

TOWN OF BASSENDEAN

NOTICE OF A SPECIAL COUNCIL MEETING

Dear Council Member

A Special Meeting of the Council will be held on Tuesday 18 June 2019, in the Council Chamber, 48 Old Perth Road, Bassendean, commencing at 6.30pm. The purpose of the meeting is for Council to consider the differential rates proposal and new fees for 2019/20 for the Wind in the Willows.

Ms Peta Mabbs
CHIEF EXECUTIVE OFFICER

18 June 2019

A G E N D A

1.0 **DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

The Town of Bassendean acknowledges the past and present traditional owners of the land on which we gather to conduct this meeting, and pays its respects to their Elders, both past and present.

2.0 **PUBLIC QUESTION TIME AND ADDRESS BY MEMBERS OF THE PUBLIC**

3.0 **ATTENDANCES, APOLOGIES & APPLICATIONS FOR LEAVE OF ABSENCE**

4.0 REPORT

4.1 Implementation of Differential Rates - (Ref: RAT & Vac/ FEECHAG/3 – Ken Lapham, Acting Director Corporate Services)

APPLICATION

The purpose of this report is to obtain Council approval to advertise the differential rates and minimum rates proposed for inclusion in the 2019/20 Budget.

ATTACHMENTS

Attachment No. 1

Proposed Differential Rates 2019/2020 – Statement of Objects and reasons for the proposed differential rates in the dollar and minimum rates.

BACKGROUND

In accordance with the requirements of the Local Government Act 1995, section 6.33, a Local Government may impose differential rates. Between 1 June and 31 August each year, local governments are required to prepare and adopt a budget.

A key part of the budget development is identifying the 'budget deficiency' to be made up from the levying of Council rates. Whilst work is ongoing to refine the draft budget, it has progressed to a point where an estimate can be determined of the amount required to be raised from rates.

The rates for properties within the Town of Bassendean are calculated on the Gross Rental Valuation (GRV). The GRV'S are provided to all Local Governments via Landgate. Revaluations are revised every 3 years by qualified valuers. The next revaluation of properties is due in the 2020/21 financial period.

A survey undertaken by Town of Bassendean in May 2019 on what other metropolitan Councils are proposing for rates increases in 2019/20, has revealed variations from 1.50% to 5.0%, dependant on the level of proposed new capital works, and projects.

STRATEGIC IMPLICATIONS

Objectives <i>What we need to achieve</i>	Strategies <i>How we're going to do it</i>	Measures of Success <i>How we will be judged</i>
5.1 Enhance organisational accountability	5.1.1 Enhance the capability of our people	Community / Stakeholder Satisfaction Survey (Governance)
	5.1.2 Ensure financial sustainability	
	5.1.3 Strengthen governance, risk management and compliance	Compliance Audit
	5.1.4 Improve efficiency and effectiveness of planning and services	Risk Management Profile
	5.1.5 Ensure optimal management of assets	Financial Ratio Benchmarked. Asset Ratio Benchmarked

STATUTORY REQUIREMENTS

Local Government Act 1995

6.33 Differential general rates:

- (1) A local government may impose differential general rates according to any, or a combination, of the following characteristics –
- (a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or
 - (b) a purpose for which the land is held or used as determined by the local government; or
 - (c) whether or not the land is vacant land; or
 - (d) any other characteristic or combination of characteristics prescribed.

6.35 Minimum payment

- (1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.
- (2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.

- (3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than –
- (a) 50% of the total number of separately rated properties in the district; or
 - (b) 50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.

6.36 Local government to give notice of certain rates

- (1) Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so.
- (2) A local government is required to ensure that a notice referred to in subsection(1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).
- (3) A notice referred to in subsection (1) –
- (a) may be published within the period of 2 months preceding the commencement of the financial year to which the proposed rates are to apply on the basis of the local government's estimate of the budget deficiency; and
 - (b) is to contain –
 - (i) details of each rate or minimum payment the local government intends to impose; and
 - (ii) an invitation for submissions to be made by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters within 21 days (or such longer period as is specified in the notice) of the notice; and
 - (iii) any further information in relation to the matters specified in subparagraphs(i) and (ii) which may be prescribed; and
 - (c) is to advise electors and ratepayers of the time and place where a document describing the objects of, and reasons for, each proposed rate and minimum payment may be inspected.

(4) The local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.

(5) Where a local government –

- (a) in an emergency, proposes to impose a supplementary general rate or specified area rate under section 6.32(3)(a); or
- (b) proposes to modify the proposed rates or minimum payments after considering any submissions under subsection (4),

it is not required to give local public notice of that proposed supplementary general rate, specified area rate, modified rate or minimum payment.

FINANCIAL CONSIDERATIONS

Council is required to advertise the objects and reasons for the implementation of differential rates. Once the advertising period has closed, Council will then consider its position.

OFFICER COMMENT

In developing an equitable rating model, it is useful to undertake a comparison with other metropolitan local governments. The following table provides details on the rate in the dollar and minimum payment proposals to be levied in 2019/20 at other local authorities:

COUNCIL	GENERAL RATE IN \$	GENERAL MINIMUM Rate	VACANT RATE IN \$	VACANT MINIMUM RATE
Canning	\$4.59	\$820	4.99	\$820
Cottesloe	\$6.182	\$1,122	6.18	\$1,122
Fremantle	\$11.70	\$1,340	14.62	\$1,340
Kalamunda	\$6.0374	\$882	8.5609	\$767
Kwinana	\$8.279	\$1,072	17.249	\$1,072
Nedlands	\$5.792	\$1,499	8.217	\$1,988
Vincent	\$6.663	\$1,214.30	12.817	\$1,537

Minimum Rate

Minimum rates are imposed to establish the minimum amount any property must pay to contribute to the cost of services provided by a local government, regardless of the value (GRV) of their property.

With a proposed minimum rate set at \$1106 (for GRV General properties) any property with a GRV of less than \$15,146 will be levied the minimum rate. With the proposed vacant land rate in the dollar of 14.5 cents, any vacant property with a GRV lower than \$14,482 will attract the proposed minimum rate of \$2,100.

The Town has approximately 1,318 minimum rated residential properties that delivered rate revenue in 2018/19 of \$1,443,210. The anticipated revenue in 2019/20 is \$1,564,920.

The Town has been experiencing a very moderate level of growth in the number of rateable properties over recent years. Growth from 2018/19 was limited to less than 1% of rates revenue. This growth increases the rate base and therefore the level of income able to be generated from rates.

The Department of Local Government, Sports and Cultural Industries' Rating Policy includes a section on 'Fairness and Equity', which provides a requirement for local governments to review its expenditure and consider efficiency measures as part of its budget deliberations. In this regard, Councillors have participated in budget workshops that have provided the opportunity to identify and validate areas for efficiencies at an operational and capital expenditure level.

Local governments are required to give notice of an intention to levy differential rates by publishing a notice in a newspaper circulating in the district. The notice is to include an invitation for submissions to be made by electors or ratepayers in respect to the proposed rates or minimums. Council is to consider any submission before imposing the proposed differential rates and minimums. It should be noted however, that Council is not restricted to impose what was advertised, but can modify the rates as required.

OFFICER RECOMMENDATION - ITEM 4.1

That:

1. Council approves the 2019/20 rate in the dollar and the minimum rates to be advertised by public notice as per the following:

RATE CATEGORY	RATE IN THE \$	MINIMUM RATE
GRV – PROPERTY- VACANT	14.500 cents	\$2,100
GRV – ALL OTHER PROPERTY	7.3020 cents	\$1,106

2. Council endorses the Town of Bassendean objectives and reasons for the proposed rate categories for the 2019/20 financial year; and
3. In line with Council's objective in community consultation, a circular be sent to all owners of vacant land, advising of the Council's proposal to introduce a differential rate in the 2019/20 financial year and the likely financial impacts of the new rate levy.

Voting Requirements: Absolute majority

**4.2 Imposition of Children’s Services - Fees & Charges 2019-20
(Ref: FINM/AUD/1 – Ken Lapham, Acting Director Corporate Services)**

APPLICATION

The purpose of this report is for Council to adopt the Fees for the Wind in the Willows in accordance with Regulation 6.16 of the Local Government Act 1995.

BACKGROUND

Council, when adopting the annual budget, has received a complete list of all fees and charges, by various revenue classifications. Included in this list is the applicable charges for the Council’s Wind in the Willows childcare centres.

STRATEGIC IMPLICATIONS

Objectives <i>What we need to achieve</i>	Strategies <i>How we’re going to do it</i>	Measures of Success <i>How we will be judged</i>
5.1 Enhance organisational accountability	5.1.1 Enhance the capability of our people	Community / Stakeholder Satisfaction Survey (Governance)
	5.1.2 Ensure financial sustainability	
	5.1.3 Strengthen governance, risk management and compliance	Compliance Audit
	5.1.4 Improve efficiency and effectiveness of planning and services	Risk Management Profile
	5.1.5 Ensure optimal management of assets	Financial Ratio Benchmarked. Asset Ratio Benchmarked

COMMENT

In undertaking the annual budget process, the Manager Children’s Services undertakes a review of the income and expenses of the Wind in the Willows Child care facilities.

Cognisant of the March 2019 CPI data and ongoing operational cost increases, the proposed increase in fees for the 2019/20 financial period have been kept to a minimum. The current fees for Wind in the Willows are:

- Daily Fee \$112; and
- Weekly Fee (Full-time Care) \$525.

In reviewing the new fee structure for the 2019/20 financial period, it is proposed the new fees for 2019/20 be increased to:

- Daily Fee: \$115; and
- Weekly Fee (Full-time Care) \$540.

STATUTORY REQUIREMENTS

Section 6.16 of the *Local Government Act 1995* allows a Local Government to impose by absolute majority decision, a fee or charge for any goods or services it provides or proposes to provide other than a service for which a service charge has been imposed.

The fees are to be imposed when adopting the Annual Budget but may, subject to giving local public notice, be imposed or amended.

This year the child care fees for the Wind in the Willows need to be adopted by Council, separate from the normal adoption process when Council adopts the Annual Budget.

FINANCIAL CONSIDERATIONS

The adoption of the 2019/20 Budget is likely to occur in July/August 2019. There is a material difference in income shortfall, if the new fee structure is not effective as from the 1 July 2019.

OFFICER RECOMMENDATION - ITEM 4.2

That, in accordance with Section 6.16 (3) of the Local Government Act, Council adopts revised Children's Services fees of:

- Daily fee of \$115; and
- Weekly Fee (Full-time Care) \$540 to apply from 1 July 2019.

Voting Requirements: Absolute majority

5.0 CLOSURE