENT

In August 2013 Council resolved that the Strategic Planning Committee be appointed as the CEO's Contract and Performance Review Panel. This was further noted and resolved in October 2013, after the Council elections, when council appointed the Strategic Planning Committee as the CEO's Contract and Performance Review Panel.

The review process is conducted by the Panel under the auspices of the Mayor (whose role is to *"liaise with the CEO on the Local Government's affairs and the performance of its functions"*) and it was recommended that evaluation of performance should also invite input from all elected members.

As previously approved, a number of specific Key Result Areas (KRA's) for the CEO were identified and endorsed by Council in December 2013. In accordance with Council's December 2013 resolution, the CEO's performance and remuneration review should be completed by November 2014. Initial contact with Mr John Phillips, JCP Consulting has confirmed his availability to once again support Council and the Review Panel with facilitation and professional advisory services. As with previous years the review process will allow "the opportunity for elected members to meet with the facilitator to provide feedback" and this has been discussed with Mr Phillips for inclusion in the review process.

VOTING

Simple Majority

OFFICER RECOMMENDATION

Moved Cr Jeanes, seconded Cr Rowell

THAT Council

1. Confirm the appointment of the Strategic Planning Committee as the CEO's Contract and Performance Review Panel with its role/responsibility being to;
 - a. Conduct the CEO's annual performance review based upon the performance objectives set for 2014 with the process to include the opportunity for elected members to meet with the facilitator to provide feedback.
 - b. Make recommendations to Council on the CEO's contract, remuneration and performance objectives for 2015.
2. Invite Mr John Phillips of JCP Consulting to join the panel to provide independent facilitation and professional advisory services.

AMENDMENT

Moved Cr Jeanes, seconded Cr Rowell

That in part 2, the words "Mr John Phillips of JCP Consulting" be deleted and be replaced with "a consultant".

Carried 3/0

COMMITTEE RECOMMENDATION

1. Confirm the appointment of the Strategic Planning Committee as the CEO's Contract and Performance Review Panel with its role/responsibility being to;
 - a. Conduct the CEO's annual performance review based upon the performance objectives set for 2014 with the process to include the opportunity for elected members to meet with the facilitator to provide feedback.
 - b. Make recommendations to Council on the CEO's contract, remuneration and performance objectives for 2015.
2. Invite a consultant to join the panel to provide independent facilitation and professional advisory services.

AMENDED SUBSTANTIVE MOTION WAS PUT

Carried 3/0

10.1.4 INTERGRATED PLANNING AND REPORTING - DRAFT WORKFORCE PLAN 2014/2018

File Ref: SUB/1732
Attachments: [Draft Workforce Plan 2014_2018](#)
Responsible Officer: Carl Askew
Chief Executive Officer
Author: Lydia Giles
Executive Officer

Proposed Meeting Date: 20 August 2014
Author Disclosure of Interest Nil

SUMMARY

This report provides a draft Workforce Plan which identifies the Town's current workforce profile and its organisational structure which supports the Town's activities and in particular it's Corporate Business Plan and is presented for Council to note.

BACKGROUND

Local Governments are required to develop and adopt a Strategic Community Plan and Corporate Business Plan. Workforce Planning is a supporting component of the Integrated Planning and Reporting Framework (see figure 1) which support these two plans.

The Workforce Plan is intended to:

- identify the current workforce profile and organisation structure
- identify gaps between the current profile and organisational requirements
- indentify organisational activities to foster and develop workforce
- ensure that workforce requirement is budgeted for in the Corporate Business Plan and Long Term Financial Plan.

The Workforce Plan includes;

- Historical Background and statistical Facts
- Current organisational Structure
- Workforce Profile
- Staff Turnover
- OSH Policy Statement
- EEO Policy Statement
- Training and Development
- Existing Workforce Support Strategies
- Future Outlook
- Workforce Costs

STRATEGIC IMPLICATIONS

The Workforce Plan supports the Strategic Community Plan.

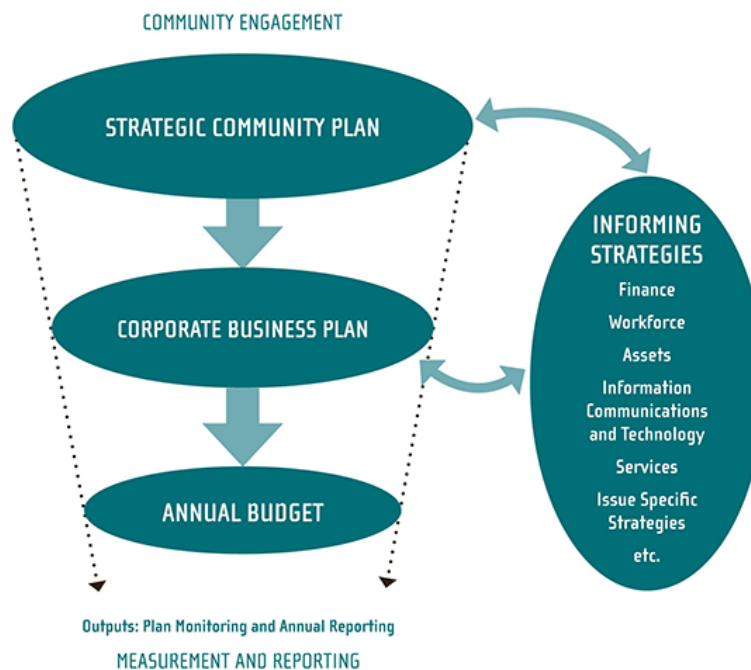
POLICY IMPLICATIONS

Nil

Figure 1

Integrated planning and reporting gives local governments a framework for establishing local priorities and to link this information to operational functions.

Elements of the Integrated Planning Framework



Source: <http://integratedplanning.dlg.wa.gov.au/AboutIntegratedPlanning.aspx>

STATUTORY ENVIRONMENT

Local Government Act 5.56. Planning for the future

- (1) A local government is to plan for the future of the district.
- (2) A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.

Local Government (Administration) Regulations 1996 – S.19Ba, 19C and 19DA. Amendments to the 'planning for the future' regulations in the Local Government (Administration) Regulations 1996 mandate that from 30 June 2013 a local government's plan for the future will comprise a Strategic Community Plan and a Corporate Business Plan for its district

FINANCIAL IMPLICATIONS

Research and documentation for the Workforce Plan is produced in house and such has been within existing budgets.

STAFFING IMPLICATIONS

Under this Workforce Plan it was identified that there are no significant changes to in staffing. Project specific activities will be funded via temporary and/or contract staff outside of the existing establishment.

SUSTAINABILITY IMPLICATIONSB

Nil

CONSULTATION

As a pre-cursor to the development of the Workforce Plan all staff were provided with a survey questionnaire. The data from this survey was then collated to form aspects of the draft plan. Additional data was collated from existing internal records.

STAFF COMMENT

The Workforce Plan is an internal document designed to support the Town's Strategic Community Plan and Corporate Business Plan. Regular reviews will be conducted in conjunction with review of the Town's Strategic Plan.

VOTING

Simple Majority

OFFICER & COMMITTEE RECOMMENDATION

Moved Cr Rowell, seconded Mayor Dawkins

THAT Council note the draft Workforce Plan 2014 - 2018.

Carried 3/0

10.1.5 POLICY REVIEW – SEVERANCE AND REDUNDANCY

File Ref: POL/87
Attachments: [Policy Severance and Redundancy](#)
[Policy Severance Pay](#)
[Policy Redundancy](#)
[National Employment Standards Division 11](#)

Responsible Officer: Carl Askew
Chief Executive Officer

Author: Carl Askew
Chief Executive Officer

Proposed Meeting Date: 20 August 2014

Author Disclosure of Interest Nil

SUMMARY

The attached draft policy for Severance and Redundancy is introduced as a proposed 'replacement' policy for the current Severance Pay Policy and Redundancy Policy. This report recommends that Council adopt the newly drafted policy, as it covers matters related to administering both cases of termination, hence the policy has been appropriately amended and re-named.

BACKGROUND

A process of review and update for all Council policies has been implemented by the Administration and policies are being presented to Council as they are reviewed for endorsement.

STRATEGIC IMPLICATIONS

Nil

POLICY IMPLICATIONS

New policy as replacement for an existing policy.

STATUTORY ENVIRONMENT

Local Government Act 1995
Local Government Industry Award 2010
National Employment Standards
Town of Cottesloe Enterprise Agreement 2011

FINANCIAL IMPLICATIONS

Redundancy or severance pay is accommodated within existing budget provisions.

STAFFING IMPLICATIONS

Nil

SUSTAINABILITY IMPLICATIONS

Nil

CONSULTATION

Nil

STAFF COMMENT

The proposed new policy has resulted from a review in the executive/human resources section to ensure the policy is relevant to the Town of Cottesloe's current statutory and working environment. It has been amended to ensure its compliance with relevant current legislation but can be administered in a simplified and straightforward manner. Potential staff redundancy that may arise due to Local Government reform is also covered in the policy.

VOTING

Simple Majority

OFFICER & COMMITTEE RECOMMENDATION

Moved Mayor Dawkins, seconded Cr Rowell

THAT Council;

- 1. Delete the *Severance Policy Pay* and the *Redundancy Policy***
- 2. Adopt the new *Severance and Redundancy Policy* as attached and tabled at the Strategic Planning Committee of 20 August 2014.**

Carried 3/0

11 ELECTED MEMBERS' MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

12 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING BY:

12.1 ELECTED MEMBERS

Nil.

12.2 OFFICERS

Nil.

13 MEETING CLOSED TO PUBLIC

13.1 MATTERS FOR WHICH THE MEETING MAY BE CLOSED

Nil.

13.2 PUBLIC READING OF RECOMMENDATIONS THAT MAY BE MADE PUBLIC

Nil.

14 MEETING CLOSURE

The Presiding Member announced the closure of the meeting at 7:15 PM.

CONFIRMED MINUTES OF 20 August 2014 PAGES 1 – 30 INCLUSIVE.

PRESIDING MEMBER:
POSITION:

.....

DATE: / /