

# **TOWN OF BASSENDEAN**

## **NOTICE OF A SPECIAL COUNCIL MEETING**

In accordance with regulation 12(3) of the *Local Government (Administration) Regulations 1996*, public notice is hereby given of a Special Meeting of the Council of the Town of Bassendean. The meeting will be held on Thursday 29 July 2021 in the Council Chamber, 48 Old Perth Road, Bassendean, commencing at 6.00pm.

The purpose of the meeting is for Council to consider the Implementation of Differential Rates and adoption of the 2021/22 Annual Budget.



Peta Mabbs  
**CHIEF EXECUTIVE OFFICER**

26 July 2021

---

## **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.

The Town is committed to ensuring our Council Meetings are a safe work environment, free of risks to the health and wellbeing of Elected Members, Officers and our community.

Any person attending is required to be respectful, courteous and have due regard for individual rights and differences.

Individuals may be asked to leave should their conduct adversely affect the health and safety of others.

By attending this meeting, you agree to abide by these conditions.

**2.0 ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION**

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

**Leave of Absence**

Cr MacWilliam

**4.0 DECLARATIONS OF INTEREST**

**5.0 PRESENTATIONS OR DEPUTATIONS**

Mr David Gear, of 67 Wilson Street, Bassendean has advised he will be in attendance to provide a deputation on Differential Rates.

**6.0 STATEMENTS BY MEMBERS OF THE PUBLIC ON AGENDA ITEM**

Statements can be submitted prior to the Council meeting to:  
<https://www.bassendean.wa.gov.au/forms/public-statement-time/37>

Each person is restricted to one statement of up to two minutes unless the Council, by decision, determines that they may speak for no more than a further two minutes.

*It should be noted that comments are recorded and live streamed via YouTube, and that there is no protection from legal action being taken against you, should it arise from your comments delivered at the meeting.*

**7.0 QUESTIONS FROM MEMBERS OF THE PUBLIC**

15 minutes will be allocated for questions by members of the public on matters contained in the agenda. Each member of the public with a question is entitled to ask up to two questions before other members of the public will be invited to ask their questions.

Questions can be submitted prior to the Council meeting to:  
<https://www.bassendean.wa.gov.au/forms/public-question-time/36>

If a person asking a question is not present at the meeting, then the Mayor can choose to deal with it at the meeting or arrange a response by email.

## 8.0 REPORTS

<b>Item No. 8.1</b>	<b>Implementation of Differential Rates – Consideration of Submissions</b>
<b>Property Address (if applicable)</b>	Various
<b>Landowner/Applicant (if applicable)</b>	Various
<b>File Ref/ROC</b>	RAT & Vac/FEECHAG/3
<b>Previous Council Reports (if applicable)</b>	18 June 2019, 23 July 2019, 20 August 2019, 3 September 2019, 10 September 2019 and 27 April 2021
<b>Directorate</b>	Corporate Services
<b>Authority/Discretion</b> <input type="checkbox"/> <input checked="" type="checkbox"/>	
<input type="checkbox"/> Advocacy	When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
<input checked="" type="checkbox"/> Executive	The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
<input type="checkbox"/> Legislative	Includes adopting local laws, town planning schemes and policies.
<input type="checkbox"/> Review	When the Council operates as a review authority on decisions made by Officers for appeal purposes.
<input type="checkbox"/> Quasi-Judicial	When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under <i>Health Act</i> , <i>Dog Act</i> or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.
<b>Attachment No. 1</b>	a) Letter sent to owners of vacant land within the Town of Bassendean b) Statement of Objects and Reasons c) Proposed Differential Rates 2021/22 – Submissions Received

### Purpose

The purpose of this report is for Council to consider submissions received in response to the advertising of proposed differential rates for 2021/22.

### Background

At the Ordinary Council Meeting on 27 April 2021, Council resolved as follows:

1. Approves the differential rates and minimum payment for 2021/22 for advertising by public notice, as follows:

Rating Category	Rate in Dollar	Minimum Payment
Improved – Residential, Commercial and Industrial (GRV)	8.4895	\$1,106
Vacant Land – Residential, Commercial and Industrial (GRV)	12.7342	\$1,106

2. Endorses the Objects and Reasons for the proposed Differential Rates for 2021/22, attached to this report.

### Proposal

That Council considers the written submissions received in response to the advertised proposed differential rates for 2021/22 and adopts the advertised differential rates and statement of objects and reasons.

### Communication and Engagement

The Town placed a Notice of Intention to Levy Differential Rates in the Eastern Reporter on Thursday 6 May 2021, and on the notice board at the Town’s Customer Service Centre. Written submissions were invited by 4:00pm, Friday 28 May 2021.

The Town also prepared a news item for its website, with a link to the Statement of Objects and Reasons, and made the Statement of Objects and Reasons available for inspection at the Town’s Customer Service Centre.

The CEO wrote to the 181 owners of the Town’s 213 vacant properties on 6 May 2021 and included the Statement of Objects and Reasons with the letter.

### Strategic Implications

Priority Area 6: Providing Visionary Leadership and Making Great Decisions

Direction	Potential Strategies	What Success Looks Like
Make brave decisions in line with a risk appetite	<ul style="list-style-type: none"> <li>• Early identification of potential risks / issues/opportunities</li> <li>• Embed opportunity cost considerations</li> </ul>	<p>SHORT TERM</p> <ul style="list-style-type: none"> <li>• Efficient and effective Council meetings</li> <li>• Defensible decision making that is based on the identification of opportunities and benefits as well as negative impacts</li> </ul> <p>LONG TERM</p> <ul style="list-style-type: none"> <li>• Examples of being first adopters</li> </ul>

## Comment

The Town received 21 written submissions in response to the proposed differential rates for 2021/22. Of these, one was in support of the proposal and 20 were opposed to the proposal.

The submission in support of the proposal felt Local Government resources are currently stretched, with reduced revenue due to the Covid\_19 pandemic and considered the community needs to support each other in these difficult times.

The submissions opposed to the proposal gave various reasons. The main themes arising from the submissions and administration comments are shown in the following table.

	<b>Submission Theme</b>	<b>Comment</b>
1	Planning processes and other Local Government and State Government obstacles to development	State and local planning and development frameworks ensure development occurs in a planned and considered manner and rather than being obstacles to development, exist to facilitate appropriate development outcomes. Council's stated purpose in levying differential rates on vacant land is to encourage development.
2	Differential rates discriminate against people holding land as an investment and penalise people deciding to invest in Bassendean	The Town considers the development of all vacant rateable land to be in the best interests of the community, to stimulate growth and development and improve the vibrancy of the Town.
3	There is no proof that the introduction of differential rates will achieve the desired objectives	While this risk was acknowledged in the report to Council in April 2021, the Town is of the view that introducing differential rates is more likely to encourage development than not.
4	An increase in rates will cause undue financial hardship, particularly given the Covid_19 pandemic and economic uncertainty	The Town introduced a Financial Hardship Policy in May 2020 to assist ratepayers experiencing genuine financial hardship (Refer separate report to Council for a review of the implementation of this policy). While the Town has received 29 applications under that policy, the Town has not experienced any broader lack of capacity to meet rates liabilities and has experienced a reduction in outstanding rates debt in 2021.
5	Vacant land incurs minimal costs to Council bins/sewer services etc and landowners of vacant land use the least amount of services and facilities provided by the Town	Council's stated purpose in levying differential rates on vacant land is to encourage development, as it considers the development of all vacant rateable land to be in the best interests of the community, to stimulate growth and development and improve the vibrancy of the Town.

6	Perth has experienced an extended period of no growth in home prices and high vacancy rates over the past five plus years meaning there was no appetite to develop vacant land	The Town considers the introduction of differential rates will act as an additional incenting to encourage development.
7	Covid_19 and subsequent homebuilder bonuses have forced house prices up and caused delays for builders, as well as making the price of building unaffordable to many	By introducing differential rates, the Town hopes owners of vacant land will commence or continue with development plans for that land.
8	The proposed increase exceeds CPI and Council spending should be reduced rather than moving the expense to landowners	The Town's annual increases to the rate in the dollar have remained low for many years, while the Town continues to provide and enhance its services to the community. The Town makes every effort to contain operational costs and keep the required revenue to be raised through rates to a minimum.

The submissions are reproduced in full, aside from any identifying content, in the attached document.

The proposed differential rates were determined by calculating an increase in the general rate in the dollar of 2% and then applying a premium of 50% to vacant land. There was no change to the advertised minimum payment, which is proposed to remain as it was for 2019/20 and 2020/21.

At a Special Council Meeting on 24 March 2020, Council resolved to request the CEO prepare a budget scenario for 2020/21 based on a 0% rate revenue increase and no increase in fees and charges. The 2020/21 annual budget was prepared on that basis.

The proposed increase in the general rate in the dollar of 2% is evidence of Council's continued commitment to restrict increases to the rate in the dollar as far as practicable. The following table shows the annual increase in the general rate in the dollar at the Town since 2020/11.

Year	Rate in the dollar	Percentage Increase	Notes
2020/21	8.3230	12.3%	Revaluation – general reduction in values
2019/20	7.3020	1.0%	
2018/19	7.2300	0.9%	
2017/18	7.1650	9.4%	Revaluation – general reduction in values
2016/17	6.5510	2.9%	
2015/16	6.3600	4.0%	
2014/15	6.1130	-16.4%	Revaluation – general increase in values
2013/14	7.3150	5.0%	
2012/13	6.9670	5.0%	
2011/12	6.6350	-30.9%	Revaluation – general increase in values
2010/11	9.6040		

When land valuation increased, the Town significantly reduced the rate in the dollar. Conversely, when valuations reduced, it was necessary for the Town to increase the rate in the dollar to maintain its rates revenue base. Importantly, the rate in the dollar proposed for 2021/22 remains below its 2010/11 level.

Town staff have surveyed the proposed rating approach for other Local Governments for 2021/22. The proposed rate increases for the EMRC member Local Governments range from 1% to 2.8%. Other Perth metropolitan local Governments have proposed or adopted rate increases ranging from 0% to 3.9%.

In considering the submissions, Councillors noted that some land owners may intend to develop their land, but be unable to secure building services in a timely manner due to the difficulties faced in the current market. These landowners may be penalised through the introduction of differential rates due to delays in developing their land, despite their best intentions and endeavors. Councillors expressed interest in a facility to waive or provide a concession to those landowners who do proceed to develop their land within a reasonable period of securing development approval and requested a policy be developed and presented to Council at a subsequent meeting of Council.

While a policy for rates concession in these circumstances can be developed, it is noted that implementation of the policy will impose an additional burden on the administration, to receive, assess and verify the applications and report to Council for each application. Further, processing rates refunds over multiple financial years will require additional resources from the Finance team to appropriately account for the transactions.

### **Statutory Requirements**

The requirements of the *Local Government Act 1995* (the **Act**) and *Local Government (Financial Management) Regulations 1996* (the **Regulations**) may be summarised as follows:

- A local government may, by absolute majority, resolve to impose differential rates as part of the annual budget (section 6.32 of the Act);
- Differential rates may be based on zoning, land use, whether the land is vacant, situated in a townsite or in a particular district (section 6.33 of the Act; Reg 52A(2));
- Provide budgeted revenue of between 90% and 110% of the estimated budget deficiency (section 6.34 of the Act);
- Ensure the minimum payment in any rating category is not imposed on more than 50% of properties in that category (section 6.35 of the Act; Reg 52);
- Comply with the advertising requirements of section 6.36 of the Act:
  - give local public notice, in the two months preceding the start of the financial year
  - publish the objects and reasons for each proposed rate and minimum payment
  - include details in the local public notice of each rate and minimum payment in the public notice and invite submissions, allowing at least 21 days
  - advise in the public notice the place the objects and reasons can be inspected and that the objects and reasons are published on the website
  - consider any submissions received.

The Act also states that a local government cannot impose a differential rate that is more than twice the lowest differential rate, without the approval of the Minister for Local Government.

Section 6.47 of the Act provides that a local government may at the time of imposing a rate or service charge or at a later date resolve to waive\* a rate or service charge or resolve to grant other concessions in relation to a rate or service charge.

### **Financial Considerations**

For 2020/21, the Town budgeted for rates revenue of \$13,474,356 from 7,308 rateable properties. With the proposed differential rates, the expected rates revenue for 2021/22 is \$13,889,479 from 7,350 rateable properties.

For 2020/21, the Town budgeted for 2,397 (32.8%) properties being subject to the minimum payment of \$1,106. With the proposed differential rates, it is expected that 2,072 (28.2%) properties will be subject to the minimum payment.

### **Risk Management Implications**

The Town has an ambitious capital and operational project program, as outlined in the report on the proposed Annual Budget for 2021/22 also presented to Council at this meeting.

Should Council resolve not to adopt the proposed differential rates, it will be necessary to review the proposed capital and operational project program to identify projects that can be de-scoped, removed and/or deferred to a later budget period for rates revenue to be sufficient to fund the expected budget deficiency.

### **Officer Recommendation – Item 8.1**

That Council:

1. Considers the written submissions received in response to the advertised proposed differential rates for 2021/22;
2. Adopts the differential rates for the purpose of the 2021/22 Proposed Annual Budget set out in the following table:

<b>Rating Category</b>	<b>Rate in Dollar</b>	<b>Minimum Payment</b>
Improved – Residential, Commercial and Industrial (GRV)	8.4895	\$1,106
Vacant Land – Residential, Commercial and Industrial (GRV)	12.7342	\$1,106

3. Adopts the Objects and Reasons for the differential rates for 2021/22, attached to this report; and

4. Requests the CEO develop a Policy for Council that provides for the owners of vacant land to make application for a concession up to the additional rates paid due to the imposition of differential rates where the property is developed within a specified period of time.

**Voting requirements: Absolute majority**

<b>Item No. 8.2</b>	<b>Adoption of the 2021/22 Annual Budget</b>
<b>Property Address (if applicable)</b>	
<b>Landowner/Applicant (if applicable)</b>	
<b>File Ref/ROC</b>	
<b>Previous Council Reports (if applicable)</b>	
<b>Directorate</b>	Corporate Services
<b>Authority/Discretion</b> <input type="checkbox"/> <input checked="" type="checkbox"/>	
<input type="checkbox"/> Advocacy	When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
<input type="checkbox"/> Executive	The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
<input checked="" type="checkbox"/> Legislative	Includes adopting local laws, town planning schemes and policies.
<input type="checkbox"/> Review	When the Council operates as a review authority on decisions made by Officers for appeal purposes.
<input type="checkbox"/> Quasi-Judicial	When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under <i>Health Act</i> , <i>Dog Act</i> or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.
<b>Attachment No. 2</b>	a) Proposed Annual Budget for 2021/22 b) Proposed Fees and Charges for 2021/22 c) Proposed Capital and Operational Projects
<b>Confidential Attachment No. 1</b>	a) <b>Confidential Attachment:</b> Proposed Operational Projects 2021/22 (Including Project Budgets) b) <b>Confidential Attachment:</b> Proposed Capital Budget 2021/22 (Including Project Budgets)

## Purpose

This report provides:

- The strategic context for the Town of Bassendean's proposed 2021-22 Annual Budget together with supporting schedules, including proposed rates and minimum payments, fees and charges, and operational and capital projects; and
- An overview of the proposed 2021-22 Annual Budget presented in its statutory form for Council adoption in accordance with the *Local Government Act 1995 (Act)*, the *Local Government (Financial Management) Regulations 1996 (Regulations)* and Australian Accounting Standards (Standards).

## Background

The Proposed Annual Budget for 2021/22 was developed in the wake of the COVID-19 pandemic, which significantly impacted last years' budget and continues to impact the Town's operations as the Town strives to play its role in economic recovery initiatives and supporting the community to thrive by delivering on its 10-year Strategic Community Plan.

The proposed budget is fiscally responsible, with the long-term financial sustainability of the Town paramount. It strives to balance the current and future needs of the community, by strengthening Reserves, setting aside funds for future projects and investing in asset management, while continuing to provide quality services across the range of the Town's core business activities.

The Town has completed a comprehensive review of its asset management plans across the Transport, Property, Fleet and Recreation portfolios, to improve decision-making, enhance long-term asset sustainability and assist in the long-term financial planning for asset maintenance and renewal. The proposed 2021/22 Annual Budget is the first budget since that review and represents an initial step in more effective asset planning and management.

The Town will continue to engage in activities designed to stimulate the local economy, including progressing its local planning framework to provide the optimal environment to attract investment and promote development. A new Local Planning Strategy and Scheme is currently under assessment by the Western Australian Planning Commission.

Significant progress has been made in the development of a new Town Centre Masterplan, which will be vital in attracting much needed investment and development in the town centre with the benefit of creating additional housing and employment opportunities. The draft Town Centre Masterplan will soon be subject to the third and final phase of a broad community consultation program, before being presented to Council for formal consideration.

Alongside this, strategic advocacy efforts focusing primarily on the State government to support the Town in its efforts for town centre vibrancy (a desire set by the community in BassenDream our Future) will continue.

The Town continues to examine its portfolio of land holdings (and any other government controlled land parcels) within its District to assess current purpose, in addition to future intent, as a means of fully optimising these assets in the future to maximise social and economic benefits for the community.

The proposed budget includes initiatives to build community capacity, consistent with many objectives in the Strategic Community Plan, including:

- Providing a mechanism for community groups to apply for Town-sponsored insurance cover;
- Investing in community capacity building initiatives;
- Facilitating access to external grant funding;
- Supporting public events, including the Telethon Community Cinemas, celebrating NAIDOC Week, Bike Month; and
- Continuing the Town's sponsorship and grants program.

These initiatives aim to strengthen and connect our community by establishing community partnerships that build capacity, connection and a sense of belonging. The Town will track, evaluate and benchmark its performance against the Strategic Community Plan by again participating in the MARYKT Community Scorecard to measure community perceptions. This year's survey will importantly assess the value our community places on the many services provided by the Town thereby enabling the Town to ensure it remains relevant and responsive to the community.

The proposed budget allocates funds to facilitate co-location of the Town's administration staff, currently spread across two buildings, within the civic building at 48 Old Perth Road. Creating a consolidated workspace will deliver a number of benefits including improved collaboration and communication. It will also assist in the effective and sustainable use of the Town's assets by vacating 35 Old Perth Road, improving vibrancy by allowing the facility to be used for other purposes, while reducing costs and generating income for the Town. Coupled with the co-location, it is proposed to invest in much-needed ICT improvements as defined in the Town's ICT strategy. The co-location and ICT improvements are designed to deliver efficiencies over time and improve the way the Town delivers its services.

Council and the community value the Town's local heritage and recognise that it forms an important part of our local identity. It is important that the Town's significant Noongar history and more recent Colonial history are acknowledged and shared. The Town will work towards developing a Noongar Heritage Agreement to maintain and share Noongar history, stories and culture. The Town will also update its Local Heritage Survey (formerly the Municipal Heritage Inventory) to recognise the area's rich history.

The proposed budget also includes measures to give effect to the Town's commitment to be a leader in environmental sustainability, by converting the drain between Second and Fourth Avenue into a Living Stream, setting aside funds for the future enhancement of Point Reserve and Bindaring Reserve, and transitioning to renewable energy and achieving carbon neutrality. The Town also proposes to continue its extensive tree planting program, budgeting to plant 1,000 trees for the third successive year.

The Town proposes, for the first time, to introduce differential rating in 2021/22 to impose a 50% premium over the general rate in the dollar for all vacant land within the district. Council proposed to introduce differential rates after advertising the proposed rates for public comment and considering community submissions, to encourage development within the Town's precinct. The Town considers the development of all vacant rateable land to be in the best interests of the community, to stimulate growth and development and improve the vibrancy of the Town. The proposed differential rates are the subject of a separate report to Council.

During 2020/21, the Town entered into a co-funding agreement with Western Power to provide underground power to parts of Eden Hill and Bassendean. The Town planned to recoup its share of the cost from property owners over three years commencing in 2021/22, via a service charge to be levied as part of the annual rating process. Under the Co-Funding Agreement, construction was to have commenced in August 2020 and be completed by November 2021.

However, Western Power experienced delays with the project and construction is now not scheduled to commence until August 2021. Consequently, Council resolved in May 2021 to defer commencement of the service charge to the 2022/23 rating period.

## **Proposal**

That Council adopt the proposed 2021/22 Annual Budget.

## **Communication and Engagement**

The budget process commenced in February 2021, with the Finance Team and Business Unit Managers:

- Reviewing workforce plans;
- Reviewing budgeted expenditure/year to date expenditure;
- Forecasting 2021/22 operational requirements;
- Preparing plans for operational and capital projects and prioritising activities;
- Reviewing fees and charges; and
- Developing rating models for the potential introduction of differential rates.

The administration and Council participated in five budget-related workshops:

- 2 March 2021 Priority Projects
- 30 March 2021 Financial Snapshot; Asset Management Planning
- 13 April 2021 Strategic Community Plan alignment; Differential Rates
- 4 May 2021 Capital and Operational Projects
- 11 May 2021 Capital and Operational Projects; Fees and Charges (including Waste charges); Workforce Adjustments.

The administration circulated updated project spreadsheets and other budget-related documentation to Councillors following workshops, via CEO Bulletins.

A further workshop with Councillors was held on 22 July 2021, ahead of the Special Council Meeting on 29 July 2021, to clarify any final matters.

## Strategic Implications

Priority Area 6: Providing visionary leadership and making great decisions

Direction	Potential Strategies	What Success Looks Like
Reinforce a culture of collaboration, trust and demarcation between Council, administration and the community	<ul style="list-style-type: none"> <li>• Build understanding and support for the vision and Strategic Community Plan</li> <li>• Demonstrate clear connections between the Strategic Community Plan, project and business as-usual services and operations</li> <li>• Create an organisational culture of performance, innovation and excellence</li> <li>• Develop shared values between Council, administration and the community</li> </ul>	<p>SHORT TERM</p> <ul style="list-style-type: none"> <li>• Openness and transparency of decision making</li> <li>• Enhanced staff morale</li> <li>• Staff have appropriate strategic direction</li> <li>• Agreement on the link between projects and Strategic Community Plan</li> <li>• General alignment regarding values</li> </ul>

### **COMMENT**

The proposed 2021/22 Annual Budget includes:

- Statutory Financial Statements, incorporating:
  - Statement of Comprehensive Income by Nature or Type and by Program;
  - Statement of Cash Flows by Nature or Type;
  - Rates Setting Statement by Nature or Type and by Program; and
  - Notes to and forming part of the Budget.
- Fees and Charges for 2021/22;
- Capital Projects for 2021/22; and
- Operational Projects for 2021/22.

### **Estimated Closing Surplus – 2020/21**

The 2020/21 Annual Budget estimated a closing surplus of \$4,637 however, the 2020/21 forecast closing surplus is now expected to be \$3,379,043. The reasons for the forecast closing surplus being considerably higher than the expected surplus at the start of the financial year are set out below.

#### **Revenue from Operating Activities**

Revenue from operating activities is forecast to be \$842,955 higher than budgeted.

The 2020/21 Annual Budget was determined while the State was in the grip of the COVID-19 pandemic. At that time, the consequences of the pandemic for the Town's revenue were expected to be significant, with reduced revenue from its Wind in the Willows Early Education Centres and use of the Town's recreation and community facilities. Consequently, a conservative approach was taken to budgeting for operating revenue.

While Council provided concessions to sporting clubs and community groups during the pandemic and revenue from some activities was lower than budget (for example, interest income), much of the Town's operating revenue was largely unaffected. The Town experienced stronger than expected demand for Seniors services throughout the year and benefitted from much higher than expected demand for planning and building services.

### Expenditure from Operating Activities

Expenditure from operating activities is forecast to be \$2,614,337 lower than budgeted.

The forecast underspend in operating activities is attributable to the following:

- Savings in employee expenses arising from a number of temporarily vacant positions and staff redundancies
- The cumulative effect of savings across most program areas due to tighter expenditure control; and
- Transport portfolio – underspends in road, verge and footpath maintenance programs.

### Investing Activities

The amount attributable to investing activities is forecast to be \$3,410,196 less than budgeted primarily due to the carryover of projects originally included in the 2020/21 budget. The projects include:

- Spillway Design and Construction, Success Hill
- Sandy Beach Playground; and
- Sandy Beach ablutions and sewerage.

Significantly, there was a timing difference in expenditure for the Whitfield Safe Active Street Project. The Town accounted for the project in 2021/22 as the project was completed, but received funding of \$1,122,232 in 2019/20.

### Financing Activities

The amount attributable to financing activities is forecast to be \$1,825,697 less than budgeted.

This is due to lower capital expenditure, which resulted in lower funding from reserves.

### **Estimated Closing Surplus – 2021/22**

The estimated closing surplus for 2021/22 is \$154,092.

### **INCOME STATEMENT BY NATURE AND TYPE**

The following are comments on the major changes to income and expenditure items presented on the Comprehensive Statement of Income – By Nature and Type.

## **Rates**

At the Ordinary Council Meeting on 27 April 2021, Council resolved to approve the differential rates and minimum payment for 2021/22 for advertising by public notice, as follows:

<b>Rating Category</b>	<b>Rate in Dollar</b>	<b>Minimum Payment</b>
Improved – Residential, Commercial and Industrial (GRV)	8.4895	\$1,106
Vacant Land – Residential, Commercial and Industrial (GRV)	12.7342	\$1,106

The advertised differential rates were calculated using the following parameters:

- An increase in the rate in the dollar from 2020/21 of 2%; and
- A premium of 50% for all vacant land.

The advertised minimum payment was \$1,106, being the same minimum payment levied in 2019/20 and 2020/21.

The expected rates revenue for 2021/22 is \$13,889,479 from 7,350 rateable properties (an increase of \$415,123 from 2020/21 budgeted rates revenue of \$13,474,356 from 7,308 rateable properties).

In 2021/22 it is expected that 2,072 (28.2%) properties will be subject to the same minimum payment of the previous year, being \$1,106. In 2020/21, the Town budgeted for 2,397 (32.8%) properties being subject to the minimum payment of \$1,106.

The proposed differential rates are the subject of a separate report to Council. The remainder of this budget paper was necessarily prepared on the assumption that Council resolved to adopt the advertised differential rates for the purpose of the 2021/22 Proposed Annual Budget. Should Council resolve not to adopt the proposed differential rates, it will be necessary to review the proposed capital and operational program to identify projects that can be de-scoped, removed and/or deferred to a later budget period for rates revenue to be sufficient to fund the expected budget deficiency.

## **Instalment Payments**

In accordance with Section 6.45 of the *Local Government Act 1995*, a local government is to offer instalment options for the payment of rates or service charges. Additional charges for the recovery of rates or service charges may be imposed (including an amount by way of interest) for payments made under an instalment option.

The Town plans to issue Rates Notices on 20 August 2021 and, on that basis, the following payment options are proposed:

<u>Full Payment:</u>	1 October 2021
<u>Two Instalments:</u>	
First Instalment:	1 October 2021
Second Instalment:	4 February 2022
<u>Four Instalments:</u>	
First Instalment:	1 October 2021
Second Instalment:	3 December 2021
Third Instalment:	4 February 2022
Fourth Instalment:	8 April 2022

Council's Financial Hardship Policy enables a rates debtor or sundry debtor experiencing genuine financial hardship to make application for assistance relating to outstanding rates or service charges or sundry debts.

Instalment Administration Fee and Interest      \$160,610

To offset the administrative costs of offering instalment options, Council may impose an administration charge and interest charge. The administration fee is intended to cover costs incurred and regulation 67 of the Regulations does not allow a profit to be made.

An Instalment Administration Fee of \$12 per instalment is proposed when an instalment payment option is used, for instalments after the first instalment. The Instalment Administration Fee for the two instalment option is \$12 and for the four instalment option is \$36.

In the event that the payment of rates is not received in full or by one of the instalment options, the Town may enter into a special payment arrangement with a ratepayer and an administration fee of \$30 will apply. These fees are the same as the fees charged in 2020/21.

Pursuant to section 6.45 of the Act, Council may adopt an interest rate for payment of rates by instalments up to a maximum rate of 5.5%. The maximum rate is set by regulation 68 of the Regulations. In line with other local governments, it is proposed to apply this rate in 2021/22. This is the same as the rate applied in 2020/21.

Pursuant to section 6.51(1) and subject to section 6.51(4) of the Act and Regulation 70 of the Regulations, local governments may charge late payment interest up to a maximum of 11% for rates and service charges that remain unpaid after becoming due and payable. The *Local Government (COVID-19 Response) Order 2020*, clause 8(3), capped the interest rate local governments may charge at 8% for 2020/21 and 7% for 2021/22; a rate of 7% is proposed for 2021/22.

Clause 8(2) of the *Local Government (COVID-19 Response) Order 2020* states that a local government cannot require a person who is considered by the local government to be suffering financial hardship as a consequence of the COVID-19 pandemic to pay interest.

The Town's Financial Hardship Policy goes further, and provides that where a debtor is assessed as experiencing genuine financial hardship, the Town may suspend administration fees and interest charges while the debtor adheres to the terms and conditions of a payment agreement entered into under that Policy. The Town recognises that financial hardship may arise from a range of circumstances, not limited to the COVID-19 pandemic.

Interest is not chargeable to eligible pensioners who have had their entitlement registered with the Council in accordance with the *Rates and Charges (Rebates and Deferments) Act 1992*.

Budgeted revenue from the Instalment Administration Fee for 2021/22 is \$103, 360, and is included in the budget for Fees and Charges. Budgeted revenue from Interest Charges for 2021/22 is \$57, 250 (including interest on deferred rates), and is included in the budget for Interest Earnings.

### Discounts, Incentives, Concessions & Write-offs

Discounts and incentives for early payment of rates are not proposed for the 2021/22 Annual Budget.

Council will accept written applications from Not for Profit community groups within the Town of Bassendean and consider granting a concession or waiver of rates or service charges in accordance with its discretionary powers provided by section 6.47 of the Act.

### Operating Grants and Subsidies

Revenue is expected to increase from \$2,619,115 as budgeted for 2020/21, to \$2,620,978 in 2021/22.

### Fees and Charges

The 2021/22 Annual Budget includes proposed fees and charges for the provision of services to the community. Revenue is expected to increase from \$6,031,127 as budgeted for 2020/21, to \$6,865,618 in 2021/22.

The following changes to fees and charges are proposed:

#### Early Childhood Education

At the Ordinary Council Meeting on 25 May 2021, Council adopted the following changes to Early Childhood Education fees and charges:

- An increase in the daily fee from \$115 to \$123 for Wind in the Willows Bassendean Early Childhood Education and Wind in the Willows Ashfield Early Childhood Education for 2021/22.
- Abolish the weekly fee (previously \$540).

While no increase was made to Early Childhood Education fees for 2020/21, it has been necessary to increase fees by \$8 per day for 2021/22 to provide for increased employee costs and allow the Town to continue to provide quality activities and programs. The fee is also aligned with the proposed fee cap for the purpose of the child care rebate, preserving maximum eligibility for parents.

### Memorials and Celebration Trees

At the Ordinary Council Meeting on 25 May 2021, Council adopted the Purchase and Placement of Memorial Seats and Other Infrastructure Policy and the Celebration Trees Policy.

The 2021/22 Proposed Annual Budget includes the associated new fees:

- Celebration Tree (\$175); and
- Memorial Seat (\$2,500).

### Waste Charges

The Town imposes a waste disposal charge to recoup the cost of waste services and the purchase of bins. Budgeted revenue from the waste service charge for 2021/22 is \$3,057,250 (2020/21 revenue was \$2,828,670).

The Town continues to expand the waste services available to residents, offering options for an additional 240 litre recycling bin for \$40 per year and an upgrade to a 360 litre recycling bin for an additional one-off cost of \$150. The Town will also offer an additional fortnightly general waste collection for commercial properties.

The proposed waste charges for 2021/22 are set out in the following table:

	<b>Proposed Fee 2021/22 GST Inclusive (If Applicable)</b>	<b>Current Fee 2020/21 GST Inclusive (If Applicable)</b>
<b>Waste Charges - FOGO System</b>		
FOGO Standard Waste Service Charge	\$395.00	\$380.00
FOGO General Waste bin - 240L option	\$570.00	\$470.00
Waste Service Charge (Non-Rateable)	\$470.00	\$455.00
Waste Service Charge (Non-Rateable) - General Waste bin - 240L	\$627.00	\$545.00
Shared Bin Services for Multi Units	\$285.00	\$190.00
Additional bin - 240L Recycling	\$40.00	
Upgrade bin - 240L Recycling to 360L Recycling	\$150.00	
Additional bin - 240L FOGO	\$160.00	\$190.00
Additional bin – 140L (General Waste) *Separate Residential Dwellings only	\$165.00	\$160.00
Additional bin – 240L General Waste	\$285.00	\$190.00
Replacement or additional Kitchen Caddy	\$20.00	
Additional Fortnightly Collection General Waste per bin *Commercial Properties only	\$300.00	

### Tip Passes – Attached to Rates Notice for 2021/22

The Town will again provide four tip passes that will be printed onto the Rates Notice.

Lost or misplaced tip passes will not be replaced.

The 2021/22 Tip passes will expire on 31 August 2022.

### Interest Earnings

Revenue is expected to fall from \$285,208 as budgeted for 2020/21, to \$186,903 in 2021/22.

This is due to historically low RBA cash rates, the reduction of the maximum interest rate on overdue payments to 7% and the drawdown of reserves to fund capital projects. Further, the Town strives to invest in non-fossil fuel lending institutions, often at slightly lower rates of interest that might be available elsewhere.

### Other Revenue

Revenue is expected to decrease from \$441,131 as budgeted for 2020/21, to \$229,451 in 2021/22. This is due to a change in the timing of grants for road maintenance and recreation, and less public events being planned.

### Employee Costs

Employee costs are expected to remain steady from \$13,476,198 as budgeted for 2020/21, to \$13,478,467 in 2021/22; an increase of only \$2,269.

This represents a decrease of approximately \$300,000 in real terms as the 2021/22 budget includes allowance for a salary increase of 2% for its outdoor workforce and 1.5% for administration staff, as well as the increase in the rate of compulsory superannuation contributions, from 9.5% to 10.0%.

### Materials and Contracts

Expenditure is expected to increase from \$7,327,227 as budgeted for 2020/21, to \$8,484,276 in 2021/22. This includes for provision for 6 FOGO services for every school in the District.

Some expenditure items were reallocated to the “Other Expenditure” category to match the treatment of actual expenditure.

### Utility Charges

Expenditure on utility charges is expected to decrease slightly from \$696,582 as budgeted for 2020/21, to \$688,434 in 2021/22.

### **Depreciation**

Depreciation is a non-cash item and does not affect rates and charges. Depreciation is included in the statement of comprehensive income to reflect the reduction in value of assets for the ensuing 12 months.

Depreciation is expected to increase from \$3,559,374 as budgeted for 2020/21, to \$3,891,328 in 2021/22, primarily due to the depreciation recognised on Right of Use assets and the FOGO asset.

### **Interest Expenses**

Expenditure is expected to fall slightly from \$32,689 as budgeted for 2020/21, to \$33,089 in 2021/22. This is due to the continued reduction in loan balances.

### **Insurance Expenses**

Expenditure is expected to increase from \$492,162 as budgeted for 2020/21, to \$496,374 for 2021/22.

The Town's primary insurer LGIS has advised of extremely challenging market conditions, with all classes of insurance under significant pressure driven by increased risk and hardening re-insurance conditions.

### **Other Expenditure**

Expenditure is expected to increase from \$978,941 as budgeted for 2020/21, to \$1,156,113 in 2021/22.

This is due to a reallocation of some expenditure items from "Materials and Contracts" to match the treatment of actual expenditure.

### **Councillor Meeting Fees and Allowances**

Councillor allowances are consistent with the Determination of the Salaries and Allowances Tribunal Local Government Chief Executive Officers and Elected Members, on 8 April 2021. The Tribunal did not increase Councillor meeting fees and allowances for 2021/22.

Total expenditure is expected to increase from \$237,740 as budgeted for 2020/21, to \$244,240 in 2021/22.

Councillor meeting fees and allowances proposed for the 2021/22 Annual Budget are:

<b>Description</b>	<b>Amount</b>
Council meeting fees	\$123,544
Mayoral & Deputy Mayoral allowance	\$ 46,196
Conferences and training	\$ 15,000
Donations	\$ 5,000
IT and Communication allowance	\$ 24,500
Stationery and subscriptions	\$ 20,000
Functions	\$ 10,000
	<u>\$244,240</u>

In addition, the Western Australian Electoral Commission has advised of an estimated cost of \$54,000 to conduct the 2021 local government elections for the Town.

Councillor fees and allowances are included in the “Other Expenditure” category.

### **Non-Operating Grants**

Revenue is expected to fall from \$1,837,947 as budgeted for 2020/21, to \$1,408,141 in 2021-22.

This is due to a reduction in expected funding for the Town’s capital projects in 2021/22.

### **OTHER BUDGET ITEMS**

#### **Operational Projects                    **\$808,500****

Operational projects proposed for 2021/22 are listed in the budget.

Operational projects include:

- Community development:
  - Insurance cover for community groups
  - Community capacity building initiatives
  - Facilitating community access to external grants
  - The Town’s Sponsorship and Grants Program.
- Community Events:
  - Bike month
  - Telethon Community Cinemas
  - NAIDOC Week
  - Civic/statutory functions.
- Building the Town’s heritage:
  - Establish a heritage agreement or shared approach to maintain and share Noongar history, stories and culture
  - Update the Town’s Local Heritage Survey.
- Bassendean Gallery – Project to displace graffiti with commissioned art pieces painted on boards off site.
- Transitioning to renewable energy and achieving carbon neutrality.
- Provision of FOGO service for local schools to promote FOGO education in schools and create a uniform bin system between home, businesses and schools.
- Caltrop (Double Gee) weed control program to proactively identify spread of the weed and develop an appropriate treatment program.

- Co-location of the Town's administration into single premises at 48 Old Perth Road. The Town's administration currently occupies premises at 35 and 48 Old Perth Road. The Town owns the premises at 35 Old Perth Road freehold and the land is considered a key asset for potential future development. Creating a co-located workspace will deliver a number of benefits including improved collaboration and communication. The premises at 48 Old Perth Road require urgent expenditure on roofing, carpet, wiring and air conditioning and there are efficiencies to be gained by incorporating those works with a co-location. In addition, co-location should turn 35 Old Perth Road into a new income stream for the Town and avoid annual maintenance and running costs associated with occupying the building. In the longer term, the site is a potential development site.
- ICT Strategy Implementation:
  - Stabilising and Improving the Town's network infrastructure improving network security and upgrading NBN broadband links
  - Implementing a Council agenda preparation module to improve efficiency and enhance reporting
  - Implementation of a secure Councillor Portal to provide a digital platform for Councillor information and communications
  - Implementing Office365 through the provision of bespoke training tailored to the needs of the Town's business units.
- Seek feedback from the community through the MARKYT Community Scorecard to assist the Town evaluate, track and benchmark performance.

The proposed 2021/22 Annual Budget again provides for the planting of another 1,000 new trees, using operational funds.

### **Capital Works Program     \$5,741,000**

Capital projects proposed for 2021/22 are listed in the budget.

Capital projects include:

- Improvements to community facilities:
  - New air conditioning at Bassendean Bowling Club (funded by the Club, Department of Local Government, Sport and Cultural Industries (DLGSCI) and the Town)
  - Replacement of the veranda at Caledonians Soccer Club
  - Replacement of the practice wicket at Jubilee Reserve
  - Replacement of the shade sails at Ashfield playground
  - Installation of shade sails at the skate park (funded by the Department of Communities)
  - Replacement of the swing at Padbury Reserve
  - Renewal of assets and equipment such as BBQs, at various recreation places
  - Bassendean Memorial Library repairs to roof.
- Significant environmental projects:
  - Provision of funding into two new Reserve accounts to provide for the future restoration of Point Reserve and Bindaring Reserve

- Living Stream – Repurposing the open drain between Second and Fourth Avenue to create a living stream
- Completing stage two of the restoration of Bindaring Park North, involving planting, weeding and minor upgrades.
- Remediation of contaminated sites to position the Town to dispose of, or develop, the sites in the future.
- Acquisition of land reserved as Public Open Space under Local Planning Scheme No. 10 and the associated Town Planning Scheme 4A.
- Success Hill Jetty remediation work to allow the jetty to be re-opened and provide longevity of usage.
- Purchase of items of plant and machinery:
  - Ride-on mower and slasher
  - Truck with water tank and water trailer to assist with the Town’s tree maintenance program.
- Road resurfacing works.
- ICT Strategy Implementation:
  - Replacement of outdated staff PCs and Councillor and Executive staff portable devices
  - Upgrade audio-visual equipment in the Council chambers
  - Install secondary power circuit to the ICT server room
  - Upgrade the secure corporate Wi-Fi network across the Town’s locations
  - Implement a suitable telecommunications link between the Town’s administration and the depot.

Capital projects for 2021/22 will also include some projects budgeted for in 2020/21 that are partially completed, including:

- Spillway Design and Construction, Success Hill – Construction of a new spillway is required to allow stormwater to be conveyed into the river.
- Sandy Beach Playground Construction – To construct a new nature-based playground at Sandy Beach Reserve to create enhanced community amenity for recreation, engagement and play.
- Sandy Beach ablutions and sewerage – To replace the existing toilet to meet contemporary community needs and standards as well as connecting the facility to mains sewer to meet the BMP standards for public health and environmental outcomes.
- Mary Crescent “Our Park Our Place” Program – The Our Park, Our Place project aims to address issues in some of Perth’s lowest-canopy hotspots by regenerating local parks and reconnecting people with nature.

Western Power will also commence works on the undergrounding of power in Eden Hill and parts of Bassendean in early 2021/22. The Town will recoup the cost of consumer mains connection from property owners via a service charge to be levied over three years commencing 2022/23.

### **Transfers to/from Reserves and Restricted Cash**

Transfers to and from reserves proposed for the 2021/22 Annual Budget are listed in the budget at Note 7.

### **Change in Purpose of a Reserve/Using Reserve Funds for Another Purpose**

The Local Government Act 1995, section 6.11, relevantly states:

“(2) *Subject to subsection (3), before a local government —*  
*(a) changes\* the purpose of a reserve account; or*  
*(b) uses\* the money in a reserve account for another purpose,*  
*it must give one month’s local public notice of the proposed change of purpose or proposed use.*

*\* Absolute majority required.*

*(3) A local government is not required to give local public notice under subsection (2) —*  
*(a) where the change of purpose or of proposed use of money has been disclosed in the annual budget of the local government for that financial year; or*  
*(b) in such other circumstances as are prescribed.”*

### **Waste Management Reserve**

The purpose of the Waste Management Reserve is to “*accrue funds for the renewal or upgrade of waste management services*”.

The balance of the Waste Management Reserve is \$1,402,951. It is proposed to replace the Waste Management Reserve with the following new Reserves:

- Waste Processing/Disposal Reserve - \$377,288
- Waste Asset Reserve - \$200,000
- Waste Programs Reserve - \$575,663
- Natural Area Reserve - \$250,000.

The Purpose of the Waste Processing/Disposal Reserve is: “*To accrue funds to accommodate fluctuations in annual waste collection costs and start-up costs of new waste processing (or reduction) programs*”.

The Purpose of the Waste Asset Reserve is: “*To accrue funds for the long term asset renewal and purchase of new waste management assets*”.

The Purpose of the Waste Programs Reserve is: “*To implement programs and projects identified in the Strategic Waste Plan*”.

The Purpose of the Natural Area Reserve: *“To provide for the future restoration of Natural Area Reserves”*.

### **Land and Buildings Infrastructure Reserve**

The purpose of the Land and Buildings Infrastructure Reserve is to: *“To hold funds accrued as a result of sale of land and buildings and for the provision of funds for the purchase and development of land and building infrastructure”*.

Proposed reserve drawdowns of significance and their purpose are summarised below:

- Remediation of contaminated sites – To position the Town to dispose of, or develop, the sites in the future
- Acquisition of land – To further the objectives of Town Planning Scheme 4A.

Overall transfers from the Land and Buildings Infrastructure Reserve total \$2,142,098.

### **Community Facilities Reserve**

The purpose of the Community Facilities Reserve is to: *“To accrue funds for major expenditure in the provision of community facilities and community events”*.

The Town budgets separately for community events as part of general operational budgets and specific operational projects. Consequently, it is proposed to change the purpose of the Community Facilities Reserve to: *“To accrue funds for major expenditure in the provision of community facilities”*.

### **Proposed Loans**

The *Local Government Act 1995*, section 6.20, provides a local government with the power to borrow money. The local government must give one month’s local public notice of the proposal, unless the proposal has been included in the Annual Budget.

#### **Underground power**

Council has entered into a Network Renewal Underground Program Pilot (NRUPP) Co-Funding Agreement with Western Power to provide underground electricity distribution to parts of the Town. Pursuant to the agreement, the Town was liable to make cash call payments to Western Power, beginning in September 2021, as set out in the 2020/21 Annual Budget.

Since that time, Western Power has provided updated indicative costing for the consumer mains portion of the project and commencement of the project has been delayed by around 10 months. Consequently, the Town and Western Power agreed to a new cash call schedule, as follows:

29 July 2022	\$1,227,284
29 July 2023	<u>\$1,227,284</u>
	\$2,454,568

The Town proposes to recoup this cost from property owners through a service charge over three years, commencing in 2022-23.

It will be necessary for the Town to borrow sufficient funds from WATC to allow it to meet its cash call obligations under the co-funding agreement with Western Power, in advance of recouping the cost from property owners. The Town proposes to seek a loan from WATC to fund the cash calls and to draw down on that loan as and when required.

### **Determination of material variance for reporting purposes**

Each year, Council is required to adopt a percentage or value for the purposes of reporting material variances in the Monthly Financial Activity Statement. This value or percentage is then used throughout the financial year to identify potential areas in Council's actual revenues and expenditures that may not be in keeping with Council's budget.

The early identification of these potential issues can assist in better utilisation and allocation of scarce Council funds and resources.

The values chosen should provide a good indication of variances that would not normally be able to be covered through Council's normal operations and should, therefore, be assessed to identify if a potential issue exists or not.

Council has previously used a value of (+) or (-) \$5,000 or 10% per business unit for each of the revenue and expenditure areas included in the Financial Statements.

It is recommended that this value continue to be used.

### **Statutory Requirements**

The *Local Government Act 1995*, section 6.2.

The *Local Government (Financial Management) Regulations 1996*, Part 3 and Regulation 34.

Section 6.2 of the Act requires that not later than 31 August in each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt (by Absolute Majority) in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next following 30 June.

Divisions 5 and 6 of the Act refer to the setting of budgets and raising of rates and charges.

The Regulations detail the form and the content of the budget.

The 2020-21 Annual Budget reflects the *Local Government (COVID-19 Response) Order 2020*.

Other statutory requirements are detailed in this report.

Council has several financial policies which have been taken into consideration in the budget process, including the Financial Sustainability Policy and Investment Policy.

## Financial Considerations

Specific financial implications are as outlined in the Analysis section of this report and as itemised in the 2021/22 Proposed Annual Budget, attached under separate cover for adoption.

### Officer Recommendation – Item 8.2

That Council:

1. 2020-21 Annual Budget

Adopts, pursuant to the provisions of section 6.2 of the *Local Government Act 1995* and part 3 of the *Local Government (Financial Management) Regulations 1996* and the *Local Government (COVID-19 Response) Order 2020*, the Budget for the Town of Bassendean for the 2021/22 financial year, as contained in Attachment 1 to 3, which includes the following:

- a) Statement of Comprehensive Income by Nature or Type showing a net deficit for the year of \$3,067,837
- b) Statement of Comprehensive Income by Program showing a net deficit for the year of \$3,067,837;
- c) Statement of Cash Flows showing cash at the end of the year of \$1,060,409;
- d) Rate Setting Statement showing the amount required to be raised from rates of \$13,889,479;
- e) Notes to and Forming Part of the Budget;
- f) Transfers to Reserve Accounts totalling \$2,978,455 and from Reserve Accounts totalling \$4,569,585; and
- g) Operational Projects - \$808,500, as detailed in the Confidential Attachment: *Proposed Operational Projects 2021/22 (Including Project Budgets)*; and
- h) Capital Expenditure and New Initiatives - \$5,741,000, inclusive of Carried Forward Projects of \$2,006,729, as detailed in the Confidential Attachment: *Proposed Capital Budget 2021/22 (Including Project Budgets)*.

**Voting requirement: Absolute majority**

2. Rates, Instalment Payment Arrangements, Administration Fees and Interest

- a) For the purpose of yielding the deficiency disclosed by the 2021/22 Annual Budget, pursuant to sections 6.32, 6.34 and 6.35 of the *Local Government Act 1995* and the *Local Government (COVID-19 Response) Order 2020*, imposes the differential rates and minimum payment for 2021/22 that were advertised by public notice on 6 May 2021, as follows:

Rating Category	Rate in Dollar	Minimum Payment
Improved – Residential, Commercial and Industrial (GRV)	8.4895	\$1,106
Vacant Land – Residential, Commercial and Industrial (GRV)	12.7342	\$1,106

- b) Adopts the Objects and Reasons for the above Differential Rates for 2021/22, attached to the report for Item No. 8.1.
- c) Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, nominates the following due dates for the payment of rates in full, and service charges by instalments:

	Due Date
Full payment and 1st instalment	1 October 2021
2nd quarterly instalment	3 December 2022
2nd half instalment and 3rd quarterly instalment	4 February 2022
4th and final quarterly instalment	8 April 2022

- d) Imposes, in accordance with section 6.45 of the *Local Government Act 1995* and Regulation 67 of the *Local Government (Financial Management) Regulations 1996*, an instalment administration charge where the owner has elected to pay rates (or service charges) through an instalment option, of \$12 for each instalment after the initial instalment is paid;
- e) Imposes, in accordance with section 6.45(3) of the *Local Government Act 1995* and Regulation 68 of the *Local Government (Financial Management) Regulations 1996*, an additional interest rate of 5.5% applicable to rate and service charge instalment arrangements, subject to this additional interest rate cannot be applied to an excluded person, as defined in the *Local Government (COVID-19 Response) Order 2020*, that has been determined as experiencing genuine financial hardship as a consequence of the COVID-19 pandemic in accordance with Council's Financial Hardship Policy;

- f) Imposes, in accordance with section 6.51(1) of the *Local Government Act 1995* and clause 8 of the *Local Government (COVID-19 Response) Order 2020*, an interest rate of 7% applicable to overdue and unpaid rate and service charges subject to this interest rate cannot be applied to an excluded person as defined in the *Local Government (COVID-19 Response) Order 2020*, that has been determined as experiencing genuine financial hardship as a consequence of the COVID-19 pandemic in accordance with Council's Financial Hardship Policy.

**Voting requirement: Absolute majority**

3. Fees and Charges

Pursuant to section 6.16 of the *Local Government Act 1995*, section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, and regulation 53(2) of the *Building Regulations 2012*, adopts the Fees and Charges included in the 2021/22 Annual Budget as attached to, and forming part of, this report.

**Voting requirement: Absolute majority**

4. Elected Members' fees and allowances

- a) Pursuant to section 5.98 of the *Local Government Act 1995* and regulation 34 of the *Local Government (Administration) Regulations 1996*, adopts the following annual fees for payment of Elected Members in lieu of individual meeting attendance fees:
- i) Mayor \$25,342; and
  - ii) Councillors \$16,367;
- b) Pursuant to section 5.99A of the *Local Government Act 1995* and regulations 34A and 34AA of the *Local Government (Administration) Regulations 1996*, adopts the Information and Communication Technology allowance of \$3,500 for Elected Members;
- c) Pursuant to section 5.98(5) of the *Local Government Act 1995* and regulation 33 of the *Local Government (Administration) Regulations 1996*, adopts the annual local government allowance of \$36,957 to be paid to the Mayor in addition to the annual meeting allowance; and
- d) Pursuant to section 5.98A of the *Local Government Act 1995* and regulation 33A of the *Local Government (Administration) Regulations 1996*, adopts the annual local government allowance of \$9,239 to be paid to the Deputy Mayor in addition to the annual meeting allowance.

**Voting requirement: Absolute majority**

5. Reserves – Change in Purpose, Change in use of funds

Pursuant to section 6.11 of the *Local Government Act 1995*, Council approves:

- a) Creation of a Waste Processing/Disposal Reserve: *“To accrue funds to accommodate fluctuations in annual waste collection costs and start-up costs of new waste processing (or reduction) programs”*;
- b) Creation of a Waste Asset Reserve: *“To accrue funds for the long term asset renewal and purchase of new waste management assets”*;
- c) Creation of a Waste Programs: *“To implement programs and projects identified in the Strategic Waste Plan”*;
- d) Creation of a Natural Area Reserve: *“To provide for the future restoration of Natural Area Reserves”*;
- e) A change in use of part of the funds in the Waste Management Reserve (\$377,288), for the Waste Processing/Disposal Reserve;
- f) A change in use of part of the funds in the Waste Management Reserve (\$200,000), for the Waste Asset Reserve;
- g) A change in use of part of the funds in the Waste Asset Reserve (\$575,663), for the Waste Programs Reserve;
- h) A change in use of part of the funds in the Waste Asset Reserve (\$250,000), for the Natural Area Reserve;
- i) Closure of the Waste Management Reserve; and
- j) A change in the purpose of the Community Facilities Reserve to: *“To accrue funds for major expenditure in the provision of community facilities”*.

**Voting requirement: Absolute majority**

8. Loan – Underground Power

Pursuant to section 6.20 of the *Local Government Act 1995*, approves the CEO making application to the Western Australian Treasury Corporation for a loan of up to \$2,454,568 and to draw down on that loan as and when required to enable the Town to meet its cash call obligations under the co-funding agreement with Western Power, as amended.

**Voting requirement: Absolute majority**

9. Materiality

Adopts a material variance of \$5,000 or 10% of the appropriate base, whichever is the higher, for the 2021/22 Financial Activity Statement, for the purpose of reporting under regulation 34(5) of the *Local Government (Financial Management) Regulations 1996* and AASB 1031 Materiality.

**Voting requirement: Simple majority**

**9.0 CLOSURE**