



TOWN OF
VICTORIA PARK

Special Agenda Briefing Forum Notes – 22 July 2020



WE'RE OPEN
VIC PARK

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

Her Worship the Mayor Karen Vernon
24 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 Special 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

Mayor Karen Vernon opened the meeting at 6.30pm.

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 kaaditjin, 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 Special 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 Special 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 Special Council Meeting agenda under the heading 'Further consideration'.

Responses to general matters taken on notice will be made available in the relevant Special 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
Jarraah Ward	Deputy Mayor Bronwyn Iffe Cr Brian Oliver Cr Jesvin Karimi
A/Chief Executive Officer	Mr Michael Cole
Chief Operations Officer A/Chief Financial Officer Chief Community Planner	Mr Ben Killigrew Mr Luke Ellis Ms Natalie Martin Goode
Governance Advisor - Compliance	Mr Liam O'Neill
Secretary Public liaison	Ms Amy Noon Ms Alison Podmore
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5.1 Apologies

Chief Executive Officer	Mr Anthony Vuleta
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5.2 Approved leave of absence

Jarraah Ward	Cr Vicki Potter
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6 Declarations of interest

Declaration of financial interest

Nil.

Declaration of proximity interest

Nil.

Declaration of interest affecting impartiality

Name/Position	Mr Ben Killigrew, Chief Operations Officer
Item No/Subject	11.1 - 2020-2021 Annual Budget
Nature of interest	Impartiality
Extent of interest	Children play junior sports including cricket and football in Victoria Park utilising local reserves and facilities. Clubs include South Perth Cricket Club at various locations and Perth Cricket Club based predominantly at Fletcher Park. Also has a child that attends Ursula Frayne primary school whom from time to time utilise Fraser Park.

7 Public participation time

John Gleeson

1. Would like a copy of the agenda before the meetings in future.

Mayor Karen Vernon advised to seek out Ms Podmore before meetings in the future and a copy of the agenda can be provided.

Sam Zammit

1. Where in the Town is the Roads to Recovery project happening?

The Acting Chief Executive Officer advised that the amount is income, is a general allocation and is spread throughout the entire capital works program for Roads to Recovery projects.

2. Are Western Power not charging for the underground power program until next financial year?

Mayor Karen Vernon advised that there was a Council resolution to not recover the payments from ratepayers for underground power this financial year. The Town will seek to do so next financial year.

The Acting Chief Executive Officer advised that Western Power have reached out to local governments involved in the state underground power program and have agreed to not bill for the Town's contributions due to be paid in 2020/2021. They have been deferred until July 2021. This will assist with cash flow.

3. Will the Town not need to pay Western Power until July 2021?

The Acting Chief Executive Officer advised that is correct.

4. Why has the Town borrowed \$18 million in the meantime when it is not required for another 12 months and the Town is paying interest on the amount?

The Acting Chief Executive Officer advised that the Town took out the loan when it was anticipating paying this financial year. Western Power only advised the Town about payments being deferred until July 2021 in June 2020 and the loan had already been taken out. If we had known, the Town may have deferred taking out the loan until next year.

5. Was all the Town had to do was ask?

Mayor Karen Vernon advised that Council approved proceeding with the State Underground Power Program last year. The loan was taken out as a consequence of that resolution on the cusp of COVID-19. What has happened now was well after the loan being taken out.

6. Why has the Town borrowed money at a much higher rate when it has money sitting in the bank earning very little interest?

Mayor Karen Vernon advised that the Town did not have \$18 million sitting in the underground power reserve to deliver the SUPP6 program.

7. Does the Town have \$50 or \$60 million sitting in the future fund?

Mayor Karen Vernon advised that the Town does have a future fund reserve but that doesn't even have \$18 million in it.

8. How much does the Town have in reserves in total?

Mayor Karen Vernon advised that there is around \$50 million in reserves in total.

9. Could the Town take \$18 million out of that?

Mayor Karen Vernon advised that in theory, the Town could have taken \$18 million out of that.

10. But the Town didn't?

Mayor Karen Vernon advised that the Town did not and there are good reasons for that.

11. Is the public allowed to know that reason?

Mayor Karen Vernon advised that the Town would not take money out of reserves that are already earmarked for other projects as those projects would be impacted. The Town has a large number of reserves that have been established over a period of time with set purposes. It is also an extremely low interest environment. The Town borrows money from the WA Treasury Corporation and it made sense to borrow the funds for the underground power program and pay it back over time, knowing that ratepayers will pay money and the loan can be discharged.

12. How long will it take for the \$18 million to come back to the Town?

The Acting Chief Executive Officer advised that ratepayers can opt to pay their amount back over a period of seven years.

13. How much is spent on pre-meeting, three-course dinners with drinks annually?

Mayor Karen Vernon advised that there are not three-course dinners.

The Acting Chief Executive Officer took the question on notice.

Graham Ferstat

1. Why does the Town need so many consultants?

The Acting Chief Executive Officer advised that the amounts relate to consultancy services and professional services for community engagement and master planning work that the Town undertakes. Each of the areas mentioned require specialist support from time-to-time, including environmental health and others. Further information can be included in the report for the Special Council Meeting.

2. Does the Town not employ people to do that work?

The Town does employ people to do work but this is project-specific work where independent support or advice is required.

3. What is place management and what are these \$1.4 million programs?

The Chief Community Planner advised that place management is a multi-disciplinary team including strategic town planners, an economic development specialist, transport planners and landscape architects. Some of the projects that have been undertaken by the team include the place plans, maintaining relationships in the places, the Higgins Park Masterplan, the Public Open Space Strategy, the Town Planning Scheme, the Local Planning Strategy and the Economic Development Strategy.

Some of the projects that will be delivered with the \$1.4 million include the Local Planning Strategy, the Town Planning Scheme no.2, Higgins Park Masterplan, a review of the Integrated Movement Network Strategy, continuation of the actions in the Economic Development Strategy, the Implementation Action Plan related to the Urban Forest Strategy. A detailed list can be included in the agenda for the Special Council Meeting.

The Acting Chief Executive Officer advised that the COVID-19 Recovery funding is also included in this and is \$500,000.

4. How many people does the \$2 million for consultants and \$1 million in employment for project management represent and why do we need it?

The Acting Chief Executive Officer advised that there is a carry forward of \$820,000 for the Edward Millen masterplan and this is the largest expense.

The Chief Operations Officer advised that projects that require consultants include Lathlain Zone 1, Burswood Station East, Archer and Mint Street design, Edward Millen, Taylor McCallum design works, John MacMillan Precinct, the Land Asset Optimisation Strategy, Albany Highway laneway and other minor projects.

5. Why is it almost double the cost of last year?

The Chief Operations Officer advised that the projects in the coming 12 months are different to the last 12 months.

6. Who is the tenant at 10 Kent Street and how much rent do they pay?

Mayor Karen Vernon advised that it is a Town-owned building that is currently vacant. There is no rent being paid at this point in time.

The Chief Operations Officer advised that there is a need to prepare the building for accessibility under the building codes to make it compliant before sourcing another tenant.

7. Why does the Town have to bring all buildings up to building code when normal landlords don't have to?

Mayor Karen Vernon advised that the Town is not like an average landlord and is a government authority. A new tenant will need it to be compliant in order to allow the public inside. The Town also has targets to meet and outcomes to achieve under the Disability Access and Inclusion Plan. All people need to be able to access Town buildings.

8. *How much rent does the Town anticipate getting from 10 Kent Street?*

Mayor Karen Vernon advised that the Town doesn't know because it depends who the tenant is, how the lease is for and what purpose it is used for.

9. *What does the \$75,000 for unplanned reactive works relate to?*

The Acting Chief Executive Officer advised that this is for maintenance that needs to be addressed as needs arise.

10. *Where is the \$50,000 for LED lighting replacement being spent?*

The Chief Operations Officer advised that the Town has a replacement program for switching incandescent lighting to LED.

Mayor Karen Vernon advised that it is an incremental rollout at Town facilities and is included in the Town's Environment Plan.

Mike Lanternier

1. *How many years in a row have the Town's budgets been in surplus?*

The Acting Chief Executive Officer advised that he is aware that they have been for at least five years.

2. *Where have surplus funds largely been transferred to?*

The Acting Chief Executive Officer advised that surplus comes from two items - savings in capital expenses and incomplete projects that are carried forward. There is \$5 million being carried forward this financial year which is similar to last financial year. These funds can be used to fund the coming budget.

3. *Will the Chief Executive Officer be back at work in time for next week's finalisation of the budget?*

Mayor Karen Vernon advised that he would be.

4. *Does LAOS make any net profits?*

The Chief Operations Officer advised that the Land Asset Optimisation Strategy aims to create commercial return from Town properties where there is commercial zoning. A number of projects in recent years have returned revenue to the Town. An example of this is the Planet Street lease to the Department of Education that earns the Town \$150,000 a year for 10 years.

Mayor Karen Vernon advised that expenses when the Town buys, sells or upgrades properties also needs to be considered so it is difficult to calculate net profit.

5. *Is the 2021 community art budget of \$933,000 excessive?*

The Chief Community Planner advised that the public art reserve has \$733,000 in it now. The public art plan is on the Town's website and it details how that money will be spent on public artworks. The next art work will be installed at Zone 2X in Lathlain. The community are encouraged to put in a submission on the Arts and Cultural Plan.

6. *Do West Coast Eagles not have to put in for that artwork?*

Mayor Karen Vernon advised that Zone 2X is a community site on Town land.

7. *Is it correct that parking made a profit of \$54,500 for the year?*

The Acting Chief Financial Officer advised that in the 2019/20 financial year that there was a \$54,000 surplus. The Town is predicting a deficit for the operation of paid parking in 2020/21 due to the impacts of COVID-19, less people parking and the increased free time and lower prices that were implemented to support economic recovery.

8. *Is the \$288,000 in corporate funds for employment related to a new position?*

The Acting Chief Executive Officer advised that there were service area reviews in 2019/20 for rangers, parking and finance that left three roles vacant. This budget is for those vacancies in case there is need to reallocate the positions for other projects.

John Gleeson

1. Made a statement expressing that he believes the management situation is out of hand. The Town shouldn't be hiring from outside as staff are highly educated and people shouldn't have to tell them how to do their jobs.

8 Presentations

Nil.

9 Deputations

Nil.

10 Method of dealing with agenda business

Nil.

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

Questions and responses

Cr Ronnhda Potter

1. What does a 0% rate increase cost the Town each year?

The Acting Chief Executive Officer advised that the Long Term Financial Plan provided for a 3% rate rise each year. Based on current rates, that equals \$1,411,484 less income than the endorsed plan had identified. It is not entirely correct to say that it has cost the Town that amount as the Long Term Financial Plan is subject to reviews and the economic condition and climate needs to be considered.

2. Are there any future projects "at risk" with a 0% or reduced rates?

The Acting Chief Executive Officer advised that the funding of future projects may be from future rates, borrowings, reserves or grants/contributions. A 0% rate rise does not impact on future projects as there were no significant transfers to reserves for future projects that depended on rates income in 2020-21 with the exception of three new reserves proposed to be established for Leisurelife, Aqualife and Parking. This could result in funding things differently or delaying them.

3. Once the budget is passed at next week's Special Council Meeting, when should residents expect their rate notices?

The Acting Chief Executive Officer advised that the Town is anticipating an issue date of 25 August, subject to the budget being adopted.

4. *How will information around our Hardship Policy be shared with residents?*

The Acting Chief Financial Officer advised that the information is already on the Town's website and will be available from Customer Relations and with the rates notices when they are sent.

Cr Brian Oliver

1. *If the Council charged residential and non-residential rate payers the same rate in the dollar as 2019-20, what impact would this have on the draft 2020/21 Budget?*

The Acting Chief Executive Officer advised that there would be a reduction of \$4,380,500.

2. *If Council allocated an additional \$30k in the Events and Volunteers Budget for the Summer Street Party, for a total of \$110,000, would the administration be in a position to deliver a similar street party event of size and scale, as has been delivered in previous years?*

The Chief Community Planner advised that it would allow the Town to deliver it similarly but not at the same time. It would have to happen next calendar year and it would depend on COVID-19 restrictions.

3. *How much sponsorship did the Town provide in 2019/20 and what impact would there be if the draft allocation of \$100,000 for sponsorship in 2020/21 was reduced?*

The Chief Community Planner advised that \$96,000 was spent on sponsorship last year and it could be reduced this financial year. Large commercial events and community events are sponsored. Some community events may not be possible without sponsorship.

4. *What is the Safer Neighbourhoods Plan \$27,000 allocation for?*

The Chief Community Planner advised that the amount is for the Town's cocooning project. Town staff liaise with Police and receive statistics on incidents. If there is an increase in crime in an area

staff reach out and offer assistance to those in the area to increase safety.

5. What is the Outreach Initiative \$50,000 allocation for?

The Chief Community Planner advised that this amount has been put aside for an independent agency to assist with addressing safety, security and antisocial behaviour. A trial took place with RooForce this financial year and it was successful around the library, park and shopping centre. The Town would call for expressions of interest for another similar program.

6. In 2019/20, how much funding was expended through the Street Meet and Greet Grant program?

The Chief Community Planner advised that \$5,500 was spent. Amounts varied between \$200 and \$400 to 23 applicants.

7. For the table provided to Elected Members regarding the list of professional services, can further information please be provided for the following service and amount?

The Acting Chief Financial Officer, Acting Chief Executive Officer, Chief Community Planner and Chief Operations Officer provided the following information.

Parking – consultancy general	\$285,000	Parking machine management contract. This was \$411,000 last year under a previous contractor.
Project Management – John Macmillan Precinct Planning	\$250,000	John MacMillan Precinct Masterplan
Project Management - Zone 1 Lathlain – Perth Football Club	\$125,000 and \$374,000 carry forward	Master plan for Perth Football Club Zone 1 grandstand and community facility. Design process and community engagement for concept to inform detailed design and tender documentation to deliver the project.
IT Service – ICT corporate consultancy	\$120,000	Software and hardware support including minutes digitisation.
Strategic Town Planning – consultancy general IMNS and Parking Management Plan	\$120,000	Reviewing all transport methods in the Town through a review of the Integrated Movement Network Strategy and Parking Management Plan
Land Asset Optimisation Strategy – consultancy general – Edward Millen Heritage redevelopment	\$100,000	For items over and above detailed design.
Project Management – consultancy general – Archer Mint Street Detailed design. What section is this focused on?	\$80,000	Engineering, design and landscape for detailed design. The design will be for the section of Archer Street near the businesses.

Asset Management - consultancy general	\$80,000	Design and building specifications for pre-project planning before going to market. An example of this is the accessibility improvements at the property on Kent Street.
Fleet Services Management – consultancy general	\$40,000	Subscription for fleet management software and GPS tracking.
Customer Relations - consultancy general	\$37,000	Details to be provided in Special Council Meeting report.
Engagement - consultancy general	\$20,000	Community engagement support to supplement internal resources.
Communications - consultancy general	\$20,000	Communications support to supplement internal resources in peak periods, as required.

8. What impact would there be on the Town's future planning would there be if the Albany Highway Precinct Plans were not delivered in the 2020/21 financial year and the status quo remained?

The Chief Community Planner advised that this would impact key corporate deliverables and cause delays with the Local Planning Strategy and Town Planning Scheme. There would be minor reputational damage as the Town Planning Scheme review is very overdue. It would also impact development in the Town as developers ask about locating their developments on Albany Highway and the Town's planning framework may not allow them.

9. Does the UFS implementation budget include an allocation for communication consultancy and if so, how much?

The Chief Community Planner advised that \$60,000 is included for public information campaigns. This includes videos, social media, printing and graphic design. Recent projects have included UFS at home and community tree planting. A future program will see the Town work with the Nyoongar community to develop a program about local flora.

10. Is the administration proposing any increases to employee costs in the draft budget?

The Acting Chief Executive Officer advised that employee costs are proposed to be lower by \$350,000.

Cr Wilfred Hendriks

1. What are the carry forward figures for recent surpluses?

The Acting Chief Executive Officer advised that this information would be included in the report for the Special Council Meeting.

Mayor Karen Vernon

1. If there is a 0% increase in rate revenue from 2019/20, how will that impact the overall budget position, and where would the reductions be allocated?

The Acting Chief Executive Officer advised that when estimated interim rates for 2019/20 are included, a 0% increase in rate revenue from 2019/20 would require a reduction of \$658,406 from the current initial rate strike of \$47,049,473.

This reduced rate revenue could be offset by reducing the amount proposed to be transferred to the following reserves:

- Community Art Reserve \$200,000
- Leisurelife Reserve \$250,000
- Parking Reserve \$100,000
- Aqualife Reserve \$180,000
- Total \$730,000

2. If the rate in the dollar used in 2019/20 were applied to the recently revalued GRV instead of the rate being proposed now, what impact would that have on the overall rates revenue?

The Acting Chief Executive Officer advised that the total rate revenue would reduce to \$41,753,590, a reduction of \$4,380,500.

3. Given the council resolution to present an alternative budget scenario for a 10% reduction in rates or a 5% reduction in rates, details of a draft alternative budget scenario of a 5% reduction in rates (being either an overall rate revenue reduction of 5%, or a discount of 5% on the amount of rates payable)?

The Acting Chief Executive Officer advised that a 5% reduction on the proposed rates in the draft budget equals \$2,367,971.

4. If there was a 5% reduction in the overall rates revenue, how would you suggest those reductions be allocated in the budget?

The Acting Chief Executive Officer advised that this shortfall could be achieved from:

- A reduction in capital works projects.
- A combination of a reduction in transfers to reserves as listed above plus a reduction in capital works projects. If a reduction in capital works projects is to be pursued, consideration should be only be given to a reduction in "new" or "upgrade" projects to ensure the Town can meet its Asset Sustainability Ratio target for renewal projects.
- An increased draw from reserves of \$2,367,691 to fund capital works or borrowing \$2,367,691 towards capital works projects.

5. How many projects, programs or services have been identified in the draft budget that are able to be funded from appropriate reserve funds instead of municipal funds?

The Acting Chief Executive Officer advised the following:

1. Urban Forest Strategy - \$500,000
2. COVID-19 Recovery - \$500,000
3. Parks - \$900,000 for various parks renewal projects \$425,000 and GO Edwards \$475,000
4. Renewable Energy - \$170,000 for solar panels on the administration building
5. Drainage - \$280,000 - \$140,000 for pits renewals and \$140,000 for pipes renewals
6. Roads renewal - \$212,000 for various access roads

7. How many are capital works projects?

The Acting Chief Executive Officer advised that all of them are except the Urban Forest Strategy and COVID-19.

Further consideration to be added to the Ordinary Council Meeting agenda

1. What the \$37,000 Customer Relations – consultancy general amount is budgeted for.
2. Carry forward figures for recent surpluses.

12 Public participation time

John Gleeson

1. Made a statement on his view about staff, the use of resources including consultants and private enterprise. Says he won't be around for future fund money to be spent.

Mike Lanternier

1. Made a statement about his satisfaction about the questions asked by elected members. Believes something can be achieved that is reasonable for the ratepayers and everyone in Council. Would like to see 10% savings.

13 Closure

There being no further business, Mayor Karen Vernon closed the meeting at 7.42pm.