

minutes

Strategic Financial Management Committee

MEETING HELD ON **WEDNESDAY, 24 OCTOBER 2012**

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CITY OF JOONDALUP

MINUTES OF THE STRATEGIC FINANCIAL MANAGEMENT COMMITTEE MEETING HELD IN CONFERENCE ROOM 2, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON WEDNESDAY, 24 OCTOBER 2012.

ATTENDANCE

Committee Members:

Cr Geoff Amphlett, JP	<i>Presiding Member</i>	<i>Absent from 7.20pm until 7.23pm</i>
Mayor Troy Pickard		
Cr John Chester		
Cr Tom McLean, JP		
Cr Mike Norman	<i>Deputy Presiding Member</i>	<i>from 6.02pm</i>
Cr Sam Thomas		

Officers:

Mr Garry Hunt	Chief Executive Officer	
Mr Mike Tidy	Director Corporate Services	
Mr Brad Sillence	Manager Governance and Marketing	
Mr Blignault Olivier	Manager City Projects	<i>until 6.50pm</i>
Mrs Gwen Boswell	Acting Senior Property Officer	<i>until 6.50pm</i>
Mr Allan Ellingham	Senior Financial Analyst	
Mrs Deborah Gouges	Governance Officer	

DECLARATION OF OPENING

The Presiding Member declared the meeting open at 6.01pm.

APOLOGIES/LEAVE OF ABSENCE

Apologies

Cr Teresa Ritchie.

Leave of Absence previously approved

Cr Russ Fishwick, JP	29 September to 9 November 2012 inclusive.
Cr Christine Hamilton-Prime	1 November to 25 November 2012 inclusive.
Cr Brian Corr	6 November to 16 November 2012 inclusive.
Cr Sam Thomas	12 November to 24 November 2012 inclusive.
Cr Amphlett	14 November to 23 November 2012 inclusive.
Cr Liam Gobbert	20 November to 28 November 2012 inclusive.
Cr Teresa Ritchie	27 November to 04 December 2012 inclusive.

Cr Norman entered the meeting, the time being 6.02pm.

CONFIRMATION OF MINUTES

MINUTES OF THE STRATEGIC FINANCIAL MANAGEMENT COMMITTEE MEETING HELD ON 19 JULY 2012

MOVED Cr McLean, SECONDED Cr Norman that the minutes of the meeting of the Strategic Financial Management Committee held on 19 July 2012 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr Amphlett, Mayor Pickard, Crs Chester, McLean, Norman, and Thomas.

ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

Nil.

DECLARATIONS OF INTEREST

Nil.

IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY SIT BEHIND CLOSED DOORS

In accordance with Clause 76 of the City's *Standing Orders Local Law 2005*, this meeting was not open to the public.

PETITIONS AND DEPUTATIONS

Nil.

It was requested that the Strategic Financial Management Committee suspends clause 14(4) of the City's *Standing Orders Local Law 2005 – Order of Business*, to allow the items of business to be considered out of sequence as they are listed on the agenda, dealing with:

- **Item 5 - Confidential - Proposed Disposal Of City Freehold Properties - Status Report; and**
- **Item 6 - Confidential - Potential Disposal of area of land within City Freehold Lot 549 (11) Moolanda Boulevard, Kingsley,**

following consideration of Item 1 – Progress Report on the Proposed Disposal of Lots 642/643 (57) Marri Road, Duncraig.

It is recommended that Council:

- 1 *NOTES that the Department of Education has rejected Council's offer to purchase Lots 642/643 (57) Marri Road, Duncraig;*
- 2 *ENDORSES the Department of Education being contacted to discuss the option of a short term lease arrangement from 1 November 2013, at a rent to be determined by a market valuation; and*
- 3 *NOTES that the outcome of the discussion with the Department of Education will be reported to the next meeting of the Strategic Financial Management Committee.*

BACKGROUND

A status report on the progress of the 13 City properties proposed for disposal was submitted to the Strategic Financial Management Committee meeting held on 9 July 2012 with the minutes of that meeting considered by Council at its meeting held on 24 July 2012 (CJ143-07/12 refers). The resolution related to the subject property was:

That Council:

- 1 *SUPPORTS the Department of Education being offered the opportunity to purchase Lots 642/643 Marri Road, Duncraig in accordance with the requirements of Section 3.58 of the Local Government Act 1995;*
- 2 *NOTES that any formal offer from the Department of Education in relation to Part 3 above will be presented to Council for consideration; and*
- 3 *NOTES that a further status update in relation to Parts 3 and 4 above will be submitted to the Strategic Financial Committee meeting to be held on 15 October 2012.*

DETAILS

At the time of the negotiations with the Department of Education on the current five year lease, the intent was for the Marri Road pre-school program to be transferred to the main school campus at Duncraig Primary School by the end of the current lease period (31 October 2013). However, as detailed in the report to the Strategic Financial Management Committee meeting held on 9 July 2012, the Department of Education has now expressed an interest in renewing a lease with the City for a five year term, with a five year option.

Based on this intent to relocate the pre-school program, and as part of the City examining the future options with regard to its aging building portfolio, the City also negotiated with the CACHS to relocate the Duncraig CHC service based at Marri Road, Duncraig to the Carine Child Health Centre at Lot 159 (487L) Beach Road, Duncraig. Redevelopment and relocation costs associated with this transfer are estimated to be approximately \$184,000. This matter was detailed in a separate report to the Strategic Financial Management Committee meeting held on 9 July 2012.

In line with Council's resolution of 24 July 2012 detailed above, the Department of Education was offered the option to purchase the site and in its response dated 15 August 2012 indicated to the City that it had no interest in this proposal.

Issues and options considered:

The City's future intent for this site is for it to be disposed of, with the proceeds of the sale being included in the Joondalup Performing Arts and Cultural Facility Reserve Fund.

At the time of obtaining valuations on the 13 properties being examined for disposal, it was reported to the Strategic Financial Management Committee at its meeting held on 8 March 2011, that rezoning Lots 642/643 (57) Marri Road from Residential Development/R20 to Residential/R40 (Restricted Use – Aged Persons Housing) may be the best financial option. A revaluation of the Marri Road site will be required once the disposal of the site is imminent.

The City currently has six of the 13 properties that are in a position to be disposed of and advice is being sought from commercial real estate professionals as to the most effective timing of these properties to go to market. The potential recommendation may be that the most commercially viable approach is a phasing strategy and the outcome of the property professionals' advice will be submitted to the Strategic Financial Management Committee.

At its meeting held on 28 August 2007 (CJ168-08/07 refers), Council approved the application of market rentals in any future lease negotiations with the Department of Education and the market rental valuation for the Marri Road, Duncraig site at the time was \$17,000 per annum. Prior to the commencement of the five year lease on 1 November 2008, the Department of Education's annual rental had been subsidised. In order to mitigate the financial impact of paying a full commercial rent from a subsidised rent, Council agreed for the rent to be phased in annual increments of \$2,000 commencing at \$9,000 per annum in 2008. The full commercial rent being paid only in the final year of the lease period that is 1 November 2012 to 31 October 2013.

The fact that the Marri Road, Duncraig site is being utilised until at least October 2013 and that the City has a number of properties readily available for disposal, Council may wish to consider a continuation of the leasing arrangement with the Department of Education. Offering the Department of Education a five year lease, or holding over the lease for an agreed period with the Department of Education may satisfy the objectives of both the City and the Department of Education.

Should the Department of Education remain in the facility for a further five year period from 1 November 2013, there is potentially less urgency on the City's part for the relocation of the Duncraig CHC service based at the Marri Road facility. The relocation of the Duncraig CHC service from Marri Road, Duncraig is part of the City's rationalisation of facilities that accommodate CHCs. The main area of the subject facility being vacated by the Department of Education in 2013 was part of the rationale to relocate the child health service from Marri Road and therefore releasing Lots 642/643 for disposal.

Option 1 - Support the Department of Education's request for a five year lease with a five year option.

The Department of Education's request for a five year lease plus a five year option has the potential to restrict the sale of the Marri Road, Duncraig site for 10 years, which is possibly contrary to Council's overall strategy for the 13 disposal sites.

Option 2 – Support a five year lease being offered to the Department of Education with no option.

A lease arrangement could be offered to the Department of Education conditional upon the Department of Education accepting that the rent on commencement will be that which is indicated by a market review when instructed mid-2013. This rental would then coincide for a new five year lease from 1 November 2013 to 31 October 2018.

The fact the Department of Education has requested a five year lease with a five year option and is aware of the Council's intent to consider the Department of Education as a commercial tenant, would appear to indicate that the Department of Education is prepared to pay commercial rates over a 10 year overall term. Therefore, an increased annual rent, with the relatively standard and therefore acceptable approach of 5% annual increments over the course of a new five year lease, may have potential.

It may be considered appropriate that the offer of lease for a five year term is non-negotiable.

Option 3 – Holding over the current lease for an agreed period.

Should it be considered that a five year term from 1 November 2013 is excessive, an agreement with the Department of Education for a short term lease arrangement may be suitable.

Option 4 – No offer of lease being made to the Department of Education.

As the offer to purchase has been rejected by the Department of Education, should the City not make any new leasing arrangements with the Department of Education, the premises will be vacated at the lease expiry date of 31 October 2013, or before.

Legislation

Sections 3.58 and 3.59 of the *Local Government Act 1995*, together with the *Local Government (Functions and General) Regulations 1996* determine how a local government may dispose of property.

Link to Strategic Plan:

Key Focus Area Community Wellbeing.

Objective: 5.1 To ensure the City's facilities and services are of a high quality and accessible to everyone.

Strategy: 5.1.1 The City develops and implements a Strategic Asset Management Framework to improve the standard and management of its community infrastructure, including the consolidation and rationalisation of current building facilities.

Policy

City Policy – Asset Management.

To ensure the organisation undertakes a structured and coordinated approach to asset management that will promote sustainable infrastructure for the City of Joondalup.

City Policy – Sustainability.

To establish the City's position on its responsibility towards developing, achieving and maintaining a sustainable community.

Risk Management Considerations:

Strict compliance with the requirements of the relevant sections of the *Local Government Act 1995* and associated Regulations is necessary, which are designed to ensure openness and accountability in the disposal process.

Financial/Budget Implications:

The highest and best valuation dated 24 May 2010 for this site was \$890,000 for a Residential/R20 zone with a condition on the contract of sale restricting the use to 'Aged Persons' Dwellings. Aged persons accommodation can be non-rateable and therefore impact on the City's annual revenue stream.

Should a five year lease agreement be negotiated with the Department of Education, there is the potential for the City to realise approximately \$100,000 over the course of the five years.

The City is not proposing any major renewal works for the Marri Road, Duncraig facility over the course of the proposed new lease period. Utility payments and the maintenance of the facility are dealt with by the Department of Education under the terms of the lease.

Regional Significance:

Not Applicable.

Sustainability Implications:

The disposal of City freehold land that has been set aside for community use should not be disposed of without there being a nominated purpose.

Should the land be developed for aged persons' dwellings, it will provide alternative housing choices for the City's ageing population to remain within their local area.

Council has agreed that the proceeds from the sale of this lot are to be transferred to the Joondalup Performing Arts and Cultural Facility reserve fund.

Consultation

With regard to the future of this facility, ongoing communication has taken place between the City, the CACHS and the Department of Education. Both the Department of Education and the CACHS will need to consult extensively with their parents/clients prior to implementing any transfer of their services.

COMMENT

The Department of Education has indicated that it does not wish to purchase Lots 642/643 (57/59) Marri Road, Duncraig from the City, therefore under the current lease arrangement the Department of Education is to vacate the building prior to 1 November 2013.

The Duncraig CHC also based at Marri Road has been earmarked for relocation to the City's facility based at (487) Beach Road, Duncraig (former Davallia Pre-School leased area) that currently accommodates the Carine CHC. Based on when the relocation of the CHC service takes place and that an amendment to the DPS2 is not undertaken, it is possible that the Marri Road site is available for disposal from the end of the current lease period – 1 November 2013.

Council may consider that as the Department of Education did not wish to purchase the site, then the course of action should be to ensure that the building is vacant and therefore ready for disposal at the end of the Department of Education's lease period. Conversely, given that the City has a number of sites already available for disposal, Council may consider that continuing with a lease arrangement with the Department of Education for a short period is an option to be considered.

VOTING REQUIREMENTS

Simple Majority.

OFFICER'S RECOMMENDATION

That Council:

- 1 NOTES that the Department of Education has rejected Council's offer to purchase Lots 642/643 (57) Marri Road, Duncraig;
- 2 ENDORSES the Department of Education being contacted to discuss the option of a short term lease arrangement from 1 November 2013, at a rent to be determined by a market valuation; and
- 3 NOTES that the outcome of the discussion with the Department of Education will be reported to the next meeting of the Strategic Financial Management Committee.

MOVED Cr McLean, SECONDED Cr Chester that Council:

- 1 NOTES that the Department of Education has rejected Council's offer to purchase Lots 642/643 (57/59) Marri Road, Duncraig;**
- 2 ENDORSES the Department of Education being offered a three year lease from 1 November 2013 with an annual rent at commencement that is subject to a market valuation and increases thereafter of 5% per annum;**
- 3 DISPOSES of the land at Lots 642/643 (57/59) Marri Road, Duncraig at the conclusion of the lease term in Part 2 above;**
- 4 ADVISES the Department of Education that the City does not see it as its role to provide long term strategic facilities for educational purposes.**

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr Amphlett, Mayor Pickard, Crs Chester, McLean, Norman, and Thomas.

Appendix 1 refers

To access this attachment on electronic document, click here: [Attach1agnSFMC241012.pdf](#)

**ITEM 5 CONFIDENTIAL - PROPOSED DISPOSAL OF
CITY FREEHOLD PROPERTIES - STATUS
REPORT**

WARD: All

**RESPONSIBLE
DIRECTOR:** Mr Garry Hunt
Chief Executive Officer

FILE NUMBER: 63627, 101515

ATTACHMENTS:

Attachment 1	Lot 200 (18) Quilter Drive, Duncraig and Lot 766 (167) Dampier Avenue, Kallaroo
Attachment 2	Lot 202 (20) Kanangra Crescent, Greenwood and Lot 147 (25) Millport Drive, Warwick
Attachment 3	Lot 613 (11) Pacific Way, Beldon and Lot 671 (178) Camberwarra Drive, Craigie
Attachment 4	Lot 745 (103) Caridean Street, Heathridge and Lot 977 (15) Burlos Court, Joondalup
Attachment 5	Lot 23 (77) Gibson Avenue, Padbury and Lot 1001 (14) Camberwarra Drive, Craigie
Attachment 6	Lots 642/643 (57/59) Marri Road, Duncraig and Lot 971 (52) Creaney Drive, Kingsley
Attachment 7	Lot 549 (11) Moolanda Boulevard, Kingsley
Attachment 8	Proposed Sub-division Plan – Lot 977 (15) Burlos Court, Joondalup

This report is confidential in accordance with Section 5.23(2)(h) of the *Local Government Act 1995* and regulation 4A of the *Local Government (Administration) Regulations 1996*, which also permits the meeting to be closed to the public for business relating to the following:

the determination by the local government of a price for the sale or purchase of property by the local government and the discussion of such a matter.

A full report was provided to Elected Members and Committee Members under separate cover. The report is not for publication.

VOTING REQUIREMENTS

Simple Majority.

OFFICER'S RECOMMENDATION

That the Strategic Financial Management Committee:

- 1 NOTES the contents of this Report in relation to the disposal of City freehold properties;
- 2 REQUESTS that a further status report on the overall progress of this disposal project be submitted to the next Strategic Financial Management Committee meeting;
- 3 REQUESTS that a detailed report on Lot 977 (15) Burlos Court, Joondalup be submitted to a Strategic Financial Management Committee meeting;
- 4 REQUESTS that a further report on the proposed disposal of Lot 971 (52) Creaney Drive, Kingsley be submitted to the Strategic Financial Management Committee meeting on receipt of the concept designs and valuation information from consultants; and
- 5 REQUESTS that on receipt of information on a proposed sales strategy for the six properties detailed on Attachments 1 – 3 to this Report that a detailed report be submitted to the Strategic Financial Management Committee.

MOVED Mayor Pickard, SECONDED Cr Norman that the Strategic Financial Management Committee:

- 1 **NOTES the contents of this Report in relation to the disposal of City freehold properties;**
- 2 **REQUESTS that a further status report on the overall progress of this disposal project be submitted to the next Strategic Financial Management Committee meeting;**
- 3 **REQUESTS that a detailed report on Lot 977 (15) Burlos Court, Joondalup be submitted to a Special Meeting of the Strategic Financial Management Committee;**
- 4 **REQUESTS that a further report on the proposed disposal of Lot 971 (52) Creaney Drive, Kingsley be submitted to the Strategic Financial Management Committee meeting on receipt of the concept designs and valuation information from consultants; and**
- 5 **REQUESTS that on receipt of information on a proposed sales strategy for the six properties detailed on Attachments 1 – 3 to this Report that a detailed report be submitted to a Special Meeting of the Strategic Financial Management Committee.**

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr Amphlett, Mayor Pickard, Crs Chester, McLean, Norman, and Thomas.

- 1.2 the City, via the scheme amendment process rezoning the new lot to Residential/R20;
 - 1.3 the City, in accordance with Section 3.58(3) of the *Local Government Act 1995* giving local public notice of the proposed disposition of the new lot created; and
- 2 REQUESTS that the subdivision application process commences for Lot 549 (11) Moolanda Boulevard, Kingsley.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr Amphlett, Mayor Pickard, Crs Chester, McLean, Norman, and Thomas.

The Manager City Projects and the Acting Senior Property Officer retired from the meeting, the time being 6.50pm.

ITEM 2 REVIEW OF OFF-STREET CAR PARK UTILISATION 2011/2012 AND PARKING ISSUES IN THE CITY CENTRE

WARD: North

**RESPONSIBLE
DIRECTOR:** Mr Mike Tidy
Corporate Services

FILE NUMBER: 29136, 101515

ATTACHMENTS: Attachment 1 Location of Car Parks
Attachment 2 Car Park Utilisation Ratios

PURPOSE

For the Strategic Financial Management Committee to consider the review of off-street car park utilisation and to consider a number of parking issues in the City Centre.

EXECUTIVE SUMMARY

The City has been monitoring off-street car park utilisation since the commencement of paid parking in October 2008. For the purposes of this monitoring, utilisation is calculated on the basis of revenue collected. This report reviews the 2011/12 utilisation data.

A comparison of the utilisation rates for 2011/12 to 2010/11 shows an overall average increase of 19.6%. Part of this increase is attributable to new car parks where in 2010/11 they operated for only part of the year and 2011/12 was the first full year of operation.

In addition to utilisation the report provides background and information on a number of other aspects of the City's parking arrangements.

It is recommended that the Strategic Financial Management Committee NOTES the report Review of Off-Street Car Park Utilisation 2011/2012 and Parking Issues in the City Centre.

BACKGROUND

The Strategic Financial Management Committee has considered a report on the utilisation of the City's City Centre off-street car parks on an annual basis since the completion of the first full year of paid parking in 2009/10. Subsequently comparative year by year utilisation data has been reported to the Strategic Financial Management Committee.

DETAILS

Issues and options considered:

Off-street Car Park Utilisation

The table at Attachment 2 shows the car park utilisation ratios as calculated for the financial year ended 30 June 2012 comparative to the two previous financial years. Attachment 1 shows the location of the City's car parks.

The utilisation ratios are calculated on the total revenue collected as a percentage of the maximum collectable revenue if the car park was fully occupied for all chargeable hours.

It should be noted that following the establishment of a new database to calculate the ratios some adjustments have been made to the 2009/10 utilisation indicators that had been previously reported. In most cases there has been a minor increase of a couple of percentage points.

The exception is the ratio for T3 car park at Lawley Court. It had been previously reported that 2010/11 and 2009/10 were not directly comparable because a large portion of the car park was leased to the Joondalup Health Campus part way through 2009/10. This arrangement is still currently in place. The ratio for 2009/10 has now been adjusted to measure only the revenue derived from the general public as has been measured in 2010/11 and 2011/12 and they are now comparable.

T2 car park at the corner of Reid Promenade and Davidson Terrace shows utilisation of 129.1%. This arises because people are actually parking for shorter periods than the period they have purchased a ticket for. Another person will then park and purchase a ticket while the previous one is still technically valid creating a double up effect because the financial value of tickets purchased is used to calculate utilisation.

On the whole car park utilisation has risen by an average of 19.6% when comparing 2011/12 to 2010/11. The largest contributor to this was T4 car park in Wise Street which operated for its first full year in 2011/12 but only the last five months in 2010/11. The next highest utilisation growth car parks are T3 car park at Lawley Court and T1 car park at Lottery House.

The lowest increase in utilisation is P2 car park at McLarty Avenue where there has been no change over the last twelve months.

City Parking Arrangements

- The use of Parking Management Agreements and how they are structured.

Parking enforcement is a problem encountered by many business operators whose premises include provision for customer and/or staff parking. The options for them to police those who park in these car parks and who are neither customers nor staff or are not complying with relevant conditions can be difficult and expensive.

The City's *Parking Local Law 1998* makes provision for the City to be able to enter into written agreements with owners of private parking facilities, to regulate, control and manage the parking of vehicles in those parking facilities under terms and conditions as may be agreed between the parties. The City has entered into quite a number of these types of agreements. They are of benefit to both the business operators who have access to a simple and effective parking enforcement arrangement and to the City who are able to apply a consistent approach to parking enforcement seamlessly across both public and private parking. There are two types of parking management arrangements that the City enters into.

One is a fully staffed service with officers providing dedicated patrols at specific times looking for particular issues. There is an agreement with the owner/lessee that gives authority for the City's *Parking Local Law 1998* to apply on private property. The City charges an agreed fee that covers the base staff costs of providing an enforcement service. In addition the City keeps any infringement revenue but also has to meet any costs of recovery. The base fee ensures that even if no infringements are issued the City covers its costs. This type of arrangement suits large premises with substantial parking. Examples of these arrangements the City has in place are Lakeside Joondalup Shopping Centre, Joondalup Health Campus and Hillarys Boat Harbour.

The second arrangement does not involve regular patrolling and is complaint based only. There is an agreement with the owner/lessee that gives authority for the City's *Parking Local Law 1998* to apply on private property. The owner/lessee will report an unauthorised vehicle in a parking bay and a parking officer will meet them onsite and issue an infringement for the identified vehicle. There are no fees and the infringement is dealt with in the normal manner by the City. This type of arrangement suits many of the small businesses in the City Centre and helps to manage the private parking that is usually for their customers or staff and generally located behind the business premises.

- The need for the provision of loading bays for business delivery in the City Centre.

There are currently no loading bays provided on-street in the City Centre. Historically this does not appear to have been considered necessary and was not a consideration when development approvals were given or businesses established. There have been hardly any issues raised by way of requests for the provision of loading bays.

In general terms rear off-street access to business premises is widespread throughout the City Centre. There are two known exceptions, the Dome and Jim Kidd Sports, both in Boas Avenue. In both cases delivery vehicles unload in the street and to date this has not presented a difficulty.

The provision of loading bays at key locations would require the removal of generally two standard parking bays to accommodate an average size delivery truck. It is normal for loading bays to be reserved for that purpose and not be available for other parking.

A review of other local governments and how they manage requests for loading bays provided the following:

Name of Local Authority	Process Applied for Loading Bay requests/changes	Comments
City of Perth	Written request submitted, assessment conducted, Chief Executive Officer can approve under delegated authority.	Only certain areas can be approved for loading zones as this can be relevant to the number of available parking bays in the street, other parking availability and the current usage patterns.
City of Fremantle	Written request submitted, assessment conducted, Council approval required if supported, if not supported can be refused under delegated authority.	Do not get many applications as the existing mix of parking works well.
City of Vincent	Written request submitted, assessment conducted, Council approval required if supported, if not supported can be refused under delegated authority.	Only certain areas can be considered for loading zones as this can be relevant to the number of available parking bays in the street and the current demand for parking.
City of Subiaco	Written request submitted, assessment conducted, Council approval required if supported, if not supported can be refused under delegated authority.	Issues can be created by installing loading zones due to concerns that other businesses have regarding the placement of the loading zone and the impact it may have on their shop front elevation from truck parking, fumes and the reduction in customer parking.

- The implications and demand for an incentive such as first hour free parking.

Offering an incentive such as the first hour of parking free is suggested as a way of encouraging more visitors and customers to a location such as the Joondalup City Centre, in particular for those that only require a short stay.

There is no evidence to suggest that the current requirement to pay for all of the time that a person needs to park is discouraging people from coming to the Joondalup City Centre, quite the opposite. Car park utilisation has grown more than 19% when comparing 2011/12 to 2010/11 (note that this includes the effect of the provision of new parking). In the last 24 months new parking bays have been added to the stock with car parks at the corner of Reid Promenade and Davidson Terrace, Wise Street and Central Park which have added 141 public parking bays.

With the first hour free, enforcement of the parking restrictions would become much more difficult because there would be a financial incentive to keep feeding the meter for a one hour free parking ticket and attempting to stay longer without paying at all. This could potentially reduce the turnover and hence availability of short term parking bays for visitors and customers.

The first hour of free parking will not increase the patronage by those many hundreds of car parkers who are already paying to regularly park in the Joondalup City Centre whether short or long term.

- The role and potential location of a small number of limited timed, non-fee parking bays in the City Centre.

The City already has a number of short-term parking bays of 10, 15 and 30 minutes. There are:

- two free 10 minute parking bays on Boas Avenue outside Joondalup Library;
- four paid 15 minute parking bays on Lakeside Drive outside the convenience store; and
- paid 30 minute parking bays in Boas Avenue, Reid Promenade, McLarty Avenue and Davidson Terrace.

The shorter the time limit the more limited the application of these types of bays because a person using them needs to be able to complete their business in that time frame including getting from the car bay to the business premises. It should be noted that with the current paid parking bays there is no requirement to pay for the full allowed time. In a one hour parking bay, if fifteen minutes is all that is required then that is all that needs to be paid.

Making them free even for very short periods still raises the same issues discussed under the previous dot point in terms of feeding the meter for a free parking ticket to stay longer without paying at all and the difficulties with enforcement.

The most practical locations, if free short term bays were to be implemented, are near businesses where service is quick such as banks and takeaway food premises. In the Joondalup City Centre the most central point from which these types of businesses could be readily accessed is the on-street parking on either side of Grand Boulevard between Boas Avenue and Reid Promenade. This would give immediate access to the businesses on either side which include banks at either end and take away food premises. There are more banks around the corner in Boas Avenue. These parking bays are currently paid parking with a maximum one hour restriction.

- The rationale of the various time allocations to on-street parking within the City Centre.

The original rationale was to reflect the nature of the businesses in proximity to the location of the on-street parking bays. Those on-street bays located where business is:

- Likely to be concluded quickly were allocated some half hour bays, and these include locations such as in Boas Avenue, Reid Promenade, McLarty Avenue and Davidson Terrace.
- Likely to take a bit longer than just in and out were allocated one hour bays, and these include Boas Avenue, Reid Promenade, Lakeside Drive, Davidson Terrace, McLarty Avenue and Grand Boulevard.
- Likely to take longer still but not requiring all day parking (for example Centrelink) were allocated two hour bays, and these include Boas Avenue, Reid Promenade, Lakeside Drive, Davidson Terrace and Grand Boulevard.

As can be seen there is a variety of time restricted hours available in most of the City Centre locations. From time to time where it is found that these time restrictions are not meeting the needs of businesses and customers they are able to be adjusted. For example this has previously been done to accommodate Centrelink customers and also the convenience store on the corner of Lakeside Drive and Boas Avenue.

- Issues pertaining to residential parking permits adjacent to the City Centre.

The purpose of introducing Resident/Visitor Parking Permits is to protect the amenity of residents in areas where there is no paid parking by preventing people from parking there who are simply trying to avoid paying for parking.

There are a significant number of residential premises located in the City Centre where paid parking is in place. The City occasionally gets requests from owners or tenants of these premises for Resident/Visitor Parking Permits for which they are not eligible. With the introduction of the Resident/Visitor Parking Permit system there was no intention to provide permits to residents in the City Centre to allow free parking in paid parking areas. If Resident/Visitor Parking Permits were provided to those whose residence is in the paid parking areas there is potential for a significant number of public car bays to be occupied by their vehicles for extended periods of time during business times. This would be very detrimental to the parking availability for businesses. There is no restriction on residents or their visitors using on-street public car bays in paid parking areas outside of paid parking hours (8.00am to 5.30pm Monday to Friday and 8.00am to 12.00noon Saturdays).

A review of other local governments and how they manage Resident/Visitor Parking Permits provided the following:

Name of Local Authority	Residential Parking Permit Conditions	Restrictions / Concessions
City of Perth	Annual Fee applies, one per residence, only issued in designated precincts and this doesn't include the CBD area.	Only valid in precinct of issue and in bays set aside for permit parking. Applies to paid parking areas in East Perth (Paid parking has recently been introduced throughout East Perth in areas which previously had time restrictions that resident permit holders were exempted from).

Name of Local Authority	Residential Parking Permit Conditions	Restrictions / Concessions
City of Fremantle	Annual fee applies, limit of two per residence depending on on-site parking, only valid in street of issue, not issued in paid parking areas.	Allows exemption for payment of all on-street parking fees 9.00am-11.00am, 3.00pm-5.00pm and 5.00pm-1.00am (Mon-Fri), 5.00pm-1.00am (Sat & Sun) however time limits still apply during these periods.
City of Vincent	Issued free, limit two per residence depending on on-site parking, only valid in street of issue, not issued in paid parking areas.	Only valid in bays for permit parking, no permits issued if the number of current permits exceeds 60% of the total available parking bays in the street.
City of Subiaco	Issued free, limit of three per residence depending on on-site parking, only valid in street of issue, not issued in paid parking areas.	Not valid in Hay Street / Rokeby Road areas, not valid in short-term bays (less than one hour).

The only other issue that has arisen in relation to Resident/Visitor Parking Permits is the allocation of permits.

There are a large number of absentee landlords in the City Centre. As the Resident/Visitor Parking Permit system is designed to assist the occupier, permits are not issued free to absentee landlords or managing agents. There have been requests received for absentee landlords and managing agents to be issued free permits with one of the reasons being to facilitate property inspections and visiting trades people. Generally most absentee landlords or managing agents are able to use the occupier's visitor permit or on-site parking and do not have a problem. The City does sell permits (\$30 each per year) to absentee landlords and managing agents if they wish to have their own.

The City controls the issue of Resident/Visitor Parking Permits directly to occupiers. Application can be made at any time for up to five free permits per residence. The permits are renewed annually and existing permit holders are issued a reminder to facilitate renewal. There have been some suggestions from landlords and managing agents that all permits should be issued to them and that they should then manage the distribution to their tenants. This is not supported. The permits are intended to assist the amenity of occupiers and the City would have no control over their distribution if they were issued to landlords and managing agents.

Legislation/Strategic Plan/Policy Implications

Legislation *Parking Local Law 1998.*

Strategic Plan

Key Focus Area: Leadership and Governance.

Objective: To lead and manage the City effectively.

Policy:

- Parking Schemes Policy.
- Joondalup City Centre Car Parking for Commercial Development.

Risk Management Considerations:

The main risk relative to the consideration of this report is the potential for lost revenue associated with any proposed introduction of free parking for a portion of time in existing paid parking areas.

Financial/Budget Implications:

If it is proposed to implement free parking for a portion of time in existing paid parking areas, this will result in a loss of revenue. Potentially this could impact the accumulation of reserve funds to fund future parking and other City Centre initiatives.

Regional Significance:

The provision of adequate parking facilities and services is crucial to maintaining and continuing to develop Joondalup as a major regional centre in the Perth Metropolitan area.

Sustainability Implications:

The provision of car parks and the encouragement of additional parking may be seen as encouraging the use of cars for transport with possible negative environmental implications.

Consultation:

Not Applicable.

COMMENT

Consultation was undertaken with a number of other local governments in relation to how they managed various aspects of their parking services.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Chester, **SECONDED** Cr Norman that the Strategic Financial Management Committee **NOTES** the report Review of Off-Street Car Park Utilisation 2011/2012 and Parking Issues in the City Centre.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr Amphlett, Mayor Pickard, Crs Chester, McLean, Norman, and Thomas.

Appendix 2 refers

To access this attachment on electronic document, click here: [Attach2agnSFMC241012.pdf](#)

BACKGROUND

A new 20 Year Strategic Financial Plan has been developed during the past year, with the Strategic Financial Management Committee having considered reports on its development at its meetings on 20 February 2012, 16 April 2012 and 9 July 2012. The 20 Year Strategic Financial Plan has been developed to replace the previous 20 Year Strategic Financial Plan adopted in 2009. It has also been developed to meet the new requirements of the Department of Local Government's Long Term Financial Planning Framework and Guidelines.

At its meeting held on 24 July 2012 (CJ138-07/12 refers), Council considered the recommendation from the Strategic Financial Management Committee meeting of 9 July 2012 and resolved as follows:

“That Council:

- 1 *ENDORSES the projections and proposals of the draft 20 Year Strategic Financial Plan 2011/12 – 2030/31 as summarised in Attachments 2 to 6 to Report CJ138-07/12;*
- 2 *REQUESTS that the draft 20 Year Strategic Financial Plan 2011/12 – 2030/31 be progressed to a final version, that meets the requirements of the Department of Local Government's Long Term Financial Planning Framework and Guidelines, for consideration and recommendation to Council for adoption; and*
- 3 *ADOPTS the revised 20 Year Strategic Financial Plan - Guiding Principles Statement, forming Attachment 1 to Report CJ138-07/12, modified as follows:*

Key Elements/Assumptions

Annual Process – The 20 Year Strategic Financial Plan will be prepared and reviewed during the first quarter of each financial year by the Administration for submission to the Strategic Financial Management Committee in the second quarter for consideration. This will enable the 20 Year Strategic Financial Plan to be used as an enabler to the Budget setting process for the following year.”

DETAILS

Before considering the detail of the report there is a disclaimer that needs to be made.

Disclaimer

Readers of the 20 Year Strategic Financial Plan should note that the document is used predominantly as a planning tool. As such it is based on many assumptions and includes several projects and proposals that in some cases:

- *Have been approved by Council and are in progress;*
- *Have been considered by Council but are yet to receive final approval;*
- *Have only been considered by Elected Members at a strategy level;*

- *Have only been considered by officers; and*
- *Are operational in nature and based on the continued provision of services and maintenance of City assets and infrastructure in accordance with management and other plans.*

Any of the assumptions and any of the projects or proposals not already approved could prove to be inaccurate both as to likely requirement, timing and financial estimates or may not come to pass at all. They have, however, been included based on the best available information and knowledge to hand at this time in relation to likely requirement, timing and financial estimates. Adoption of the 20 Year Strategic Financial Plan by Council does not constitute a commitment or agreement to any of the projects or proposals that have not already been approved or the financial estimates and projection.

Issues and options considered:

Explanation of the Strategic Financial Plan

In preparing the 20 Year Strategic Financial Plan, the Department of Local Government Long Term Financial Planning Framework and Guidelines has been used as the principal reference point in terms of form and content.

The Department of Local Government have published a model Long Term Financial Planning with supporting templates. The City has generally followed the model with the principal difference being that the City's Strategic Financial Plan extends over 20 years rather than the model's 10 years. For major projects in particular, 10 years is not considered a sufficient timeframe to cover the long lead times for development, planning and eventual implementation. The contents of the Strategic Financial Plan are summarised in Table 1 below:

Table 1 – Explanation of the Strategic Financial Plan

Pages	Reference	Details
2 to 6	Sections 1 to 3	<ul style="list-style-type: none"> ○ Introductory sections, explaining the purpose of the Strategic Financial Plan, executive summary and description of the City of Joondalup.
7 to 13	Sections 4 to 7	<ul style="list-style-type: none"> ○ These four sections explain how the Strategic Financial Plan was produced. ○ Includes: <ul style="list-style-type: none"> • Summary of the guiding principles used to produce the projections. • Comments regarding the Asset Management Policy and 5 Year Capital Works Program. • Comments regarding Workforce Planning. • Details of the day to day assumptions (e.g. labour costs) and the major projects (no change to those included in the report to the July 2012 Strategic Financial Management Committee meeting) summarised by year of completion.

Pages	Reference	Details
14 to 34	Sections 8 to 9	<ul style="list-style-type: none"> ○ These two sections explain the indicator projections and the supporting schedules. ○ Includes: <ul style="list-style-type: none"> • For each of the Department of Local Government Key Indicators commentary on the standard achieved and an explanation where the standard is not achieved. • The funding assumptions assumed for major projects as set out in the supporting schedules.
35 to 39	Sections 10 to 11	<ul style="list-style-type: none"> ○ Analysis of risk and scenario analysis.
40 to 42	Appendix 1	<ul style="list-style-type: none"> ○ 20 Year Strategic Financial Plan - Guiding Principles Statement as amended by Council 24 July 2012.
43	Appendix 2	<ul style="list-style-type: none"> ○ Explanation of the four Financial Statements included as part of the Strategic Financial Plan and described below.
44 to 52	Financial Statements FS1 to FS4	<ul style="list-style-type: none"> ○ The supporting Financial Statements to the Strategic Financial Plan. ○ The Financial Statements are: <ul style="list-style-type: none"> • As per the Department of Local Government Long Term Financial Planning Framework and Guidelines (note Statement of Financial Position and Equity Statement have been combined as a single statement). • The same statements required for the Budget and Annual Financial Statements. • Each followed by a table that explains each line.
53 to 63	Supporting Schedules SS1 to SS7	<ul style="list-style-type: none"> ○ Seven supporting schedules provide additional detail on calculations and projections.

In summary, the 20 Year Strategic Financial Plan meets the requirements of the Department of Local Government Long Term Financial Planning Framework and Guidelines for a Long Term Financial Planning by June 2013.

Projections Have Not Changed Since July 2012 Strategic Financial Management Committee.

There are no changes to the financial projections included in the Strategic Financial Plan at Attachment 1 to those presented to the Strategic Financial Management Committee on 9 July 2012.

Some of the Key Indicator calculations, required by the Department of Local Government Long Term Financial Planning Framework and Guidelines, have changed since the last report to the Strategic Financial Management Committee on 9 July 2012. Clarification was sought because the calculations for some indicators published in the *Local Government (Financial Management) Regulations 1996*, which were amended in April 2012, were different to the calculations included in the Department of Local Government Integrated Planning and Reporting Advisory Standard. Table 2 below compares the ratio as reported at 9 July 2012 compared to the values now included in the updated Strategic Financial Plan (Attachment 1 refers). The values shown in the table below are the average over 20 years.

Table 2 – Key Indicators Change to the ratio shown at July 2012.

Ref	Key Indicator	July 2012	Oct 2012
1	Operating Surplus Ratio	0.5%	2.4%
2	Own Source Revenue Coverage Ratio	99%	99%
3	Current Ratio	164%	164%
4	Debt Service Coverage Ratio	9.7	7.6
5	Asset Sustainability	89%	89%
6	Asset Renewal Funding Ratio	Not calculated	100%
7	Asset Consumption Ratio *	Not calculated	Not calculated

* Note: The Asset Consumption Ratio is currently unable to be calculated because it requires the current replacement cost of depreciable assets. These will be compiled during 2012/13.

Legislation/Strategic Plan/Policy Implications

Legislation Section 5.56 of the *Local Government Act 1995*.

“(1) A local government is to plan for the future of the district.”

Strategic Plan

Key Focus Area: Leadership and Governance.

Objective: 1.3.2 The City maintains a long-term Strategic Financial Plan which is reviewed regularly.

Policy

Not Applicable.

Risk Management Considerations:

The plan is based on many assumptions. There is a risk that those assumptions could be wrong or may not come to pass, however, it is a planning tool and the City is not committed to anything in the plan by virtue of endorsing it. Periodic review and update of the plan will ensure that it remains a relevant and useful document to manage the City’s financial affairs into the future.

Further consideration of risk is covered in section 10 of the 20 Year Strategic Financial Plan (Attachment 1 refers).

Financial/Budget Implications:

The 20 Year Strategic Financial Plan represents projections and estimates, based on many assumptions and is a primary planning tool for the development of future budgets. Adoption of the 20 Year Strategic Financial Plan, however, does not constitute a commitment or agreement by the City to the projects and proposals it contains or the financial estimates and projections included in the 20 Year Strategic Financial Plan (Attachment 1 refers).

Regional Significance:

Not Applicable.

Sustainability Implications:

The 20 Year Strategic Financial Plan represents the primary and key strategic financial planning document for the City and has a direct bearing on planning for the financial sustainability of the City.

Consultation:

The 20 Year Strategic Financial Plan has been prepared after extensive consultation with City Business Units and the Strategic Financial Management Committee at three previous meetings on 20 February 2012, 16 April 2012 and 9 July 2012.

COMMENT

The Draft 20 Year Strategic Financial Plan 2011 – 2031 (Attachment 1 refers) sets out a significant program of works and projects for the City of Joondalup over the next 20 years. These are in keeping with and represent the Joondalup 2022 vision for the City: *“A global City: bold, creative and prosperous”*.

Although the program is ambitious it is achievable with financial discipline and the 20 Year Strategic Financial Plan maps out how this can be done.

The Draft 20 Year Strategic Financial Plan 2011 – 2031 replaces the previous 20 Year Strategic Financial Plan adopted in 2009 and also meets the requirements of the Department of Local Government for a Long Term Financial Planning to be adopted by June 2013.

Of the seven Department of Local Government Integrated Planning and Reporting Advisory Standards the 20 Year Strategic Financial Plan shows the City meets and achieves advanced standard in all or most years of the Strategic Financial Plan for four of the key indicators. It is acknowledged, however, that the 20 Year Strategic Financial Plan does not meet all of the standards and work is still required particularly in relation to compiling assets data.

The most difficult standard is the Operating Surplus Ratio. The City does not achieve the standard in only four of the 20 years of the 20 Year Strategic Financial Plan and these are in the very early years. Over the rest of the life of the 20 Year Strategic Financial Plan, however, the advanced standard is never achieved. The advanced standard requires an Operating Surplus Ratio of greater than 15%. A ratio of this size would invariably require significant operating surpluses to be generated. It is difficult to understand the necessity for this level of surplus and the City's approach has been not to generate significant surpluses for which there is no specific purpose.

VOTING REQUIREMENTS

Simple Majority.

Cr Amphlett returned to the meeting at 7.23pm and resumed the Chair.

OFFICER'S RECOMMENDATION

That Council **ADOPTS** the Draft 20 Year Strategic Financial Plan 2011 – 2031 as detailed in Attachment 1 to this Report.

MOVED Cr Norman, SECONDED Cr Thomas that Council:

- 1 ADOPTS the Draft 20 Year Strategic Financial Plan 2011 – 2031 as detailed in Attachment 1 to this Report; and**
- 2 REQUESTS the administration to write to the Minister of Local Government highlighting the inappropriate level set for the operating surplus ratio as specified in the Department of Local Government's Advisory Standards and request an urgent review of the ratio to a more appropriate level that reflects the nature of local government operations.**

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr Amphlett, Mayor Pickard, Crs Chester, McLean, Norman, and Thomas.

Appendix 3 refers

To access this attachment on electronic document, click here: [Attach3agnSFMC241012.pdf](#)

MOVED Cr Chester, SECONDED Cr Norman that the Strategic Financial Management Committee:

- 1 NOTES the Business Case for a Multi Storey Car Park as at Attachment 1 to this Report;**
- 2 REQUESTS the Chief Executive Officer to UNDERTAKE a parking study incorporating McLarty Avenue and Boas Avenue car parks and the findings be reported to a Special Meeting of the Strategic Financial Management Committee.**

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr Amphlett, Mayor Pickard, Crs Chester, McLean, Norman, and Thomas.

**ITEM 5 CONFIDENTIAL - PROPOSED DISPOSAL OF
CITY FREEHOLD PROPERTIES - STATUS
REPORT**

WARD: All

**RESPONSIBLE
DIRECTOR:** Mr Garry Hunt
Chief Executive Officer

FILE NUMBER: 63627, 101515

ATTACHMENTS:

Attachment 1	Lot 200 (18) Quilter Drive, Duncraig and Lot 766 (167) Dampier Avenue, Kallaroo
Attachment 2	Lot 202 (20) Kanangra Crescent, Greenwood and Lot 147 (25) Millport Drive, Warwick
Attachment 3	Lot 613 (11) Pacific Way, Beldon and Lot 671 (178) Camberwarra Drive, Craigie
Attachment 4	Lot 745 (103) Caridean Street, Heathridge and Lot 977 (15) Burlos Court, Joondalup
Attachment 5	Lot 23 (77) Gibson Avenue, Padbury and Lot 1001 (14) Camberwarra Drive, Craigie
Attachment 6	Lots 642/643 (57/59) Marri Road, Duncraig and Lot 971 (52) Creaney Drive, Kingsley
Attachment 7	Lot 549 (11) Moolanda Boulevard, Kingsley
Attachment 8	Proposed Sub-division Plan – Lot 977 (15) Burlos Court, Joondalup

This report is confidential in accordance with Section 5.23(2)(h) of the *Local Government Act 1995* and regulation 4A of the *Local Government (Administration) Regulations 1996*, which also permits the meeting to be closed to the public for business relating to the following:

the determination by the local government of a price for the sale or purchase of property by the local government and the discussion of such a matter.

A full report was provided to Elected Members and Committee Members under separate cover. The report is not for publication.

This item was discussed earlier in the meeting following Item 1 - Progress Report on the Proposed Disposal of Lots 642/643 (57) Marri Road, Duncraig, page 12 refers.

**ITEM 6 CONFIDENTIAL - POTENTIAL DISPOSAL OF
AREA OF LAND WITHIN
CITY FREEHOLD LOT 549 (11)
MOOLANDA BOULEVARD, KINGSLEY**

WARD: South-East

RESPONSIBLE: Mr Garry Hunt
Chief Executive Officer

FILE NUMBER: 63627

ATTACHMENTS: Attachment 1 Location Plan of Lot 549 (11)
Moolanda Boulevard, Kingsley
Attachment 2 Draft Design for New Lot and Car Park

*(Please Note: These attachments are confidential and will appear in the
official Minute Book only)*

This report is confidential in accordance with Section 5.23(2)(h) of the *Local Government Act 1995* and regulation 4A of the *Local Government (Administration) Regulations 1996*, which also permits the meeting to be closed to the public for business relating to the following:

the determination by the local government of a price for the sale or purchase of property by the local government and the discussion of such a matter.

A full report was provided to Elected Members and Committee Members under separate cover. The report is not for publication.

This item was discussed earlier in the meeting prior to Item 2 - Review of Off-Street Car Park Utilisation 2011/2012 and Parking Issues in the City Centre, page 14 refers.

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Nil.

CLOSURE

There being no further business, the Presiding Member declared the Meeting closed at 8.25pm; the following Committee Members being present at that time:

Cr Geoff Amphlett, JP
Mayor Troy Pickard
Cr John Chester
Cr Tom McLean, JP
Cr Mike Norman
Cr Sam Thomas