



TOWN OF
VICTORIA PARK



Special Agenda Briefing Forum

Agenda – 18 June 2019



WE'RE OPEN
VIC PARK

Please be advised that a **Special Agenda Briefing Forum** will be held at **6:00 pm** on **Tuesday 18 June 2019** in the **Council Chambers**, Administration Centre at 99 Shepperton Road, Victoria Park.

Mr Anthony Vuleta – Chief Executive Officer
13 June 2019

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1 About the Agenda Briefing Forum

The purpose of the Agenda Briefing Forum is to ask questions and seek clarity on the draft Ordinary Council Meeting agenda, in line with the Agenda Briefing, Concept Forum and Council Workshops Policy.

The meeting is open to all members of the public, except during the consideration of matters deemed confidential in line with the *Local Government Act 1995*.

Members of the public that are directly impacted by an item on the agenda may participate in the meeting through any of the following methods.

1. Deputation

A deputation is a presentation made by a group of between two and five people affected (adversely or favourably) by a matter on the agenda. A [Deputation Form](#) must be submitted to the Town no later than 24 hours prior to the meeting and is to be approved by the Chief Executive Officer.

2. Presentation

A presentation is a submission made by an individual affected (adversely or favourably) by a matter on the agenda. A [Presentation Form](#) must be submitted to the Town no later than 24 hours prior to the meeting and is to be approved by the Chief Executive Officer.

All others may participate in the meeting during the allotted Public Participation Time. While it is not required, members of the public are encouraged to submit their questions and statements in advance by [email](#) or by completing the [Public Question/ Statement Form on the Town's website](#). Please note that questions and statements related to an agenda item will be considered first. All those dealing with matters of a general nature will be considered in the order in which they have been received.

For any questions regarding the Agenda Briefing Forum or any item presented in the draft agenda, please contact the Governance team at GovernanceVicPark@vicpark.wa.gov.au

Disclaimer

Any plans or documents in agendas, minutes and notes may be subject to copyright. The express permission of the copyright owner must be obtained before copying any copyright material.

Any advice provided by an employee of the Town on the operation of written law, or the performance of a function by the Town, is provided in the capacity of an employee, and to the best of that person's knowledge and ability. It does not constitute, and should not be relied upon, as a legal advice or representation by the Town. Any advice on a matter of law, or anything sought to be relied upon as representation by the Town, should be requested in writing.

Noting that the Agenda Briefing Forum is only for the purpose of seeking further information on the draft Ordinary Council Meeting Agenda, and does not constitute a decision-making forum, any person or entity who has an application or submission before the Town must not rely upon officer recommendations presented in the draft agenda. Written notice of the Council's decision, and any such accompanying conditions, will be provided to the relevant person or entity following the Ordinary Council Meeting.

2 Opening

Acknowledgement of the traditional owners

I acknowledge the traditional custodians of this land on which we are meeting, the Wadjuk people of the Noongar Nation, pay my respects to their past, present and emerging elders and thank them for their continued sharing of knowledge and leadership.

3 Announcements from the Presiding Member

3.1 Purpose of the Agenda Briefing Forum

The purpose of this forum is to provide an opportunity for Elected Members to ask questions and obtain additional information on officer reports in the draft Ordinary Council Meeting agenda. It is not a decision-making forum, nor is it open for debate.

Members of the public that may be directly affected by an item on the agenda can make presentations, deputations, statements, and ask questions, prior to the matter being formally considered by Council at the next Ordinary Council Meeting.

3.2 Notice of recording

All participation in the meeting will be audio recorded. The audio recording will be archived and placed on the Town's website after the meeting.

3.3 Conduct of meeting

All those in attendance are expected to extend due courtesy and respect to the meeting by refraining from making any adverse or defamatory remarks regarding Council, the staff or any elected member. No one shall create a disturbance at a meeting by interrupting or interfering with the proceedings through expressing approval or dissent, by conversing, or by any other means.

All questions and statements made by members of the public are not to personalise any elected member or member of staff. Questions and statements are to be directed to the Presiding Member, who may choose to call upon an officer of the Town, or another elected member, to assist with responses.

3.4 Public participation time

There are two opportunities to ask questions and make statements at the beginning and at the end of the meeting. Each public participation time will be held for 30 minutes. Any additional time must be by agreement from the meeting and will be in five-minute increments.

In line with the intended purpose of the Agenda Briefing Forum, questions and statements relating to an agenda item will be considered first. All others will be considered in the order in which they have been received.

3.5 Questions taken on notice

Responses to questions taken on notice that relate to an agenda item will be presented in the officer report for the Ordinary Council Meeting agenda under the heading 'Further consideration'.

Responses to general matters taken on notice will be made available in the relevant Ordinary Council Meeting agenda under the section 'Responses to public questions taken on notice'.

4 Attendance

Mayor	Mr Trevor Vaughan
Banksia Ward	Cr Claire Anderson Cr Julian Jacobs Cr Ronhhda Potter Cr Karen Vernon
Jarrah Ward	Cr Jennifer Ammons Noble Cr Bronwyn Ife Cr Brian Oliver Cr Vicki Potter
Chief Executive Officer	Mr Anthony Vuleta
Chief Operations Officer	Mr Ben Killigrew
Chief Financial Officer	Mr Michael Cole
Chief Community Planner	Ms Natalie Martin Goode
Manager Business Services	Mr Luke Ellis
A/Manager Corporate Services	Ms Ann Thampoe
Manager Development Services	Mr Robert Cruickshank
Coordinator Governance	Ms Danielle Uniza
Secretary	Ms Amy Noon

4.1 Apologies

4.2 Approved leave of absence

5 Declarations of interest

Declarations of interest are to be made in writing prior to the commencement of the meeting.

Declaration of financial interests

A declaration under this section requires that the nature of the interest must be disclosed. Consequently, a member who has made a declaration must not preside, participate in, or be present during any discussion or decision-making procedure relating to the matter the subject of the declaration. An employee is required to disclose their financial interest and if required to do so by the Council must disclose the extent of the interest. Employees are required to disclose their financial interests where they are required to present verbal or written reports to the Council. Employees can continue to provide advice to the Council in the decision-making process if they have disclosed their interest.

Declaration of proximity interest

Elected members (in accordance with Regulation 11 of the Local Government [Rules of Conduct] Regulations 2007) and employees (in accordance with the Code of Conduct) are to declare an interest in a matter if the matter concerns: a) a proposed change to a planning scheme affecting land that adjoins the person's land; b) a proposed change to the zoning or use of land that adjoins the person's land; or c) a proposed development (as defined in section 5.63(5)) of land that adjoins the persons' land.

Land, the proposed land adjoins a person's land if: a) the proposal land, not being a thoroughfare, has a common boundary with the person's land; b) the proposal land, or any part of it, is directly across a thoroughfare from, the person's land; or c) the proposal land is that part of a thoroughfare that has a common boundary with the person's land. A person's land is a reference to any land owned by the person or in which the person has any estate or interest.

Declaration of interest affecting impartiality

Elected members (in accordance with Regulation 11 of the Local Government [Rules of Conduct] Regulations 2007) and employees (in accordance with the Code of Conduct) are required to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making process. The Elected Member/employee is also encouraged to disclose the nature of the interest.

- 6 Public participation time**
- 7 Presentations**
- 8 Deputations**
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13 Chief Financial Officer reports

13.1 2019-2020 Annual Budget Report

Location	Town-wide
Reporting officer	Ann Thampoe
Responsible officer	Luke Ellis
Voting requirement	Absolute majority
Attachments	1. 2019-2020 Annual Budget - Town of Victoria Park [13.1.1 - 147 pages]

Recommendation

That Council adopts:

- 1 The municipal fund budget for 2019-2020
 - (a) Pursuant to the provisions of Section 6.2 of the *Local Government Act 1995* (as amended), and Part 3 of the *Local Government (Financial Management) Regulations 1996*, adopts the Municipal Fund Budget, as included in the Appendices, for the Town of Victoria Park for the 2019-2020 financial year, which includes the following:
 - (i) Statement of Comprehensive Income by Nature and Type showing a net result for that year of \$9,476,090
 - (ii) Statement of Comprehensive Income by Program showing a net result for that year of \$9,476,090
 - (iii) Rate Setting Statement showing an amount required to be raised from rates of \$47,517,462
 - (iv) Notes to, and forming part of, the budget
 - (v) Budget program schedules
 - (vi) Transfers to/from Reserve Accounts as detailed
 - (vii) The Schedule of Fees & Charges for 2019-20
 - (viii) Elected Members' fees and allowances.
- 2 Differential rates, minimum payments and instalment payment arrangements
 - (b) Imposes the following differential rates, representing and average increase of 2.5%, for the 2019-2020 financial year for the purpose of yielding the deficiency disclosed by the 2019-2020 Municipal Fund Budget pursuant to Sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995*.
 - (i) Residential – GRV
 - 0.0861 cents in the dollar of gross rental value applicable to properties used primarily as a place of residence subject to a minimum rate of \$1,264 per assessment.
 - (ii) Non-Residential - GRV
 - 0.0964 cents in the dollar of gross rental value applicable to properties not used primarily as a place of residence subject to a minimum rate of \$1,314 per assessment
 - (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 rate payment in full and by instalments.
 - (i) Full payment and 1st instalment due date 4 September 2019
 - (ii) Second quarterly instalment due date 6 November 2019
 - (iii) Third quarterly instalment due date 15 January 2020
 - (iv) Fourth quarterly instalment due date 19 March 2020.
 - (d) Pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 67 of the *Local Government (Financial Management) Regulations 1996*, Adopts an instalment administration charge

where the owner has elected to pay rates (and service charges) through an instalment option of \$14.00 for each instalment after the initial instalment is paid (a total of \$42.00)

- (e) Pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 68 of the *Local Government (Financial Management) Regulations 1996*, adopts an interest rate of 5.5% where the owner has elected to pay rates and service charges through an instalment option
- (f) Pursuant to Section 6.51(1) and subject to Section 6.51(4) of the *Local Government Act 1995* and Regulation 70 of the *Local Government (Financial Management) Regulations 1996*, adopts an interest rate of 11% for rates (and service charges) and costs of proceedings to recover such charges that remain unpaid after becoming due and payable.

3 Fees & Charges

- (g) That Council, by an Absolute Majority, Pursuant to Section 6.16 of the *Local Government Act 1995*, Section 245A (8) of the *Local Government (Miscellaneous Provisions) Act 1960*, 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 Annual Budget 2019-2020 as attached to, and forming part of, this report.

4 Elected Members' fees and allowances

- (h) Pursuant to Section 5.98 of the *Local Government Act 1995* and Regulation 34 of the *Local Government (Administration) Regulations 1996*, adopt the following annual fees for payment of Elected Members in lieu of individual meeting attendance fees:
 - (i) Mayor \$31,149
 - (ii) Councillors \$23,230
- (i) 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
- (j) 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 \$63,354 to be paid to the Mayor in addition to the annual meeting allowance
- (k) 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 \$15,838.50 to be paid to the Deputy Mayor in addition to the annual meeting allowance.

5 Material variance reporting for 2019-2020

- (l) Pursuant to Regulation 34(5) of the *Local Government (Financial Management) Regulations 1996*, and Australian Accountings Standard AASB 1031 Materiality, adopts the level to be used in Statements of Financial Activity in 2019-2020 for reporting material variances of any individual business unit / service area shall be an amount of (+) or (-) \$25,000.

Purpose

The 2019-2020 Annual Budget has been prepared in accordance with the requirements of the *Local Government Act 1995* and various accounting standards. The purpose of this report is to facilitate final consideration of the annual budget enabling the continued operation of the Town's works and services programs.

In brief

The main features of the budget are as follows:

- An average rate increase of 2.5%, with differential rates being applied. These being:
 - (a) Residential – GRV
 - (i) Encompassing properties used primarily as a place of residence
 - (ii) At 8.61 cents in the dollar with a minimum payment of \$1,264
 - (b) Non-residential – GRV
 - (iii) Encompassing properties not used primarily as a place of residence
 - (iv) At 9.64 cents in the dollar with a minimum payment of \$1,314.
- An initial rate revenue strike in the order of \$47.3 million
- Total capital expenses in the order of \$26.2 million, with approximately \$12.4 million representing additional capital works, and the remaining \$13.8 million being items carried forward from previous years
- Total operating expenses in the order of \$61.9 million
- Fees and charges have been reviewed and amended as appropriate
- The majority of properties in the district have, as part of the annual rates levied on the property, the rubbish and recycling services included
- An estimated surplus of \$6.4 million is anticipated to be brought forward from 30 June 2019. This is an unaudited figure and may be subject to change. Any change will be addressed as part of a future review of the budget
- Results of public submission period:
 - (a) In accordance with the *Local Government Act 1995*, the Town advertised the intention to levy differential rates for the 2019-2020 financial year and called for submissions relating to this. Advertising, which was in excess of statutory requirements, was by way of:
 - (i) The West Australian
 - (ii) The Southern Gazette
 - (iii) Public noticeboards
 - (iv) Council’s online engagement platform
 - (v) Social media channels.
 - (b) The request for public submissions sought feedback on the proposal to implement differential rating in the district and any other related matter.
 - (c) Submissions remain open, any received following compilation of this agenda will be added to the subsequent Ordinary Council Report for consideration 25 June 2019.

Background

1. Each year Council is to adopt an annual budget for the purposes of allocating resources towards the provision of works and services. The development of the 2019-2020 Annual Budget has been undertaken in a participatory manner with Elected Members aiming to achieve empowered decision making.
2. The development of the budget documentation has involved a series of concept forums with Elected Members to identify programs, service levels and projects aligned with the Strategic Community Plan and Corporate Business Plan.
3. Concept forums and information supplied to Elected Members included options and materials sufficient to understand and influence the interdependencies, options and impacts related to:
 - (a) Rates increases,

- (b) Strategic Projects
- (c) Discretionary programs or projects
- (d) Service levels inclusive of increases and decreases
- (e) Asset management timing options including deferrals
- (f) Financial Reserves.

4. In accordance with the *Local Government Act 1995*, advertising of Differential Rates was undertaken across a range of mediums. This advertising was subsequently ratified by a Special Meeting of Council 4 June 2019.

Strategic alignment

The development and consideration of the budget documentation has had regard for the direction as provided by the Town's Strategic Community Plan and Long-Term Financial Plan.

Civic Leadership	
Strategic outcome	Intended public value outcome or impact
CL06 - Finances are managed appropriately, sustainably and transparently for the benefit of the community.	The 2019-2020 budget has been developed using a participatory approach with Elected Members to ensure the budget is reflective of the community's current needs.

Engagement

Internal engagement	
Stakeholder	Comments
All Internal Service Areas	Budgets were developed by the Town's service areas, the compiled Draft 2019-2020 Annual Budget represents resource the requirements to deliver the Town's programs, services and projects.

External engagement	
Stakeholders	Community
Period of engagement	23 May – 17 June (estimated)
Level of engagement	Consult
Methods of engagement	Written Submissions
Advertising	<ol style="list-style-type: none"> 1. The West Australian 2. The Southern Gazette 3. Public noticeboards 4. Council's website 5. Your Thoughts e-newsletter 2,126 reach 6. Council's online engagement platform 7. Social media channels <p>During the submission period, the following statistics were collated:</p> <ul style="list-style-type: none"> • Facebook - 1,316 people reached, 88 engagements, 2 comments, 1 shares • Website public notice - 5 page views, 5 users, average time on 1m14

	<ul style="list-style-type: none"> Your Thoughts - 0 submissions, 62 page visits, 25 document downloads
Submission summary	Zero submissions were received, submissions remain open, any received following compilation of this agenda will be added to the subsequent Ordinary Council Report for consideration on 25 June 2019.
Key findings	The notice was viewed in excess of 3,500 times with the full detail reviewed by 25 people.

Legal compliance

[Section 6.2 of the Local Government Act 1995](#)

[Part 3 of the Local Government \(Financial Management\) Regulations 1996](#)

[Regulation 34 of the Local Government \(Financial Management\) Regulations 1996](#)

Risk management consideration

Risk and consequence	Consequence rating	Likelihood rating	Overall risk analysis	Mitigation and actions
Reputational Negative public perception if Council does not adopt the annual budget.	Moderate	Likely	Moderate	Elected Member engagement through participatory budget workshops Community submission periods
Service interruption Potential reduction in the quality of assets provided and services delivered if the rate increase and annual budget are not adopted.	Major	Likely	High	Elected Member engagement through participatory budget workshops.

Financial implications

Current budget impact	No impact.
Future budget impact	The adoption of the 2019-2020 budget will enable the continuity of service delivery, maintenance of existing assets and generation of new assets in line with the Integrated Planning and Reporting Framework.

Analysis

5. After allowing for the proposed carry forward items from the previous year (2018-2019), as detailed and explained in the next section of this item, there is no proposed year end surplus position forecast for 30 June 2020.

6. Carry-forward items from the previous annual budget.

Each year the Town potentially carries forward works and projects (and in some instances associated project revenues) that are 'in progress' or have been deferred for a specific reason.

There are three categories of carry-forward items, these being:

(a) Programs/projects either in progress or yet to commence that are fully or partly funded from sources external to Council, e.g. grant and/or contribution-funded programs/projects;

(b) Council funded programs/projects that, as at 30 June, are either in progress or yet to commence, and for which there exists a desire to continue forward with the programs/projects; and

(c) Those other Council works and services where there exists a known outstanding commitment/obligation to complete a specific task, e.g. programs/projects temporarily deferred for a variety of reasons.

(d) Carry-forward items from the previous budget included in the 2019-2020 Annual Budget have a net total of \$6.1 million (\$17.1 million in expense and \$7.5 million in associated revenue, and \$3.5 million from Reserves).

(e) There is a separate section within the 2019-2020 Annual Budget that provides a complete listing of all items for carry forward.

6 Proposed rates to apply for the 2019-2020 financial year

(f) During Elected Member workshops, average rate increases were considered against programs, services and projects to be delivered, information from Elected Members identified an aim to levy a rate increase below the long-term financial plan estimate of 3%. During the workshops the Elected Members were provided with a budget modelling tool which assisted them to analyse different budget scenarios enabling the selection of potential savings based on reduced level of service and recognise additional budget required to include projects which were predominantly of a strategic nature. Accordingly, and in consideration of the Town's programs, projects and services and feedback received from the Elected Members an average increase of 2.7% was subsequently advertised. However, through internal review and further identification of cost savings, the Town is now recommending a rate increase of 2.5%

(i) Residential – GRV

- 8.61 cents in the dollar of gross rental value applicable to properties used primarily as a place of residence subject to a minimum rate of \$1,264 per assessment.

(ii) Non-Residential - GRV

- 9.64 cents in the dollar of gross rental value applicable to properties not used primarily as a place of residence subject to a minimum rate of \$1,314 per assessment

(g) By applying the above rates in the dollar and minimum payments, an initial rate revenue

strike in the order of \$47.3 million will be realised

- (h) The following is a summary of the matters considered in achieving the proposed 2.5% rate increase, which is in keeping with the most recent Long-Term Financial Plan:
 - (i) Variations have been made to reserve fund transfers
 - (ii) Revenue estimates have been updated based on proposed changes to fees and charges, current service delivery plans and expected grant income
 - (iii) Rate revenue from larger-scale developments in the district have been considered with regards to anticipated completion dates
 - (iv) Increased expenses likely to be incurred as a result of state government price increases and increases in material and services charges
 - (v) Some new initiatives include;
 - (i) Urban Forest Strategy initiatives \$1.0 million
 - (ii) Edward Millen master plan \$300,000
 - (iii) 25th year anniversary of the Town \$200,000 initiatives
 - (iv) Photovoltaic panel installation at Aqualife \$200,000
 - (v) John Macmillan precinct master plan \$150,000
 - (vi) Place Planning initiatives \$112,000
 - (vii) Archer and Mint Street streetscape improvement plan \$60,000
 - (viii) 2019-2020 Business events \$57,000
 - (ix) Higgins Park master plan \$50,000
 - (x) Etwell Street revitalisation detailed design \$40,000

7 Determination of material variance for reporting purposes

- (i) 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.
- (j) 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 (-) \$25,000, per business unit/service area, for each of the revenue and expenditure areas included in the Statement of Financial Activity.
- (k) It is recommended that this value continue to be used.

8 Statement of calculation of the annual budget

In compiling the annual budget, officers have, in accordance with the Local Government Accounting Manual, as produced by the Department of Local Government:

- (l) identified recurring operating revenue and expenditure
- (m) prepared salary and wages schedules including proposed new staff positions, staff
- (n) increment changes and enterprise agreement increases
- (o) prepared capital expenditure based, where possible, on long-term asset management plans;
- (p) confirmed grants for both operating and capital requirements

- (q) determined and applied the assumptions for the opening current position from the previous financial year
- (r) identified any carry forward projects into the new financial year
- (s) flagged committed funds and excluded these from the brought forward balance in the determination of the current position
- (t) established if there is a budget deficit or surplus to be carried forward restricted to the prescribed amount
- (u) obtained estimates for non-current assets to be sold or traded-in on new assets
- (v) obtained estimates for insurance, including workers' compensation
- (w) updated the scale of fees and charges for the next 12 months
- (x) compiled projected cash flows over the next 12 months to ensure there is sufficient liquidity to meet current commitments throughout the year
- (y) prepared the budget document consistently with comparative financial results for the previous year
- (z) ensured that any surplus funds invested conforms with the short-term requirements for drawdowns as and when the funds are required
- (aa) completed all the required statutory schedules for adoption by Council.

Relevant documents

Not applicable.

- 14 Committee reports**
- 15 Questions from members without notice on general matters**
- 16 Public participation time**
- 17 Confidential matters**
- 17.1 CEO 2018/19 Performance Review Findings and Recommendations**
- 18 Closure**