



TOWN OF
VICTORIA PARK

Special Agenda Briefing Forum Agenda – 22 July 2020



**WE'RE OPEN
VIC PARK**

Please be advised that a **Special Agenda Briefing Forum** will be held at **6:30 pm** on **Wednesday 22 July 2020** in the **Council Chambers**, Administration Centre at 99 Shepperton Road, Victoria Park.

Michael Cole

Mr Michael Cole – A/Chief Executive Officer

17 July 2020

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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

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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

3 Acknowledgement of country

Acknowledgement of the traditional owners

Ngany yoowart Noongar yorga, ngany wadjella yorga. Ngany djerapiny Wadjak – Noongar boodja-k yaakiny, nidja bilya bardook.

I am not a Nyungar woman, I am a non-Indigenous woman. I am honoured to be standing on Whadjuk - Nyungar country on the banks of the Swan River.

Ngany kaaditj Noongar moort keny kaadak nidja Wadjak Noongar boodja. Ngany kaaditj nidja Noongar birdiya – koora, ye-ye, boorda, baalapiny moorditj Noongar kaadijtin, moort, wer boodja ye-ye.

I acknowledge the traditional custodians of this land and respect past, present and emerging leaders, their continuing cultural heritage, beliefs and relationship with the land, which continues to be important today.

Ngany youngka baalapiny Noongar birdiya wer moort nidja boodja.

I thank them for the contribution made to life in the Town of Victoria Park and to this region.

4 Announcements from the Presiding Member

4.1 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.

4.2 Notice of recording and live-streaming

All participation in the meeting will be audio recorded and live-streamed on the Town's website. The live-stream will be archived and made available on the Town's website after the meeting.

4.3 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.

4.4 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.

As this is a Special Agenda Briefing Forum, questions and statements must relate to the purpose of the meeting.

4.5 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'.

5 Attendance

Mayor

Ms Karen Vernon

Banksia Ward

Cr Claire Anderson
Cr Ronhhda Potter
Cr Wilfred Hendriks
Cr Luana Lisandro

Jarrah Ward

Deputy Mayor Bronwyn Ife
Cr Vicki Potter
Cr Brian Oliver
Cr Jesvin Karimi

A/Chief Executive Officer

Mr Michael Cole

Chief Operations Officer

Mr Ben Killigrew

A/Chief Financial Officer

Mr Luke Ellis

Chief Community Planner

Ms Natalie Martin Goode

Governance Advisor - Compliance

Mr Liam O'Neill

Secretary

Ms Amy Noon

Public liaison

Ms Alison Podmore

5.1 Apologies

Chief Executive Officer

Mr Anthony Vuleta

5.2 Approved leave of absence

Nil.

6 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.

- 7 Public participation time**
- 8 Presentations**
- 9 Deputations**
- 10 Method of dealing with agenda business**

11 Chief Financial Officer reports

11.1 2020-2021 Annual Budget

Location	Town-wide
Reporting officer	Michael Cole
Responsible officer	Michael Cole
Voting requirement	Absolute majority
Attachments	1. Differential rates submission summary [11.1.1 - 1 page] 2. 2020-21 Annual Budget - Town of Victoria Park [11.1.2 - 120 pages]

Recommendation

That Council adopts:

1. The municipal fund budget for 2020-2021 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 attachments, for the Town of Victoria Park for the 2020-2021 financial year, which includes the following:
 - (a) Statement of Comprehensive Income by Nature and Type showing a net result for that year of (\$233,931)
 - (b) Statement of Comprehensive Income by Program showing a net result for that year of (\$223,931)
 - (c) Rate Setting Statement showing an amount required to be raised from rates of \$47,289,473
 - (d) notes to, and forming part of, the budget
 - (e) budget program schedules
 - (f) transfers to/from reserve accounts as detailed
 - (g) the Schedule of Fees & Charges for 2020-21
 - (h) Elected Members' fees and allowances. [recommendation]
2. Differential rates, minimum payments and instalment payment arrangements:
 - (a) Imposes the following differential rates, representing an average increase of 0%, for the 2020-2021 financial year for the purpose of yielding the deficiency disclosed by the 2020-2021 Municipal Fund Budget pursuant to Sections 6.32, 6.33, 6.34 and 6.35 of the Local Government Act 1995.
 - (i) Residential – GRV of 0.0994 cents in the dollar of gross rental value applicable to properties used primarily as a place of residence subject to a minimum rate of \$1,233 per assessment.
 - (ii) Non-Residential – GRV of 0.1052 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 \$1,282 per assessment
 - (b) 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 first instalment due date 2 October 2020
 - (ii) Second quarterly instalment due date 8 December 2020
 - (iii) Third quarterly instalment due date 23 February 2021
 - (iv) Fourth quarterly instalment due date 28 April 2021.
- (c) 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 \$7.00 for each instalment after the initial instalment is paid (a total of \$21.00)
- (d) Pursuant to Section 6.45 of the Local Government Act 1995 and Regulation 68 of the Local Government (Financial Management) Regulations 1996, an interest rate of 2.0% where the owner has elected to pay rates and service charges through an instalment option
- (e) 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, an interest rate of 4% for rates (and service charges) and costs of proceedings to recover such charges that remain unpaid after becoming due and payable.

3. Fees and Charges

- (a) 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, the Fees and Charges included in the Annual Budget 2020-2021 as attached to, and forming part of, this report.

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, the following annual fees for payment of Elected Members in lieu of individual meeting attendance fees:
- (i) Mayor \$31,149
 - (ii) Councillors \$23,000
- (b) Pursuant to Section 5.99A of the Local Government Act 1995 and Regulations 34A and 34AA of the Local Government (Administration) Regulations 1996, 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, the annual local government allowance of \$63,354 to be paid to the Mayor in addition to the annual meeting allowance
- (d) Pursuant to Section 5.98A of the Local Government Act 1995 and Regulation 33A of the Local Government (Administration) Regulations 1996, 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 2020-2021

- (a) Pursuant to Regulation 34(5) of the Local Government (Financial Management) Regulations

1996, and Australian Accountings Standard AASB 1031 Materiality, the level to be used in Statements of Financial Activity in 2020-2021 for reporting material variances of any individual business unit /service area shall be an amount of (+) or (-) \$25,000.

Purpose

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:

- COVID-19 has had a significant impact on the development of the 2020-21 annual budget.
- Council has already resolved a 0% rate rise and a 0% increase in fees and charges along with significant reductions in rates instalment fees and interest charges.
- Council has also resolved to defer the issue of service charges for State Underground Power Program 6 to residents in Carlise North, Victoria Park East and Victoria Park West until 2021/2022.
- Western Power have agreed to defer the payment by the Town of the balance of SUPP6 until July 2021.
- Rate revenue in the order of \$47.3 million.
- Total capital expenses in the order of \$17.7 million, with approximately \$14.2 million representing additional capital works, and the remaining \$4.3 million being items carried forward from previous years
- Total operating expenses in the order of \$61.9 million
- The majority of properties in the district have, as part of the annual rates levied on the property, rubbish and recycling services included
- An estimated surplus of \$8.0 million is anticipated to be brought forward from 30 June 2020. 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

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 2020-2021 Annual Budget has been undertaken in a participatory manner with Elected Members.
2. COVID-19 has had a significant impact on the development of the 2020-21 annual budget. Council has already resolved a 0% rate rise and a 0% increase in fees and charges along with significant reductions in rates instalment fees and interest charges. Council has also resolved to defer the issue of service charges for State Underground Power program for residents in Carlise North, Victoria Park East and Victoria Park West until 2021/2022.
3. In addition, Council has established a reserve fund to assist in the funding of future programs and projects to support the community and local businesses during COVID-19 recovery.
4. The development of the budget documentation has involved a series of workshops with Elected Members to identify programs, service levels and projects aligned with the Strategic Community Plan and Corporate Business Plan.
5. Workshops and information supplied to Elected Members included materials sufficient to understand and influence the interdependencies, options and impacts related to:

- (a) rates increases and the impact of the revaluation of gross rental values
- (b) strategic projects
- (c) discretionary programs or projects
- (d) service levels
- (e) asset management timing options including deferrals
- (f) financial reserves.

6. In accordance with the Local Government Act 1995, advertising of Differential Rates was undertaken across a range of mediums.

Strategic alignment

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 2020-2021 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 2020-2021 Annual Budget represents the resource requirements to deliver the Town's programs, services and projects

External engagement	
Stakeholders	Ratepayers within the Town
Period of engagement	11 June 2020 – 3 July 2020
Level of engagement	Involve
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 online engagement platform 5. Social media channels.

	<p>Yourthoughts engagement</p> <ul style="list-style-type: none"> • 158 aware • 39 informed • 4 engaged
Submission summary	2 submissions were received from the community.
Key findings	Due to impact of COVID19, community members were not supportive of the proposed differential rates as noted in the submission summary attachment.

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
<p>Reputational Negative public perception if Council does not adopt the annual budget.</p>	Moderate	Likely	High	<p>Elected Member engagement through participatory budget workshops</p> <p>Community submission period</p>
<p>Service interruption Potential reduction in the quality of assets provided and services delivered if the proposed rates and the annual budget are not adopted.</p>	Major	Likely	High	Elected Member engagement through participatory budget workshops

Financial implications

Current budget impact	Nil.
Future budget impact	The adoption of the 2020-2021 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

7. COVID-19 has had a significant impact in the preparation of the 2020/2021 Annual Budget. In response to COVID-19, Council resolved in April 2020 that there would be a 0% rate rise in 2020/2021 in addition to a 0% increase in fees and charges. In addition, Council also agreed to a significant reduction in rates and instalment interest and fees as well as overdue interest. Council also adopted a Financial Hardship policy.
8. The year includes the revaluation of gross rental values (GRVs) which is undertaken by the Valuer General every three years. Initial indications from the Valuer General were that residential GRVs had reduced by 15% and non-residential by 10%. In line with Council's decision regarding a 0% increase in rates and order to achieve a similar rate yield to 2019/20 after taking into account growth in the Town's ratebase, rate modelling required to achieve the same yield required an increase in rates in the dollar for both residential and non-residential properties.
9. Council endorsed the proposed rates in the dollar and minimums for 2020/2021 for advertising and during the comment period two written submissions were received. A summary of their submissions and responses are included in the attachment.
10. Subsequent rate modelling undertaken after the uploading of the new GRVs has required a slight increase in the advertised rates in the dollar to achieve the same rate yield proposed in the budget.
11. Proposed rates to apply for the 2020-2021 financial year are:

Residential – GRV of 9.94 cents in the dollar of gross rental value applicable to properties used primarily as a place of residence subject to a minimum rate of \$1,233 per assessment.

Non-Residential – GRV of 10.52 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 \$1,282 per assessment

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

12. Council has also agreed that service charges for SUPP6 for properties in Carlise North, Victoria Park East and Victoria Park West will be deferred until 2021/2022. While Western Power will complete this project in 2020/2021, Western Power has agreed to defer billing the Town until 2021.2022 which will assist the Town's cash flow in 2020/2021.
13. The Council's policy provides for elected members to be paid the maximum Elected Member allowances as determined by the Salaries and Allowances Tribunal. When considering the adoption of the 2019/2020 annual budget last year, elected members agreed to keep to no increase in these allowances. During workshops for the 2020/2021 annual budget elected members have supported no increase again for this year.
14. After allowing for the proposed carry forward items from the previous year (2019-2020), as detailed and explained in the next section of this item, there is no proposed year end surplus position forecast for 30 June 2021.
15. 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.
16. There are three categories of carry-forward items, these being:

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;
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
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.

17. Carry-forward items from the previous budget included in the 2020-2021 Annual Budget have a net total of \$3.5 million.
18. There is a separate section within the 2020-2021 Annual Budget that provides a complete listing of all items for carry forward.

The following is a summary of the matters considered in achieving the proposed 0% 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
- (v) increases and increases in material and services charges.

19. Some new initiatives include:

continuation of the Urban Forest Strategy \$1.0 million
clubroom refurbishments \$180,000
photovoltaic panel installation at Administration centre \$120,000
road renewal projects totalling \$6.3 million including funding for Blackspot road projects of \$914,000
COVID Recovery funding \$500,000
GO Edwards – stage 5 \$1,7 million
parks renewal projects \$425,000

20. 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 (-) \$25,000, per business unit/service area, for each of the revenue and expenditure areas included in the Statement of Financial Activity.

It is recommended that this value continue to be used. 9. Statement of calculation of the annual budget

21. In compiling the annual budget, officers have, in accordance with the Local Government Accounting Manual, as produced by the Department of Local Government:
- (a) identified recurring operating revenue and expenditure
 - (b) prepared salary and wages schedules including proposed new staff positions, staff
 - (c) increment changes and enterprise agreement increases
 - (d) prepared capital expenditure based, where possible, on long-term asset management plans;
 - (e) confirmed grants for both operating and capital requirements
 - (f) determined and applied the assumptions for the opening current position from the previous financial year
 - (g) identified any carry forward projects into the new financial year
 - (h) flagged committed funds and excluded these from the brought forward balance in the determination of the current position
 - (i) established if there is a budget deficit or surplus to be carried forward restricted to the prescribed amount
 - (j) obtained estimates for non-current assets to be sold or traded-in on new assets
 - (k) obtained estimates for insurance, including workers' compensation
 - (l) updated the scale of fees and charges for the next 12 months
 - (m) compiled projected cash flows over the next 12 months to ensure there is sufficient liquidity to meet current commitments throughout the year
 - (n) prepared the budget document consistently with comparative financial results for the previous year
 - (o) ensured that any surplus funds invested conforms with the short-term requirements
 - (p) for drawdowns as and when the funds are required
 - (q) completed all the required statutory schedules for adoption by Council. 5) After allowing for the proposed carry forward items from the previous year (2019-2020, as detailed and explained in the next section of this item, there is no proposed year end surplus position forecast for 30 June 2021.

Relevant documents

Not applicable.

12 Public participation time

13 Closure