

MINUTES

OF THE

SPECIAL MEETING OF THE COUNCIL

HELD ON

TUESDAY 22 JUNE 2021

AT 6.00PM IN THE COUNCIL CHAMBERS

MELVILLE CIVIC CENTRE

Due to the State of Emergency declared in Western Australia, effective 16 March 2020 and the subsequent government directives with regard to public gatherings and physical distancing only a limited number of the public are able to physically attend this meeting.

This meeting was publically broadcast to the community and the minutes and the audio recording of the meeting will be available on the City's website as soon as practicable after the meeting to meet the requirements of Regulation 14E(3)(b)(i) and (ii) of the *Local Government (Administration) Regulations 1996*

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1. OFFICIAL OPENING

The Presiding Member welcomed those in attendance to the meeting and officially declared the meeting open at 6:04pm and invited Cr Glynis Barber to read the Acknowledgement of Country and advised those present of the Disclaimer, the Affirmation of Civic Duty and Responsibility and the Audio Recording Advice.

The purpose of the Special Meeting of Council is to consider the following items:

- C21/5840 – Consideration and Adoption of the 2021-2022 Budget.
- T21/3933 – Smart LED Streetlight Replacement Proposal.
- M21/5846 - Request for Legal Assistance – Elected Member.
- Motion - Request for Small Group Briefing for CBACP.

Affirmation of Civic Duty and Responsibility

I make this Affirmation in good faith on behalf of Elected Members and Officers of the City of Melville. We collectively declare that we will duly, faithfully, honestly and with integrity fulfil the duties of our respective office and positions for all the people in the district according to the best of our judgement and ability. We will observe the City's Code of Conduct and Meeting Procedures Local Law to ensure the efficient, effective and orderly decision making within this forum.

2. PRESENT

Mayor Honourable G Gear

COUNCILLORS

Cr J Barton (Deputy Mayor)
 Cr G Barber
 Cr N Robins
 Cr C Robartson, Cr Woodall
 Cr N Pazolli, Cr S Kepert
 Cr K Mair, Cr M Sandford
 Cr T Fitzgerald

WARD

Bicton – Attadale – Alfred Cove
 Bicton – Attadale – Alfred Cove
 Bateman – Kardinya - Murdoch
 Bull Creek - Leeming
 Applecross – Mount Pleasant
 Central
 Palmyra – Melville – Willagee

3. IN ATTENDANCE

Ms C Young
 Mr S Cope
 Ms L Reid
 Mr M McCarthy
 Mr A Ferris
 Ms D Whyte (until 7:50pm)
 Mr L Hitchcock
 Mr B Taylor
 Ms C Newman
 Ms J Head

A/Chief Executive Officer
 Director Urban Planning
 A/Director Community Development
 Director Technical Services
 Director Corporate Services
 Manger Financial Services
 Executive Manager Governance and Legal Services
 Manager Governance and Legal Services
 Governance Coordinator
 Governance Officer

At the commencement of the meeting, there were no members of the public in the Council Chambers, three members of the public and no representative from the Press in attendance electronically.

4. APOLOGIES AND APPROVED LEAVE OF ABSENCE

4.1 APOLOGIES

Mr M Tieleman Chief Executive Officer

4.2 APPROVED LEAVE OF ABSENCE

Cr D Macphail Bateman – Kardinya - Murdoch
Cr K Wheatland Palmyra – Melville - Willagee

5. ANNOUNCEMENTS BY THE PRESIDING MEMBER (WITHOUT DISCUSSION) AND DECLARATIONS BY MEMBERS

5.1 DECLARATIONS BY MEMBERS WHO HAVE NOT READ AND GIVEN DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE BUSINESS PAPERS PRESENTED BEFORE THE MEETING.

Nil.

5.2 DECLARATIONS BY MEMBERS WHO HAVE RECEIVED AND NOT READ THE ELECTED MEMBERS BULLETIN.

Nil.

6. QUESTION TIME

Elected Members advised that questions had been submitted by Ms Kenny, however they had not been received by the City. Officers would follow this matter up and make contact with Ms Kenny.

7. DECLARATIONS OF INTEREST

7.1 FINANCIAL INTERESTS

- Cr Mair – Motion 11.1– Request for Small Group Briefing for CBACP. Financial Interest.

7.2 DISCLOSURE OF INTEREST THAT MAY CAUSE A CONFLICT

- Cr Kepert – Item T21/3933 – Smart Led Streetlight Replacement Proposal. Interest Under the Code of Conduct.
- Cr Kepert – Item C21/5840 – Consideration and Adoption of the 2021-2022 Budget Interest. Under the Code of Conduct.
- Cr Kepert – Item M21/5846 – Request for Legal Assistance – Elected Member. Interest Under the Code of Conduct.

8. DEPUTATIONS

At 6:08pm Cr Kepert advised he had requested to make a deputation in relation to Item M21/5846 – Request for Legal Assistance – Elected Member. The Mayor granted the request.

At 6:11pm the Executive Manager Governance and Legal Services provided Governance advice that a deputation under the Meeting Procedures Local Law related to an interested party and it was considered unusual in these circumstances. It was also advised that the interest declared by Cr Kepert in relation to Item M21/5846 – Request for Legal Assistance – Elected Member - may be perceived as a financial benefit and require a declaration of a financial interest under section 5.60 and 5.60A of the *Local Government Act 1995*.

9. APPLICATIONS FOR NEW LEAVES OF ABSENCE

Nil.

10. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED

That the meeting may close to members of the public, if required, to allow for items deemed confidential in accordance with Sections 5.23 of the *Local Government Act 1995* to be discussed behind closed doors.

- M21/5846 - Request for Legal Assistance – Elected Member

11. REPORTS OF THE CHIEF EXECUTIVE OFFICER

At 6:15pm, Director Technical Services, Mr McCarthy, provided a presentation on Item T21/3933 Smart LED Streetlight Replacement Proposal, which concluded at 6:26pm. [Presentation Smart LED Streetlight](#). Questions to the Director Technical Services concluded at 6:37pm.

Disclosure of Interest

Member	Cr Kepert
Type of Interest	Interest under the Code of Conduct
Nature of Interest	Do not possess all the information I require to make an informed decision
Request	Stay and Discuss
Decision Leave	Stay and Discuss

T21/3933 – SMART LED STREETLIGHT REPLACEMENT PROPOSAL (REC)

Ward	: All
Category	: Capital and Operational
Subject Index	: Streetlights
Customer Index	: Not Applicable
Disclosure of any Interest	: No Officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	: Not Applicable
Works Programme	: Not Applicable
Funding	: Transfer from Reserves
Responsible Officer	: Mick McCarthy Director Technical Services

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>
<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

T21/3933 – SMART LED STREETLIGHT REPLACEMENT PROPOSAL (REC)**KEY ISSUES / SUMMARY**

- The City of Melville has been advocating for the replacement of streetlight with more efficient light emitting diodes (LED) luminaires since 2016 through its own efforts and in partnership with the South West Group and WALGA.
- Streetlights are a major energy cost for the City, representing about 40% (or \$1.9 million per year) of total energy costs and a significant source of greenhouse gas emissions in the municipality.
- The City of Melville has been working closely with the City of Cockburn on a proposal for the Local Governments to meet the capital cost for replacement of streetlights with LED, based on an eight year payback period through reduced tariffs applicable to LED compared to other streetlight luminaires. A detailed financial model has been prepared for this purpose and includes a model specific to the City of Melville.
- A number of other Local Governments seeking to progress LED streetlight replacement, and prepared to meet the capital cost of replacement, have approached the Cities of Cockburn and Melville to be part of this initiative. As a result, a consortium has been formed between the Cities of Cockburn, Melville, Armadale, Canning and Albany with costs sharing arrangements in place to undertake required research, investigation and stakeholder engagement.
- Ironbark were subsequently commissioned to undertake the technical work and prepare a Business case, with public relations consultants appointed to engage with key stakeholders such as Ministers, Western Power and local Members of Parliament. This two pronged approach was aimed at maximising the success rate for the proposal by addressing key barriers associated with the current streetlight business model.
- More recently, the City has been investigating the use of Smart enabled LED luminaires for streetlights that would enable other digital applications to be utilised through a wireless network operating on a specific wavelength band. Western Power trialled Smart LED streetlights and the wireless network in 100 streetlights in Melville, which was the first trial of its kind in WA.
- Smart LED streetlights offer a range of benefits related to community and Smart City applications such as monitors to measure air pollution, soil moisture, noise levels, traffic counts and other uses. Smart LED streetlights also enable each light to be metered separately to enable performance management at the individual light level as well as the accurate recording of light efficiency measures and energy use.
- The City has over 8,958 streetlights and proposes to replace existing streetlights with Smart LED luminaires over a two year period at a cost of \$6.339 million. A one off transfer from the Land and Property Reserve to the Organisational Environment Sustainability Initiatives Reserve to fund the Smart LED streetlight replacement project is included in the draft 2021-2022 Budget.
- Once implemented, annual savings are expected ranging from \$849,000 (Year 4) to \$1.260 million (Year 20) with greenhouse gas savings of over 1,500 CO₂-e annually.
- The payback period is estimated at eight years, noting there may be opportunities for reduced payback period through removal of the Residual Asset Base (RAB) charge and the bulk purchase of Smart LED luminaires currently being negotiated with Western Power.
- The officer recommendation is for the Council to endorse the Smart LED Streetlight Replacement Project, noting that this initiative would respond as a decisive action under the Council's recent Declaration of a Climate Emergency.

T21/3933 – SMART LED STREETLIGHT REPLACEMENT PROPOSAL (REC)**BACKGROUND**

The City of Melville has been advocating for the replacement of streetlights with more efficient Light Emitting Diodes (LED) luminaires since 2016 through its own efforts and in partnership with the South West Group and WALGA. It was identified that working collaboratively with other Local Governments and WALGA was likely to increase the success rates in progressing this initiative, given the experience and limited progress at the individual Council level.

Streetlights are a major energy cost for the City, representing about 40% (or \$1.9 million per year) of total energy costs and a significant source of greenhouse gas emissions in the municipality. The greenhouse gas emissions related to streetlights form part of the community emissions profile and represent carbon emissions of around 2,300 CO₂-e annually from the community sector.

Western Power has been reluctant to consider replacing streetlights with LED luminaires for a range of reasons such as capital costs and the early retirement of existing functioning assets. The streetlight replacement proposal does not fit Western Power's current business model related to the phasing out of mercury vapour lights, as required under the Minamata Convention, and replacement of existing inefficient streetlight luminaire types (high pressure sodium, compact fluorescent).

The major barrier related to the streetlight replacement proposal related to the capital costs for changing lights out, which is estimated at \$500 for a standard LED and \$675 with a Smart LED incorporating a Western Power hosted information management system. Western Power are currently evaluating tenders for the supply of ICT architecture and data management system requirements to support a transition to Smart LED streetlights, with a decision expected in the coming months. The data management system is necessary to enable optimum performance management and the gathering of accurate energy use information associated with the Smart LED network.

More recently, the City has been investigating the use of Smart enabled LED luminaires that would enable other digital applications to be utilised through a wireless network operating on a specific wavelength band. Western Power trialled Smart LED streetlights and a wireless network for 100 streetlights in the suburb of Melville, which was the first trial of its kind in WA.

DETAIL

The City of Melville has been working closely with the City of Cockburn on a proposal for the respective Local Governments meeting the capital cost for replacement of existing inefficient streetlight luminaires with Smart LED, based on an eight year payback period through savings associated with reduced tariffs applicable to LED compared to other streetlight luminaires. A detailed financial model has been prepared for this purpose and includes a cost model specific to the luminaire types across Western Power's streetlight network assets in the City of Melville.

A number of other Local Governments seeking to progress their own LED streetlight replacement program, and prepared to meet the capital cost of replacement, have approached the Cities of Cockburn and Melville to be part of this initiative.

T21/3933 – SMART LED STREETLIGHT REPLACEMENT PROPOSAL (REC)

As a result, a consortium was formed between the Cities of Cockburn, Melville, Armadale, Canning and Albany with costs sharing arrangements in place to undertake required research, investigation and stakeholder engagement.

Consultancy firm Ironbark Sustainability were subsequently commissioned to undertake the technical work and prepare a Business case, with public relations consultants GRA Partners appointed to engage with key stakeholders such as Ministers, Western Power and local Members of Parliament. This two pronged approach was aimed at maximising the success rate for the proposal by addressing key barriers associated with the current streetlight business model and garnering political support.

The consortia have branded the initiative as a “Super Trial” to signify its unique qualities as a combined capital investment program involving over 47,000 streetlights, which represents 17% of the 276,000 streetlights on the South West Integrated System (SWIS) power grid incorporating south-west WA.

More recently, the City has been investigating the use of Smart enabled LED luminaires that would enable other digital applications to be utilised through a wireless network operating on a specific waveband. Western Power trialled Smart LED streetlights and a proprietary wireless network in 100 streetlights in Melville, which was the first trial of its kind in WA, with resultant data providing promising results in the limited range of Smart applications tested.

Smart LED streetlights offer a range of benefits related to community and Smart City applications such as monitors to measure air pollution, soil moisture, noise levels, traffic movements, parking capacity and other uses. Smart LED streetlights also enable each light to be metered separately to enable performance management at the individual light level as well as the accurate recording of light efficiency measures and energy use.

For high profile areas such as activity centres and key civic spaces, there is the opportunity to establish Smart Poles which could incorporate a range of applications sharing common infrastructure, including more advanced technology such as CCTV cameras and mobile phone interactions (to monitor event/crowd attendance). This could be combined with data available from financial institutions to estimate expenditure and contribution toward economic development and local business support. These aspects will be further explored as part of the Smart City demonstration projects being progressed by the City of Melville in partnership with Murdoch University.

In the future, separate metering capability for streetlights may provide the opportunity for contestable power to be applied to streetlight energy provision under a deregulated asset and energy management model, as established in other Australian states. This opportunity would require the current tariff to be split into the infrastructure/maintenance tariff component (levied by Western Power) and the energy use tariff component (charged by Synergy)

It is proposed to replace the 8,958 streetlights with Smart LED over a two year period, starting in the first quarter of 2022. This timeframe is aimed at ensuring that there is adequate availability of contractors for the luminaire swap outs and that the ICT architecture and data management systems are in place.

These critical installation and post-installation aspects of the proposal are required to be provided by Western Power. Council will be informed on progress and the management of scheduling, including any changes to the above timeframe or project arrangements.

T21/3933 – SMART LED STREETLIGHT REPLACEMENT PROPOSAL (REC)**STAKEHOLDER ENGAGEMENT****I. COMMUNITY**

This initiative has not been subject to a targeted community engagement program however community feedback from residents in the Melville Smart LED trial area has been positive, particularly in relation to the ability of the City to facilitate the dimming of certain lights at the request of nearby residents.

It is relevant to note that the City's Community Feedback Panel has expressed an interest in gaining a better understanding of the City's sustainability initiatives and the Smart streetlight LED replacement project would be a key project of interest given its economic, social and environmental benefits.

II. OTHER AGENCIES / CONSULTANTS

The City has consulted with Western Power at senior levels and the public relations consultants have met with the Minister for Energy (Hon. Bill Johnson), his Chief of Staff and other agency staff associated with this proposal.

The City of Melville and City of Cockburn have taken the lead role in engaging with other Local Governments in the consortia and those interested in the proposal, but not able to commit funding toward luminaire replacement. The participating Councils have also been liaising closely with WALGA and the City of Melville and Cockburn are planning to provide a joint presentation at the WALGA forum titled "Towards Net Zero Emissions" later this year.

Consultants Ironbark Sustainability was engaged under a cost sharing arrangement to prepare a Business Case for Western Power, which has been lodged and is under consideration. Public relations firm GRA Partners were engaged to advance the proposal at political and agency levels in the lead up to the State election in March 2021 and continue to provide assistance over recent months, including arrangements for the meeting with the Minister for Energy.

In addition, the City of Albany had the Business Case peer reviewed by a respected streetlight expert in WA who acknowledged that it provided a sound basis and methodology for advancing the initiative.

STATUTORY AND LEGAL IMPLICATIONS

The streetlights are Western Power assets and the replacement luminaires would remain Western Power's assets under this proposal. There may be a requirement for a legal agreement between the participating Councils and Western Power to underpin the Super Trial project, however this is yet to be determined.

The City of Cockburn and City of Melville has stressed the importance of Local Government representation on any evaluation panel established by Western Power for the selection of tenders for the bulk provision of Smart LED luminaires, however Western Power is yet to formally advise if this is possible.

T21/3933 – SMART LED STREETLIGHT REPLACEMENT PROPOSAL (REC)**FINANCIAL IMPLICATIONS**

The City has 8,958 streetlights and proposes to replace the existing streetlights with Smart LED luminaires over a two year period at a cost of \$6.339 million. This cost is expected to represent a worst case scenario as there are multiple areas where there are likely to be opportunities for improved negotiated outcomes with Western Power and Synergy.

To fund the project a one off transfer of \$6 million from the Land and Property Reserve to the Organisational Environment Sustainability Initiatives Reserve to fund the Smart LED streetlight replacement project is included in the draft 2021-2022 Budget.

When fully implemented, annual operating savings are expected to range from \$849,000 (Year 4) to \$1.260 million (Year 20) with estimated greenhouse gas savings of over 1,500 tonnes of CO₂-e annually

The payback period is estimated to be eight years, noting there may be opportunities for reduced payback period through removal of the Residual Asset Base (RAB) charge and the bulk purchase of Smart LED luminaires currently being negotiated with Western Power.

In summary the financial implications are:

- Initial capital investment of \$6.339 million over two years
- Funded from the Organisational Environment Sustainability Initiatives Reserve
- Annual operating savings of \$849,000 from Year 4
- Payback period of eight years
- Financial impact may be improved through the removal of the Residual Asset Base (RAB) charge and the bulk purchase of Smart LED luminaires currently being negotiated with Western Power.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

The City's Strategic Community Plan vision is engaging with our diverse community to achieve an inclusive, vibrant and sustainable future, with the Smart LED streetlight replacement proposal providing a positive contribution toward the Clean and Green, Safe and Secure and Sense of Community aspirations.

The Corporate Business Plan key priorities support the Smart LED Replacement Proposal, specifically:

- Priority 1: Ensure the improvement and sustainability of our environment – reducing greenhouse gas emissions and improved lighting quality
- Priority 2: Improve the approach for diverse and sustainable urban development and infrastructure - reducing greenhouse gas emissions, improved lighting quality and removal of mercury from streetlight assets
- Priority 4: Support health lifestyles and wellbeing – superior quality public lighting to encourage exercise after daylight hours and ability to utilise Smart applications

T21/3933 – SMART LED STREETLIGHT REPLACEMENT PROPOSAL (REC)

- Priority 5: Ensure long term financial sustainability – long term energy cost savings following payback period with a future ability for contestable power should this eventuate
- Priority 6: Encourage local economic development – capturing event attendance and local spend in businesses

Smart LED streetlights will enable the City to take an active role in the performance management of public lighting and achieve optimum efficiency in lighting quality throughout the municipality.

The ability to meter streetlights at the individual level will enable the City to respond to resident requests for adjustments to lighting intensity at given locations. Separate metering of streetlights may also open the way for seeking contestable power with associated carbon offsets through competitive based mechanisms if introduced through the deregulation of the energy market.

Over time, it is expected that environmental monitors will be deployed at strategic locations to gather environmental data to assist in decision making and adaptive management of the environment.

The risks associated with the Smart LED Streetlight Proposal are outlined below and can be adequately managed.

Risk Statement & Consequence	Level of Risk	Risk Treatment
Risk of Western Power not agreeing to the replacement program with Smart LEDs resulting in project not progressing	Major consequences which are possible, resulting in a High level of risk	Continue to engage with Western Power and other stakeholders (e.g. local MPs) to progress the proposal in the future
Risk that Council will not support the proposal and does not approve funding and reserve transfers to enable the project to proceed	Major consequences which are possible, resulting in a High level of risk	Continue to liaise with Western Power to accelerate the rollout of LED streetlights as part of the State Underground Power Program (SUPP) and as an broader energy and greenhouse gas reduction initiative

T21/3933 – SMART LED STREETLIGHT REPLACEMENT PROPOSAL (REC)

POLICY IMPLICATIONS

The Smart LED Streetlight Replacement Proposal is consistent with the City’s Sustainability Policy (CP-057) objectives and directly relevant to the City’s Corporate Environmental Strategic Plan (2016-2025) under Goal 3 - Sustainable Energy Management by reducing energy consumption and optimises the use of renewable sources of energy.

The proposal is also aligned with Councils recent Declaration of a Climate Emergency and could for part of the Climate Action Plan for community emissions.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

The City can choose not to progress the Smart LED Streetlight Replacement Proposal, however this will result in the City continuing to pay the high cost of energy provision for inefficient and poorer quality streetlights (\$1.9M/year) and loss of opportunity to incorporate Smart technology and associated community benefits.

CONCLUSION

The Smart LED Streetlight Replacement Proposal is a major and City-wide sustainability initiative that the City has championed in partnership with the City of Cockburn and other consortium members. The proposal involves the replacement of existing inefficient and poorer quality streetlights with superior quality Smart LED luminaires with associated energy cost savings and greenhouse gas emission reductions.

The Smart LED Streetlight Replacement Proposal will also create the opportunity for the City of Melville to progress this project as a Smart City initiative through the integration of Smart technology applications with community benefits.

OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (3933) APPROVAL

At 6:37pm Cr Mair moved, seconded Cr Fitzgerald –

That the Council:

- 1. Endorses the Smart LED Streetlight Replacement Proposal based on an estimated expenditure of \$6.339 million over a two year period.**
- 2. Notes that the financial commitment and transfer of reserve funding to facilitate the Smart LED Streetlight Replacement Proposal will be presented for Council consideration as part of the 2021-2022 Annual Budget.**

At 6:37pm the Mayor declared the motion

CARRIED (10/0)

Yes	10	Cr Barton, Cr Sandford, Cr Pazolli, Cr Fitzgerald, Cr Robartson, Cr Barber, Cr Mair, Cr Woodall, Cr Robins Mayor Gear
No	0	

At 6:37pm Cr Kepert abstained from voting on this matter.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****KEY ISSUES / SUMMARY**

- The 2021-2022 Budget document (including the Schedule of Fees and Charges) is presented for consideration and adoption by the Council.
- The rate in the dollar and minimum rates for all properties remain unchanged from 2020-2021.
- The general rates yield has increased by \$11m due mainly to the removal of the COVID-19 rate concessions applied in 2020-2021.
- The Budget still contains some elements of the Melville Community Stimulus Package to support ratepayers and the community, valued at \$945k.
- The Budget provides for a \$40m investment in the City's assets.
- The Budget for capital works includes approval for projects that have expenditure that spans multiple financial years.
- The 2021-2022 Budget differs quite materially in some areas from the prior year, therefore making comparatives less meaningful than normal.
- The Budget has been informed by the City's financial principles which were reviewed by Elected Members as part of a series of Long Term Financial Planning workshops.
- The budget includes expenditure consistent with the focus areas identified in the Corporate Business Plan 2020-2024.
- The LED Smart Streetlight project provides for a \$6m investment over the next two financial years to upgrade the City's 9,000 streetlights.

BACKGROUND

The City of Melville is required to prepare an Annual Budget in accordance with the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*. The purpose of an Annual Budget, in simplistic terms, is to outline the various revenue and expenditure streams and the required rating levels to achieve a balanced and sustainable financial position.

The financial principles of the City were recently reviewed by Elected Members and management during five workshops held between October 2020 and May 2021. These workshops heavily guided the latest review of the Long Term Financial Model and the preparation of the 2021-2022 Annual Budget. In accordance with this review and relevant Council policies, the 2021-2022 Budget has been drafted with a long term view of the ongoing and potential needs of the City and its residents.

Further work is currently being undertaken on the Long Term Financial Model and Plan and this will be presented to the Council for adoption early in the 2021-2022 financial year.

DETAIL

The City of Melville commenced its formal Budget preparation in February 2021. Inputs into the budget formulation process have included:

- Development of the budget with budget responsible officers, Management and Executive Leadership teams;
- Feedback and direction received from the Council arising out of Elected Member Information Sessions held during 2020 and 2021 specifically on Long Term Financial Planning/Budget; and

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)**

- Specific requests arising from resolutions of the Council during the 2020-2021 financial year or prior.

The 2021-2022 Budget differs quite materially in some areas from the prior year, therefore making comparatives less meaningful than normal. The 2020-2021 Budget was prepared in the midst of COVID-19 and reflected the impact of facility closures, conservative income forecasts and the impact of the Melville Community Stimulus Package. These variances in comparatives have been noted throughout this item where material. The 2021-2022 still contains some measures to support ratepayers and the community but to a lesser extent than in 2020-2021.

Key aspects of the Budget are as follows:-

- The Total Rates income budget is \$91m, an increase of \$11m when compared to the 2020-2021 Budget. The 2020-2021 Budget contained one-off rating concessions worth \$10m as part of the Melville Community Stimulus package. No increases have been applied to the rate in the dollar for each rating category or minimum rates. The composition of the rate yield remains consistent to previous years with approximately 80% relating to Residential properties and 20% relating to Commercial and Industrial properties.
- The budget for operating revenue excluding rates is \$27m, an increase of \$6m when compared to the previous year. The Kardinya South Underground Power project will generate \$3m in operating revenue to fund the corresponding cash calls from Western Power. The remaining increase is due to activity levels expected in relation to recreational services and property development (building and planning application fees) returning to pre COVID-19 levels.
- The 2021-2022 still contains some measures to support ratepayers and the community (estimated at \$945k). These measures include the continued removal of both the surcharge for payment by credit card and the instalment administration fee, a reduced interest rate for outstanding fees and charges and the continuation of one hour free parking across the City.
- The budget for operating expenditure including non-cash amounts is \$120m, an increase of \$10m to the previous year. Approximately one third (\$3m) of this increase is due to the inclusion of a project to roll out Smart LED street lights across the City. This new project received widespread support from Elected Members following a number of presentations and will span two years at a total cost of \$6m. The project will result in lower operating costs for the City, the use of advanced technology and significantly reduce carbon emissions associated with street lighting. This project will be funded by the use of Reserve funds. The Kardinya South Underground Power project requires \$2.7m in cash calls to Western Power and is funded through service fee charges. The employment cost budget has also increased, required for retaining skilled staff and new recruitments to improve service levels, create more focus on customer advocacy, community engagement and to maximise on technological advancements. Other increases are mainly due to higher licencing costs, footpath maintenance and traffic management costs.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)**

- The budget for net capital expenditure from investing activities is \$38.6m and is consistent with that of the previous year. This includes the net capital works program of \$32.4m, which includes significant spends on buildings (\$10.3m), roads (\$10m), parks and foreshores (\$4m), playgrounds (\$3.3m), footpaths (\$2.3m) and drainage (\$1m).
- The capital budget also contains projects that span multiple financial years and therefore need to be cash flowed accordingly. An extract of the capital works program is contained in attachment [5840C June 2021](#) and lists the overall net project cost and the net budget required in 2021-2022.
- The budgeted net income from financing activities is \$17m, a reduction of \$6m when compared to previous year. This is a result of lower reliance on reserve funding due to the removal of rating concessions contained in the 2020-2021 Melville Community Stimulus Package.

The Budget Book [5840A June 2021](#) outlines key information including:

- The Budget Certification
- A Budget Overview
- The Budget set out in the “Statutory” format as per legislation and regulations including:-
 - Rate Setting Statement by Nature & Type and by Program
 - Statements of Comprehensive Income by Nature & Type and by Program
 - Statement of Cash Flows
 - Statement of Financial Position
 - Statement of Changes in Equity
- Extensive notes to and forming part of the Budget including details of cash backed specific purpose reserve accounts, detailed rating information and information on other charges such as the Property Surveillance and Security Service levy, Underground Power etc.
- The Schedule of Fees and Charges for 2021-2022.

Attachment [5840B June 2021](#) provides a Ratepayer Profile for the City. There are no major changes to the Ratepayer Profile compared to last year.

STAKEHOLDER ENGAGEMENT**I. COMMUNITY**

A notice of intention to impose Differential Rates was featured on the City of Melville’s Noticeboard, the website and in e-news on Thursday 27 May 2021 and also advertised in the Melville Gazette newspaper on Thursday, 3 June 2021.

The public comment period (minimum of 21 days) ends on Thursday 17 June 2021. The Council is required to consider any submissions received before imposing the proposed rate or minimum payment.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)**

One submission was received. The submission makes reference to the increase in the rate in the dollar from 2019-2020. The change in the rate in the dollar from 2019-2020 to 2020-2021 was required due to the impact of the GRV revaluations and was required to maintain the City's rate base. Whilst the rate in the dollar increased the impact on individual properties was minimal as a result of the rate in the dollar increase.

Whilst no other specific public consultation has taken place in regards to the 2021-2022 Budget, community consultation has occurred for a number of the major projects identified within the budget document.

II. OTHER AGENCIES / CONSULTANTS

Talis Consulting – with respect to asset management. As part of the 2021 revision of the Long Term Financial Model, external consultants were engaged to assess the City's asset management processes and associated reserve levels. The review determined the City has a sound and prudent approach to asset management, with reserve levels being slightly below the desired level for its asset base.

The Talis review highlighted that the City needs to closely monitor asset management funding in relation to the age profile of its assets to ensure they can be renewed when required, particularly the building assets;

Other agencies consulted included:

- Department of Fire and Emergency Services with respect to the Emergency Services Levy;
- Landgate (The Valuer General) in relation to the Gross Rental Valuations used as a basis for calculation of Municipal General Rates;
- Southern Metropolitan Regional Council (SMRC) in relation to the recycling, composting, green waste and residual waste disposal operations run by them on behalf of the City and three other local authorities.

STATUTORY AND LEGAL IMPLICATIONS

Local Government Act 1995

1.3. Content and intent

Section 1.3 (3) In carrying out its functions a local government is to use its best endeavours to meet the needs of current and future generations through an integration of environmental protection, social advancement and economic prosperity.

2.7. Role of council

(1) The council —

- (a) governs the local government's affairs; and
(b) is responsible for the performance of the local government's functions.*

(2) Without limiting subsection (1), the council is to —

- (a) oversee the allocation of the local government's finances and resources; and
(b) determine the local government's policies.*

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****3.1. General function**

(1) The general function of a local government is to provide for the good government of persons in its district.

6.36 Local Government to give notice of certain rates.

(1) Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so.

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

Divisions 5 and 6 of the *Local Government Act 1995* refer to the setting of budgets and the raising of rates and charges and fees and charges.

The 2021-2022 Budget as presented meets these statutory obligations.

FINANCIAL IMPLICATIONS

Specific financial implications are as detailed in the attached 2021-2022 budget document. The Budget has been achieved without resorting to external loan borrowings to fund any operating or capital programs.

Implications for City of Melville ratepayers will include the following;

- No significant increases to existing user fees and charges except in circumstances where fees that were temporarily reduced in 2020-2021 are being reinstated as detailed in the 2021-2022 Fees and Charges Schedule;
- No increase in the rate in the dollar and minimum rate across all rates categories;
- The Property Surveillance and Security Service Charge has increased from \$47.00 to \$57.00 (same as 2019-2020);
- The Swimming Pool Inspection Fee has increased from \$39.00 to \$49.00 (same as 2019-2020);
- No administration charge for payment by instalments in 2021-2022;
- Instalment interest charge remains at 2%;
- Late payment penalty interest charge increased from 2% to 3.5%;
- No Credit/Debit Card Surcharge Fee;

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)**

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Risk Statement & Consequence	Level of Risk	Risk Treatment
Insufficient budget funding achieved to carry out works and services and maintain the City's assets.	Major consequences which are almost certain, resulting in a High level of risk.	Ensure sound Financial policy positions are adopted by the Council and that the consequences of insufficiently funding the City's operations are well understood.
Funding is directed towards areas of expenditure that are not a priority of the Community and the Council or required to address a Technical or Statutory requirement.	Minor consequences which might occur at some stage, resulting in a Medium level of risk.	Ensure budget development process is sound and subject to independent review by all Managers, Finance and the Council to ensure funding requests are directed at meeting the Community Plan and Corporate Plan objectives.
Significant variations to budget due to the subjectivity of the underlying budget assumptions in relation to the COVID19 pandemic.	Major consequences which are almost certain, resulting in a High level of risk.	Ensure sound Financial policy positions are adopted by the Council and that the consequences of insufficiently funding the City's operations are well understood.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****POLICY IMPLICATIONS**

The budget has been developed on the principles outlined in the Council's policies

- CP-008 Financial Sustainability – Forward Financial Planning and Funding Allocation Policy,
- CP-024 Borrowings and Asset Financing Policy
- CP-031 Asset Management Policy and
- CP-091 Elected Members Allowances and Expenses.
- CP-025 Accounting Policy - As per this Policy, interest earned from investing monies held in reserve accounts is to be classified as operating revenue and then transferred to the particular reserve accounts in proportion to the average balance of the particular reserves over the interest earning period. However in the 2021-2022 Budget only 50% of the budgeted interest earned from investing monies held in reserve accounts have been transferred to the reserve accounts.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

The Council may choose to adopt a rate increase of greater or less than the recommended amounts. However, in doing so it would need to identify which Operating Programs it wishes to see amended or what Capital Works it wishes to be added to or does not wish to proceed with. In regards to the renewal component of the Capital Works Program, reductions in the quantum of the program are likely to result in a deferment of expenditure to future years at an increased cost and a further exacerbation of the City's asset management deferred liability. In order to be sustainable in the longer term the City should maintain and improve the level of asset refurbishment and renewal funding that will enable it to refurbish and renew its assets when the need arises.

The projects presented to the Council for funding are considered to be priority projects.

Prudent financial management practices take into account the needs of current and future generations and support the need to build reasonable levels of cash backed specific purpose reserves to enable it to do so. The City is faced with many cost increases that exceed the increase in its revenue. These cost increases are absorbed by implementing cost saving measures in a manner that does not reduce service levels. These types of savings are often referred to as efficiency dividends.

Reductions in the level of rate increase, whilst possible using short term measures such as deferment of asset maintenance or renewal, are not recommended as this simply creates a greater financial burden for future generations. Such action would also be a departure from Council Policy CP-008 and the good governance provisions of the *Local Government Act 1995* referred to earlier in this report.

CONCLUSION

In accordance with the principles expressed in the Financial Sustainability Policy and other relevant Council Policies, the 2021-2022 Budget has been drafted with the long term view of the needs of the City and its residents in mind.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)**

The Budget Papers for 2021-2022 form part of the Attachments to the Agenda, which was distributed to the Members of the Council on 4 June 2021. [5840A June 2021](#)

In accordance with Section 6.2 of the Local Government Act 1995 the 2021-2022 Budget is recommended to the Council for adoption by Absolute Majority Decision.

1. BUDGET ADOPTION AND ASSOCIATED RESOLUTIONS**COMMENT**

The following matters require a decision by Absolute Majority as per the requirements of the *Local Government Act 1995* in regard to the Budget process.

- Adoption of the Annual Budget
- Granting of discount or other incentives for early payment
- Granting of any concessions on rates
- Setting the penalty interest rates on outstanding debts
- Imposing any fees or charges for goods or services other than a service for which a service charge is imposed
- Imposing the General Rate and Differential Rates on rateable land in the district
- Imposing a service charge e.g. Property Surveillance and Security Services and Underground Power network and connection charges.

The *Local Government Act 1995* enables service charges to be imposed equally across assessments including non-rateable properties for the purpose of property surveillance, security service and underground electricity.

The Act also outlines procedures by which a local government can impose differential rates. Section 6.36 of the Act requires that all local governments, which impose differential rates or a differential minimum, must give prior notice of its intention and invite submissions from electors and ratepayers. The Council is required to consider these submissions received before imposing the proposed rate or minimum payment. The Act requires that information regarding differential rates be included with the Rate Notice detailing all rates imposed, together with a summary of the Objects and Reasons for those rates.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.1 Ratepayer Profile**

The Ratepayer Profile which shows rating outcomes for different property types forms part of the Attachments to the Agenda, which was distributed to the Members of the Council on Friday, 4 June 2021. Attachment [5840B June 2021](#)

Motion

At 7:03pm Cr Woodall moved, seconded Cr Mair –

That the fourteen recommendations associated with the adoption of the 2021-2022 Budget be carried En Bloc.

OFFICER RECOMMENDATION (5840-1)**NOTING**

That the 2021-2022 Ratepayer Profile as detailed in Attachment [5840B June 2021](#) be noted.

1.2 Adoption of 2021-2022 Budget and Setting of 2021-2022 Rates and Charges**OFFICER RECOMMENDATION (5840-2)****NOTING**

That the Council note that one submission was received in respect of the differential rates in relation to the proposed rate and minimum payment.

OFFICER RECOMMENDATION (5840-3)**ABSOLUTE MAJORITY APPROVAL**

- 1) **That by Absolute Majority Decision of the Council the 2021-2022 Municipal Fund Budget as detailed in Attachment [5840A June 2021](#) be adopted.**
- 2) **That by Absolute Majority Decision of the Council that the schedule of Capital Works spanning multiple financial years as outlined in Attachment [5840C June 2021](#) be adopted.**
- 3) **That by Absolute Majority Decision of the Council the following general rates applicable to the 2021-2022 financial year i.e. for the period 1 July 2021 to 30 June 2022, be adopted:**
 - a. **All Improved Residential Land**
7.347628 cents in the dollar of gross rental value applicable to each property, residence, unit, strata, location or other residential property subject to a minimum rate of \$1,283.43 per assessment;
 - b. **All Unimproved Residential Land**
6.657573 cents in the dollar of gross rental values applicable to each property, location or other piece of land subject to a minimum rate of \$818.63 per lot;

noting that Residential Land includes general residential, duplex, multi-unit, residential strata properties and properties owned by the Department of Housing.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)**

**1.2 Adoption of 2021-2022 Budget and Setting of 2021-2022 Rates and Charges
(Continued)**

- c. All Commercial Land including Strata Storage Units 7.738591 cents in the dollar of gross rental values applicable to each assessment, lot, location, strata, or other piece of land subject to a minimum rate of \$995.61 per assessment;

noting that Commercial/Industrial land includes general industrial, commercial including retail, professional and office uses, service station, hotel / tavern, strata storage units and hospitals.

4) That by Absolute Majority Decision of the Council;

- a. Residential properties included in the Kardinya South Underground Power Scheme shall each be charged a network service charge as follows;

Single, duplex, or two unit property	\$ 4,333.61 (per property/dwelling)
3 to 10 unit property	\$ 3,348.56 (per property/dwelling)
11+ unit property	\$ 2,837.32 (per property/dwelling)
Kardinya Triangle	\$421.24 (per property/dwelling)

- b. Residential properties included in the Kardinya South Underground Power Scheme shall each be charged a network connection charge, where required, as follows;

Full Network Connection

Single, duplex, or two unit property	\$ 1,013.80 (per property/dwelling)
3 to 10 unit property	\$ 811.04 (per property/dwelling)
11+ unit property	\$ 658.97 (per property/dwelling)

Modified Network Connection

Single, duplex, or two unit property	\$ 811.04 (per property/dwelling)
3 to 10 unit property	\$ 658.97 (per property/dwelling)

- c. Commercial properties included in the Kardinya South Underground Power Scheme shall each be charged a network service charge as follows;

5 Kva installation	\$ 10,580.49 (per property)
35 Kva installation	\$ 20,854.50 (per property)

- d. Commercial properties included in the Kardinya South Underground Power Scheme shall each be charged a standard installation connection fee of \$1,146.20.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.2 Adoption of 2021-2022 Budget and Setting of 2021-2022 Rates and Charges
(Continued)**

- 5) That by Absolute Majority Decision of the Council the following general rates concessions for the 2021-2022 financial year, be adopted:
- a. Strata storage units. Appropriately zoned and used strata titled storage units of 18m² or smaller, granted a concession of \$497.80 each, it being noted that the value of this concession is approximately \$28,375.
 - b. Melville Glades Golf Club. 100% concession from general rates, it being noted that the value of this concession amounts to approximately \$10,181.
- 6) That by Absolute Majority Decision of the Council the following refuse waste charges be adopted, for the 2021-2022 financial year where these services are charged via the City of Melville rates system/notice:
- A) Additional Residential Rateable
 - a. \$341.00 per annum for each additional City of Melville approved domestic waste bin when emptied at the same time as the standard weekly domestic waste collection;
 - b. \$131.70 per annum for each additional City of Melville approved domestic recycling bin service when emptied at the same time as the standard domestic recycling collection;
 - c. \$200.00 per annum for each additional FOGO 240L bin service when emptied at the same time as the standard FOGO bin collection;
 - d. \$200.00 per annum for each additional domestic waste 140L bin when emptied at the same time as the standard domestic waste collection

Note: - additional waste or recycling bin services includes the collection and disposal of the additional City of Melville approved bins during the normal domestic collection round.

B) Residential Non Rateable Properties Waste and Recycling

\$454.80 per annum for one standard removal and disposal of a residential non-rateable waste service in a City of Melville approved waste bin;

Note: - a standard non-rateable service includes the weekly removal and disposal of refuse in a City of Melville approved waste bin.

C) Commercial and Non-Rateable (Non-Residential) Properties Waste Service

\$617.90 per annum for one standard removal and disposal of waste in a City of Melville approved waste bin;

Note: - a standard non-rateable service includes the weekly removal and disposal of refuse in a City of Melville approved waste bin;

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.2 Adoption of 2021-2022 Budget and Setting of 2021-2022 Rates and Charges
(Continued)****D) Commercial and Non Rateable Bulk Refuse Collection and Disposal**

- a. \$28.60 per service – one bin of 660L capacity (Inclusive of GST);
- b. \$40.40 per service – one bin of 1,100L capacity (Inclusive of GST);

Note: - a service is rendered each time a bin is emptied.

E) Commercial and Non Rateable Recycling Services

- a. \$605.80 per annum for a weekly recycling bin service provided to commercial and non-rateable properties for one 240L recycling bin emptied on a weekly basis;
- b. \$26.00 per service – one bin of 660L capacity (Inclusive of GST);
- c. \$34.20 per service – one bin of 1,100L capacity (Inclusive of GST);

Note: - a service is rendered each time a bin is emptied.

F) Commercial and Non Rateable Bin Services (per lift)

- a. \$11.90 per lift – one mobile garbage bin of 240L capacity (Inclusive of GST);
- b. \$11.65 per lift – one recycling bin of 240L capacity (Inclusive of GST);

7) Swimming Pool Inspection Fee

That by Absolute Majority Decision of the Council a Swimming Pool Inspection Fee of \$49.00 for the 2021-2022 year be adopted.

Note: - The Swimming Pool Inspection Fee is charged in each year of the four yearly inspection cycle. Should the total revenue raised exceed the actual total costs of conducting all pool inspections in any one year the surplus is transferred to a restricted reserve account and used to offset the costs of inspections in the following year's budget.

8) Property Surveillance and Security Service Charge

That by Absolute Majority Decision of the Council a Property Surveillance and Security Charge of \$57.00 for the 2021-2022 year be adopted.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.3 Rates Incentives****OFFICER RECOMMENDATION (5840-4)****ABSOLUTE MAJORITY APPROVAL**

That by Absolute Majority Decision of the Council the following rates incentives be offered to those ratepayers who pay their rates by the instalment dates and using BPAY.

First prize draw: Three prizes worth \$1,000 donated from Westpac for anyone who pays in full or their 1st instalment by the due date using BPAY.

Bonus Draw: \$750 cash prize for anyone who has paid in full or instalments by due date using BPAY. Drawn after the first and final instalment date.

2nd 3rd and 4th prizes: Small business credit spend of \$250 and a Leisurefit Heathy Life PLUS membership, eligible for all ratepayers who have paid in full or by the instalment date. One prize drawn after the 2nd, 3rd and 4th instalment.

1.4 Loan Capital Fund Budget

This budget includes self-supporting loans raised on behalf of other organisations that are responsible for meeting the loan repayment costs. The Council is effectively the guarantor of these loans. New self-supporting loans in 2021-2022 for Kardinya Bowling Club and Applecross Tennis Club are included in the 2021-2022 Budget.

OFFICER RECOMMENDATION (5840-5)**ABSOLUTE MAJORITY APPROVAL**

That by Absolute Majority Decision of the Council the 2021-2022 Loan Fund Budget as detailed in Attachment [5840A June 2021](#) be adopted.

1.5 Reserve Account Budgets

Reserve accounts form part of the Municipal Fund and equity of the City. Specific purpose cash backed reserve accounts have been created for various reasons such as meeting legislative requirements, replacement of assets and ensuring availability of funds for known and unknown events in order to help reduce the variability of General Rates.

In the budget for 2021-2022, the following measures have been taken in relation to reserves;

- a) As per CP- 025 Accounting Policy, interest earned from investing monies held in reserve accounts is to be classified as operating revenue and then transferred to the particular reserve accounts in proportion to the average balance of the particular reserves over the interest earning period. However in the 2021-2022 budget only 50% of the budgeted interest earned from investing monies held in reserve accounts have been transferred to the reserve accounts.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.5 Reserve Account Budgets continued**

- b) The purpose of the Community Centre Fitout, Furniture and Equipment Reserve has been amended to include the acquisition of and replacement of the fitouts, furniture and specialised equipment requirements of multipurpose rooms at venues owned by the City of Melville.
- c) The purpose of the Information Technology has been amended to include the costs of utilisation of service based and emerging technologies.

In 2021-2022, the City will also use money in the Land and Property Reserve for purposes different to which it has been established. A one off transfer to the Organisational Environment Sustainability Initiatives Reserve to fund the Smart LED street lights project, and another for the potential acquisition of a property to be used for non-commercial purposes.

The stated purpose of each reserve is outlined in the recommendation below. As indicated above, there are proposed changes to existing Reserve purposes in the 2021-2022 Budget.

OFFICER RECOMMENDATION (5840-6)**ABSOLUTE MAJORITY APPROVAL**

- A) That by Absolute Majority Decision of the Council the 2021-2022 Reserve Accounts (Fund) Budget as detailed in Attachment [5840A June 2021](#) be adopted for the following reserve accounts and purposes:
 - 1) **Ardross East Underground Power & Streetscape Enhancement Reserve**
To be used for underground power projects and streetscape enhancements in the Ardross East Underground Power project area.
 - 2) **Attadale North Underground Power & Streetscape Enhancement Reserve**
To be used for underground power projects and streetscape enhancements in the Attadale North Underground Power project area.
 - 3) **Bicton North Underground Power & Streetscape Enhancement Reserve**
To be used for underground power projects and streetscape enhancements in the Bicton North Underground Power project area.
 - 4) **Melville North Underground Power & Streetscape Enhancement Reserve**
To be used for underground power projects and streetscape enhancements in the Melville North Underground Power project area.
 - 5) **Melville South Underground Power & Streetscape Enhancement Reserve**
To be used for underground power projects and streetscape enhancements in the Melville South Underground Power project area.
 - 6) **Civic Centre Precinct Improvements Reserve**
To be used for improvements to the buildings and associated landscaping and car parking located within the Civic Centre Precinct (Melville City Centre).

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.5 Reserve Account Budgets (Continued)**

- 7) **Commercial Refuse Reserve**
To be used for the acquisition and replacement of commercial refuse bins, vehicles, plant and equipment used for commercial waste operations and the development of commercial waste collection opportunities.
- 8) **Community Facilities Reserve**
To be used for the provision of new, renewed or upgraded community facilities/buildings.
- 9) **Community Centre Fitout, furniture and Equipment Reserve**
To be used to fund the acquisition and replacement of the fitouts, furniture and specialised equipment requirements for the Community Centres and multipurpose rooms at venues owned by the City of Melville.
- 10) **Community Surveillance and Security Service Reserve**
To temporarily retain any surpluses that may arise from the Property Surveillance and Security Service Charge to be used to offset future years Property Surveillance and Security Service Charges or for the purchase of plant and equipment used for community surveillance and security services.
- 11) **Fleet Services Vehicles, Plant and Equipment Replacement Reserve**
To be used to fund the purchase of replacement vehicles, plant and equipment.
- 12) **Funds in lieu of Development on Public Open Space Reserve**
Maintained for the purpose of retaining and using funds in accordance with section 154 (2) of the Planning and Development Act 2005.
- 13) **Information Technology Reserve**
To be used to fund the acquisition and replacement of computer software, information technology hardware and costs of utilisation of service based and emerging technologies.
- 14) **Infrastructure Asset Management Reserve**
To be used to fund infrastructure asset management projects including the construction, maintenance and renewal of the City of Melville's road, path, kerbing, street furniture, park structures, playground, irrigation/reticulation and drainage infrastructure assets.
- 15) **Land and Property Reserve**
To be used to:
 - a) fund the acquisition or construction of commercial revenue earning land and/or buildings, or
 - b) fund the acquisition of land and buildings in structure plan areas to help encourage of the redevelopment of those structure plan areas by assembling developable land parcels and fund with Council approval infrastructure and other developments in line with structure plan principles; or

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.5 Reserve Account Budgets (Continued)**

- c) internally fund the purchase or construction of City of Melville community facilities or infrastructure assets, on the basis that those funds will be returned to the Land and Property Reserve over a predetermined period of time with interest, with the interest rate being set at what would have been charged by the Western Australian Treasury Corporation for the term of the borrowing using the Semi Annual Annuity interest rate.
- 16) **Leave Entitlements Reserve**
To be used to fund the non-current liability amount of annual, sick and long service leave entitlements accrued in previous financial years beyond the amount provided for in the Provision for Leave current liability account.
- 17) **Libraries, Art Centres and Museums Equipment, Furniture and Specialised Fit Out Reserve**
To be used to fund the acquisition and replacement of the fit outs, furniture and specialised equipment for art centres, museums and libraries.
- 18) **New/Upgrade Works Reserve (previously Future Works Reserve)**
To be used to fund the "New" and "Upgrade" components of the costs of Infrastructure Capital Works and Buildings as opposed to renewal of existing assets as per Asset Management Plans.
- 19) **Organisational Environmental Sustainability Initiatives Reserve**
To be used to fund environmental initiatives which are intended to reduce the energy usage and/or carbon footprint of the corporation of the City of Melville or for debt servicing costs associated with any loan borrowings taken out for such purposes.
- 20) **Parking Facilities Reserve**
To be used to fund the provision, refurbishment or improvement of parking facilities and equipment.
- 21) **Parking Management Reserve – Canning Bridge Activity Centre**
To fund public transport, car parking, streetscape upgrades that improve opportunities for walking and cycling, footpaths and other pedestrian-related infrastructure, cycle paths and other cycling-related infrastructure, street trees, plants and landscaping that improves pedestrian amenity and/or Travelsmart programs and initiatives at the Canning Bridge Activity Centre, or as per the discretion of the Council under the advice of a Parking Fund Advisory Committee.
- 22) **Parking Management Reserve - Riseley Activity Centre**
To fund public transport, car parking, streetscape upgrades that improve opportunities for walking and cycling, footpaths and other pedestrian-related infrastructure, cycle paths and other cycling-related infrastructure, street trees, plants and landscaping that improves pedestrian amenity and/or Travelsmart programs and initiatives at the Riseley Activity Centre, or as per the discretion of the Council under the advice of a Parking Fund Advisory Committee.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.5 Reserve Account Budgets (Continued)**

- 23) Private Swimming Pool Inspection Fee Reserve**
To temporarily retain any surpluses that may arise from the Swimming Pool Inspection fees to be used to offset any deficits that may occur in future year's operations of the Private Swimming Pools Inspection Program.
- 24) Public Open Space and Urban Forest Reserve**
To be used to fund the purchase, development and re-development of public open spaces, including streetscapes, bushlands, parks and reserves and to fund initiatives to enhance and improve the urban forest or for debt servicing costs associated with any loan borrowings taken out for such purposes.
- 25) Rates Equalisation Reserve**
To temporarily retain any surplus carried forward funds as shown in the audited Annual Financial Report Rate Setting Statement in excess of the estimated surplus funds brought forward amount identified in the following years Annual Budget Rate Setting Statement to subsequently be used to reduce the need to raise rates in future years or to meet any budget shortfalls identified during budget reviews.
- 26) Recreation Centres Specialised Plant, Equipment and Structures Reserve**
To be used to fund the acquisition, repair, upgrade and replacement of Recreation Centres specialised plant, equipment and structures.
- 27) Refuse Bins Reserve**
To be used for the purchase, replacement and distribution of domestic and public refuse and recycling bins or receptacles.
- 28) Refuse Facilities Reserve**
To be used for payments relating to the establishment and operation of waste management facilities, funding associated costs, and the cost of landscaping, environmental and rehabilitation works of former refuse tip sites operated by the City of Melville and for any additional waste collection and disposal costs of waste associated with storm or disaster events.
- 29) Risk Management and Insurance Equalisation Reserve**
To be used to fund prior years insurance premium contingencies, the self insured element of insurance claims, risk reduction initiatives or projects, losses arising from investment activities and discretionary expenditure required as a consequence of unforeseen events beyond the control of the City.
- 30) Special Projects Reserve**
To be used to fund costs associated with City of Melville Council Elections, infrastructure asset condition surveys, asset valuations and gross rental value revaluations and strategic planning projects.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.5 Reserve Account Budgets (Continued)**

- 31) Unexpended Works and Specific Purpose Grants Reserve**
To be used to carry forward available funding for uncompleted projects and specific purpose grants that will be completed and expended in ensuing financial years.
- b) That by Absolute Majority Decision of the Council the one off transfer of \$6,000,000 from the Land and Property Reserve to the Organisational Environmental Sustainability Initiatives Reserve be approved as detailed in Attachment [5840A June 2021](#).
- c) That by Absolute Majority Decision of the Council the one off transfer of \$1,500,000 from the Land and Property Reserve for the acquisition of a property to be used for a non-commercial purpose be approved as detailed in Attachment [5840A June 2021](#).

1.6 2020-2021 Surplus Funds

The 2021-2022 Budget has been formulated on the basis that there will be estimated surplus funds of \$397,132 which will be carried forward from the 2020-2021 financial year to the 2021-2022 financial year through the opening balance of the Rates Equalisation Reserve.

The actual surplus/deficit will be determined following receipt of the 2020-2021 audited financial statements. Should, following receipt of the 2020-2021 audited financial statements, any budget surplus be identified, this will be reported to the Council with a recommendation that the funds be transferred into the Rates Equalisation Reserve. Should the 2020-2021 audited financial statements reveal a budget deficit amount, direction will be sought from the Council as to which projects or programs it wishes to be curtailed or to funds transfer funds from the Rates Equalisation Reserve.

OFFICER RECOMMENDATION (5840-7)**ABSOLUTE MAJORITY APPROVAL**

That the Council notes that an estimated \$397,132 closing funds as at 30 June 2021 has been used in the opening balance of the Rates Equalisation Reserve in the 2021-2022 budget and that the final actual net closing funds amount will be determined following receipt of the 2020-2021 audited financial statements and approves the transfer of any net closing funds for the completed 2020-2021 financial year to the Rates Equalisation Reserve account.

1.7 Imposition of Fees and Charges

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

The fees are to be imposed when adopting the annual budget but may, subject to giving local public notice, be imposed or amended from time to time during the financial year.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****OFFICER RECOMMENDATION (5840-8)****ABSOLUTE MAJORITY APPROVAL**

That by Absolute Majority Decision of the Council, in accordance with Section 6.16 of the *Local Government Act 1995*, the 2021-2022 Schedule of Fees and Charges included in the attached budget papers [5840A June 2021](#) be adopted and the new fees be applicable from 1 July 2021.

1.8 Payment and Instalment Due Dates**OFFICER RECOMMENDATION (5840-9)****ABSOLUTE MAJORITY APPROVAL**

That by Absolute Majority Decision of the Council in accordance with Section 6.45 of the *Local Government Act 1995* and applicable Regulations, due dates for payment of rates and the instalment due dates be as follows:-

Full payment and 1st instalment due date	28 August 2021
2nd Instalment due date	30 October 2021
3rd Instalment due date	4 January 2022
4th and final instalment due date	6 March 2022

1.9 Administration and Interest Charge for Rates and Services Charges

Section 6.45 of the *Local Government Act* provides the opportunity for a Local Government to impose an additional charge over and above the administrative charge, where payments of rates or service charges are made by instalments. Effectively this is an interest charge which has been set at a maximum amount of 5.5% to enable a Local Government to recover some of the lost investment revenue that would have been earned had the payment of rates or service charges been made in one lump sum by the first due date.

In 2021-2022 it is proposed to not charge an instalment administration charge where a person pays their rates by the four instalment option.

The instalment interest charge is recommended to be 2% so as to ensure an undue burden is not placed on ratepayers choosing to pay by instalments.

Section 6.13 of the *Local Government Act 1995* provides the opportunity for a Local Government to impose a maximum interest rate which aligns with the interest rate charged by the Australian Taxation Office, on amounts owing by those who are not considered to be in financial hardship.

An interest rate of 3.5% will be imposed in 2021-2022 on all rates and service charges, including the refuse charge, swimming pool inspection fee, property surveillance and security service charge and underground power and streetscape service charges or specified area rate debts that are not paid by the due date.

No credit card surcharge fees will be charged in 2021-2022.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.9 Administration and Interest Charge for Rates and Services Charges (Continued)****OFFICER RECOMMENDATION (5840-10)****ABSOLUTE MAJORITY APPROVAL**

- 1) That by Absolute Majority Decision of the Council where, a property owner has elected to, and is adhering to, paying rates and service charges through an instalment program, no instalment administration charges be charged and an instalment interest charge of 2% per annum, as provided for in Section 6.45 of the Local Government Act, be imposed.
- 2) That by Absolute Majority Decision of the Council, an interest charge of 3.5% be imposed on all rates and service charges including the refuse charge, swimming pool inspection fee, and property surveillance and security service charge, but excluding any outstanding amounts relating to underground power and streetscape service charges or specified rates, that are not paid by the due date, as provided for in Section 6.13 of the Local Government Act.

This charge applies to non payment at the completion of the first instalment or payment in full period and if the payment by instalment option is chosen, any subsequent instalment payments that are not made by the due dates.

- 3) That by Absolute Majority Decision of the Council, an interest charge of 3.5% be imposed, as provided for in Section 6.13 of the Local Government Act on all outstanding underground power and streetscape service charges or specified area rate debts that remain unpaid and this interest charge be applicable for a period of five years from 1 July in the year in which the specified area rate or service charge was first levied, after which time the standard interest charge is to be applied.

1.10 Interest Charge on Money Owing to Local Government

Each year a local government may resolve by absolute majority decision to require a person to pay interest at a particular rate, as set out in the annual budget, on any amount of money other than rates and service charges which is owed to the local government and has been owed for a period of not less than thirty five days.

This interest charge provides an added incentive for people to meet their obligations to the City of Melville.

In keeping with the practice of previous years it is recommended that the maximum amount permitted under the *Local Government Act 1995* as an interest charge be imposed for amounts outstanding on commercial activities and for that to be applied thirty five days after the date which is stated on the account for payment. In respect of the various community clubs and organisations, it is suggested that, 50% of the maximum interest charge permitted under the *Local Government Act 1995* should be applied where the amount owing to the Council has been outstanding for a period of sixty days after the payment was due.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.10 Interest Charge on Money Owing to Local Government (Continued)**

To enable this differentiation to occur a Delegated Authority is granted to the Chief Executive Officer to determine which category a particular debt falls with the consequence that the relevant interest charge is then applied.

With respect to both of the arrangements any account under \$50.00 will not have interest applied to it due to the significant administration costs involved in the process.

OFFICER RECOMMENDATION (5840-11)**ABSOLUTE MAJORITY APPROVAL**

- 1) That by Absolute Majority Decision of the Council, in accordance with Section 6.13 of the *Local Government Act 1995*, the maximum interest charge permitted under the *Local Government (Financial Management) Regulations 1996* be imposed on all outstanding accounts in respect to commercial activities with such interest commencing thirty five days after the date which is stated on the account for payment.
- 2) That by Absolute Majority Decision of the Council, in accordance with Section 6.13 of the *Local Government Act 1995*, 50% of the maximum interest charge permitted under the *Local Government (Financial Management) Regulations 1996* will be imposed on all outstanding accounts in respect to community clubs and organisations sixty days after the date which is stated on the account for payment.
- 3) That by Absolute Majority Decision of the Council, the interest charges outlined in recommendations 1 and 2 will not apply where the account outstanding is \$50.00 or less.
- 4) That by Absolute Majority Decision of the Council, the Chief Executive Officer be granted delegated authority to determine which category a particular debt falls within.

1.11 Elected Members Allowances and Sitting Fees

Section 5.98 of the Act states as follows: *Fees etc. for council members*

(1A). *In this section — determined means determined by the Salaries and Allowances Tribunal under the Salaries and Allowances Act 1975 section 7B.*

Subsection (5) states: *The mayor or president of a local government is entitled, in addition to any entitlement that he or she has under subsection (1) or (2), to be paid —*

(a) the annual local government allowance determined for mayors or presidents; or

(b) where the local government has set an annual local government allowance within the range determined for annual local government allowances for mayors or presidents, that allowance.

Section 5.99 of the Act states as follows:

5.99. *Annual fee for council members in lieu of fees for attending meetings A local government may decide* that instead of paying council members a fee referred to in section 5.98(1), it will instead pay all council members who attend council or committee meetings —*

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.11 Elected Members Allowances and Sitting Fees (Continued)**

(a) the annual fee determined by the Salaries and Allowances Tribunal under the Salaries and Allowances Act 1975 section 7B; or

(b) where the local government has set a fee within the range for annual fees determined by that Tribunal under that section, that fee.

* Absolute majority required.

Due to the scale, volume and complexity of the matters dealt with by the Elected Members of the City it is recommended that the fees and allowances be set at the top of the range determined by the Salaries and Allowances Tribunal. Sufficient funds have been provided in the 2021-2022 Budget for this to occur.

OFFICER RECOMMENDATION (5840-12)**ABSOLUTE MAJORITY APPROVAL**

That by Absolute Majority Decision of the Council all Elected Members allowances and sitting fees be paid at the maximum rate as determined by the Salaries and Allowances Tribunal.

1.12 Eligibility for Rate Prize

In previous years, the Council has determined that Elected Members and Staff are ineligible to be chosen as a winner of any of the rates payment incentive prizes. It is proposed to continue with that practice for 2021-2022.

OFFICER RECOMMENDATION (5840-13)**APPROVAL**

That the Council resolves that all Elected Members and staff of the City of Melville be ineligible to be chosen as a winner of the rate payment incentive prizes either as a sole or part owner of any property.

1.13 Adoption of Percentage for Reporting of Material Variances

Each financial year, a local government is to adopt a percentage or value, calculated in accordance with Australian Accounting Standards (AASB), to be used in statements of financial activity for reporting material variances. The AASB 1031 Materiality refers to the publication *Framework for the Preparation and Presentation of Financial Statements* in which it is stated that information is material if its omission or misstatement could influence the economic decisions of users of the financial statements

It is proposed that a level of 10.0% or \$100,000 whichever is the greater be adopted for the reporting of material variances for 2021-2022.

OFFICER RECOMMENDATION (5840-14)**APPROVAL**

That in accordance with Regulation 34 of the *Local Government (Financial Management) Regulations 1996*, the level to be used in statements of financial activity in the year 2021-2022 for reporting material variances, be 10% or \$100,000, whichever is the greater.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)**

Amendment

At 7:04pm Cr Pazolli moved, seconded Cr Sandford –

That recommendation C21/5840-6, item 15. related to “Land and Property Reserve”

- **have points a) and b) deleted;**
- **after the words “To be used” the word “to” be deleted and the words “for the predominant purpose of” be included after;**
- **That the words in clause c) in its entirety be added after the words “for the purpose of”;**
- **That the word “fund” be amended to “funding”.**

At 7:40pm, the Mayor declared the motion

LOST (6/5)

Yes	5	Cr Barton, Cr Sandford, Cr Pazolli, Cr Fitzgerald, Mayor Gear
No	5	Cr Robartson, Cr Barber, Cr Mair, Cr Woodall, Cr Robins

At 7:40pm Cr Kepert abstained from voting on this item.

NOTE: Due to an equality of votes at the Council Meeting, the Presiding member exercised his right to cast a second vote to reach a decision in this matter (Section 5.21(3) of the *Local Government Act 1995*).

At 7:46pm the Mayor ruled the amendment required an Absolute Majority Decision and the motion is Lost.

At 7:47pm Cr Barber left the meeting.

COUNCIL RESOLUTION

At 7:03pm Cr Woodall moved, seconded Cr Mair –

That by absolute majority decision the fourteen recommendations associated with the adoption of the 2021-2022 Budget be carried En Bloc.

At 7:49pm the Mayor declared the motion

CARRIED BY ABSOLUTE MAJORITY (9/0)

Yes	9	Cr Barton, Cr Sandford, Cr Pazolli, Cr Fitzgerald, Cr Robartson, Cr Mair, Cr Woodall, Cr Robins Mayor Gear
No	0	

At 7:49pm Cr Kepert abstained from voting on this matter.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.1 Ratepayer Profile**

The Ratepayer Profile which shows rating outcomes for different property types forms part of the Attachments to the Agenda, which was distributed to the Members of the Council on Friday, 4 June 2021. Attachment [5840B June 2021](#)

OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (5840-1) NOTING

That the 2021-2022 Ratepayer Profile as detailed in Attachment [5840B June 2021](#) be noted.

At 7:49pm the Mayor declared the motion

CARRIED EN BLOC BY ABSOLUTE MAJORITY (9/0)

1.2 Adoption of 2021-2022 Budget and Setting of 2021-2022 Rates and Charges**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (5840-2) NOTING**

That the Council note that one submission was received in respect of the differential rates in relation to the proposed rate and minimum payment.

At 7:49pm the Mayor declared the motion

CARRIED EN BLOC BY ABSOLUTE MAJORITY (9/0)

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (5840-3)
ABSOLUTE MAJORITY APPROVAL**

- 1) That by Absolute Majority Decision of the Council the 2021-2022 Municipal Fund Budget as detailed in Attachment [5840A June 2021](#) be adopted.**
- 2) That by Absolute Majority Decision of the Council that the schedule of Capital Works spanning multiple financial years as outlined in Attachment [5840C June 2021](#) be adopted.**
- 3) That by Absolute Majority Decision of the Council the following general rates applicable to the 2021-2022 financial year i.e. for the period 1 July 2021 to 30 June 2022, be adopted:**
 - a. All Improved Residential Land**
7.347628 cents in the dollar of gross rental value applicable to each property, residence, unit, strata, location or other residential property subject to a minimum rate of \$1,283.43 per assessment;

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.2 Adoption of 2021-2022 Budget and Setting of 2021-2022 Rates and Charges
(Continued)**

- b. **All Unimproved Residential Land**
6.657573 cents in the dollar of gross rental values applicable to each property, location or other piece of land subject to a minimum rate of \$818.63 per lot;

noting that Residential Land includes general residential, duplex, multi-unit, residential strata properties and properties owned by the Department of Housing.

- c. **All Commercial Land including Strata Storage Units** 7.738591 cents in the dollar of gross rental values applicable to each assessment, lot, location, strata, or other piece of land subject to a minimum rate of \$995.61 per assessment;

noting that Commercial/Industrial land includes general industrial, commercial including retail, professional and office uses, service station, hotel / tavern, strata storage units and hospitals.

4) **That by Absolute Majority Decision of the Council;**

- a. **Residential properties included in the Kardinya South Underground Power Scheme shall each be charged a network service charge as follows;**

Single, duplex, or two unit property	\$ 4,333.61 (per property/dwelling)
3 to 10 unit property	\$ 3,348.56 (per property/dwelling)
11+ unit property	\$ 2,837.32 (per property/dwelling)
Kardinya Triangle	\$421.24 (per property/dwelling)

- b. **Residential properties included in the Kardinya South Underground Power Scheme shall each be charged a network connection charge, where required, as follows;**

Full Network Connection

Single, duplex, or two unit property	\$ 1,013.80 (per property/dwelling)
3 to 10 unit property	\$ 811.04 (per property/dwelling)
11+ unit property	\$ 658.97 (per property/dwelling)

Modified Network Connection

Single, duplex, or two unit property	\$ 811.04 (per property/dwelling)
3 to 10 unit property	\$ 658.97 (per property/dwelling)

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.2 Adoption of 2021-2022 Budget and Setting of 2021-2022 Rates and Charges
(Continued)**

- c. **Commercial properties included in the Kardinya South Underground Power Scheme shall each be charged a network service charge as follows;**
- | | |
|----------------------------|------------------------------------|
| 5 Kva installation | \$ 10,580.49 (per property) |
| 35 Kva installation | \$ 20,854.50 (per property) |
- d. **Commercial properties included in the Kardinya South Underground Power Scheme shall each be charged a standard installation connection fee of \$1,146.20.**
- 5) **That by Absolute Majority Decision of the Council the following general rates concessions for the 2021-2022 financial year, be adopted:**
- a. **Strata storage units. Appropriately zoned and used strata titled storage units of 18m² or smaller, granted a concession of \$497.80 each, it being noted that the value of this concession is approximately \$28,375.**
- b. **Melville Glades Golf Club. 100% concession from general rates, it being noted that the value of this concession amounts to approximately \$10,181.**
- 6) **That by Absolute Majority Decision of the Council the following refuse waste charges be adopted, for the 2021-2022 financial year where these services are charged via the City of Melville rates system/notice:**
- i. **Additional Residential Rateable**
- a. **\$341.00 per annum for each additional City of Melville approved domestic waste bin when emptied at the same time as the standard weekly domestic waste collection;**
- b. **\$131.70 per annum for each additional City of Melville approved domestic recycling bin service when emptied at the same time as the standard domestic recycling collection;**
- c. **\$200.00 per annum for each additional FOGO 240L bin service when emptied at the same time as the standard FOGO bin collection;**
- d. **\$200.00 per annum for each additional domestic waste 140L bin when emptied at the same time as the standard domestic waste collection**

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.2 Adoption of 2021-2022 Budget and Setting of 2021-2022 Rates and Charges
(Continued)**

Note: - additional waste or recycling bin services includes the collection and disposal of the additional City of Melville approved bins during the normal domestic collection round.

ii. Residential Non Rateable Properties Waste and Recycling

\$454.80 per annum for one standard removal and disposal of a residential non-rateable waste service in a City of Melville approved waste bin;

Note: - a standard non-rateable service includes the weekly removal and disposal of refuse in a City of Melville approved waste bin.

C) Commercial and Non-Rateable (Non-Residential) Properties Waste Service

\$617.90 per annum for one standard removal and disposal of waste in a City of Melville approved waste bin;

Note: - a standard non-rateable service includes the weekly removal and disposal of refuse in a City of Melville approved waste bin;

D) Commercial and Non Rateable Bulk Refuse Collection and Disposal

a. \$28.60 per service – one bin of 660L capacity (Inclusive of GST);

b. \$40.40 per service – one bin of 1,100L capacity (Inclusive of GST);

Note: - a service is rendered each time a bin is emptied.

E) Commercial and Non Rateable Recycling Services

a. \$605.80 per annum for a weekly recycling bin service provided to commercial and non-rateable properties for one 240L recycling bin emptied on a weekly basis;

b. \$26.00 per service – one bin of 660L capacity (Inclusive of GST);

c. \$34.20 per service – one bin of 1,100L capacity (Inclusive of GST);

Note: - a service is rendered each time a bin is emptied.

F) Commercial and Non Rateable Bin Services (per lift)

a. \$11.90 per lift – one mobile garbage bin of 240L capacity (Inclusive of GST);

b. \$11.65 per lift – one recycling bin of 240L capacity (Inclusive of GST);

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****7) Swimming Pool Inspection Fee**

That by Absolute Majority Decision of the Council a Swimming Pool Inspection Fee of \$49.00 for the 2021-2022 year be adopted.

Note: - The Swimming Pool Inspection Fee is charged in each year of the four yearly inspection cycle. Should the total revenue raised exceed the actual total costs of conducting all pool inspections in any one year the surplus is transferred to a restricted reserve account and used to offset the costs of inspections in the following year's budget.

8) Property Surveillance and Security Service Charge

That by Absolute Majority Decision of the Council a Property Surveillance and Security Charge of \$57.00 for the 2021-2022 year be adopted.

At 7:49pm the Mayor declared the motion

CARRIED EN BLOC BY ABSOLUTE MAJORITY (9/0)

1.3 Rates Incentives**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (5840-4)****ABSOLUTE MAJORITY APPROVAL**

That by Absolute Majority Decision of the Council the following rates incentives be offered to those ratepayers who pay their rates by the instalment dates and using BPAY.

First prize draw: Three prizes worth \$1,000 donated from Westpac for anyone who pays in full or their 1st instalment by the due date using BPAY.

Bonus Draw: \$750 cash prize for anyone who has paid in full or instalments by due date using BPAY. Drawn after the first and final instalment date.

2nd 3rd and 4th prizes: Small business credit spend of \$250 and a Leisurefit Heathy Life PLUS membership, eligible for all ratepayers who have paid in full or by the instalment date. One prize drawn after the 2nd, 3rd and 4th instalment.

At 7:49pm the Mayor declared the motion

CARRIED EN BLOC BY ABSOLUTE MAJORITY (9/0)

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.4 Loan Capital Fund Budget**

This budget includes self-supporting loans raised on behalf of other organisations that are responsible for meeting the loan repayment costs. The Council is effectively the guarantor of these loans. New self-supporting loans in 2021-2022 for Kardinya Bowling Club and Applecross Tennis Club are included in the 2021-2022 Budget.

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (5840-5)
ABSOLUTE MAJORITY APPROVAL**

That by Absolute Majority Decision of the Council the 2021-2022 Loan Fund Budget as detailed in Attachment [5840A June 2021](#) be adopted.

At 7:49pm the Mayor declared the motion

CARRIED EN BLOC BY ABSOLUTE MAJORITY (9/0)

1.5 Reserve Account Budgets

Reserve accounts form part of the Municipal Fund and equity of the City. Specific purpose cash backed reserve accounts have been created for various reasons such as meeting legislative requirements, replacement of assets and ensuring availability of funds for known and unknown events in order to help reduce the variability of General Rates.

In the budget for 2021-2022, the following measures have been taken in relation to reserves;

- a) As per CP- 025 Accounting Policy, interest earned from investing monies held in reserve accounts is to be classified as operating revenue and then transferred to the particular reserve accounts in proportion to the average balance of the particular reserves over the interest earning period. However in the 2021-2022 budget only 50% of the budgeted interest earned from investing monies held in reserve accounts have been transferred to the reserve accounts.
- b) The purpose of the Community Centre Fitout, Furniture and Equipment Reserve has been amended to include the acquisition of and replacement of the fitouts, furniture and specialised equipment requirements of multipurpose rooms at venues owned by the City of Melville.
- c) The purpose of the Information Technology has been amended to include the costs of utilisation of service based and emerging technologies.

In 2021-2022, the City will also use money in the Land and Property Reserve for purposes different to which it has been established. A one off transfer to the Organisational Environment Sustainability Initiatives Reserve to fund the Smart LED street lights project, and another for the potential acquisition of a property to be used for non-commercial purposes.

The stated purpose of each reserve is outlined in the recommendation below. As indicated above, there are proposed changes to existing Reserve purposes in the 2021-2022 Budget.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (5840-6)
ABSOLUTE MAJORITY APPROVAL**

A) That by Absolute Majority Decision of the Council the 2021-2022 Reserve Accounts (Fund) Budget as detailed in Attachment [5840A June 2021](#) be adopted for the following reserve accounts and purposes:

- 1) **Ardross East Underground Power & Streetscape Enhancement Reserve**
To be used for underground power projects and streetscape enhancements in the Ardross East Underground Power project area.
- 2) **Attadale North Underground Power & Streetscape Enhancement Reserve**
To be used for underground power projects and streetscape enhancements in the Attadale North Underground Power project area.
- 3) **Bicton North Underground Power & Streetscape Enhancement Reserve**
To be used for underground power projects and streetscape enhancements in the Bicton North Underground Power project area.
- 4) **Melville North Underground Power & Streetscape Enhancement Reserve**
To be used for underground power projects and streetscape enhancements in the Melville North Underground Power project area.
- 5) **Melville South Underground Power & Streetscape Enhancement Reserve**
To be used for underground power projects and streetscape enhancements in the Melville South Underground Power project area.
- 6) **Civic Centre Precinct Improvements Reserve**
To be used for improvements to the buildings and associated landscaping and car parking located within the Civic Centre Precinct (Melville City Centre).
- 7) **Commercial Refuse Reserve**
To be used for the acquisition and replacement of commercial refuse bins, vehicles, plant and equipment used for commercial waste operations and the development of commercial waste collection opportunities.
- 8) **Community Facilities Reserve**
To be used for the provision of new, renewed or upgraded community facilities/buildings.
- 9) **Community Centre Fitout, furniture and Equipment Reserve**
To be used to fund the acquisition and replacement of the fitouts, furniture and specialised equipment requirements for the Community Centres and multipurpose rooms at venues owned by the City of Melville.
- 10) **Community Surveillance and Security Service Reserve**
To temporarily retain any surpluses that may arise from the Property Surveillance and Security Service Charge to be used to offset future years Property Surveillance and Security Service Charges or for the purchase of plant and equipment used for community surveillance and security services.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.5 Reserve Account Budgets (Continued)**

- 11) Fleet Services Vehicles, Plant and Equipment Replacement Reserve**
To be used to fund the purchase of replacement vehicles, plant and equipment.
- 12) Funds in lieu of Development on Public Open Space Reserve**
Maintained for the purpose of retaining and using funds in accordance with section 154 (2) of the Planning and Development Act 2005.
- 13) Information Technology Reserve**
To be used to fund the acquisition and replacement of computer software, information technology hardware and costs of utilisation of service based and emerging technologies.
- 14) Infrastructure Asset Management Reserve**
To be used to fund infrastructure asset management projects including the construction, maintenance and renewal of the City of Melville's road, path, kerbing, street furniture, park structures, playground, irrigation/reticulation and drainage infrastructure assets.
- 15) Land and Property Reserve**
To be used to:
 - a) fund the acquisition or construction of commercial revenue earning land and/or buildings, or
 - b) fund the acquisition of land and buildings in structure plan areas to help encourage of the redevelopment of those structure plan areas by assembling developable land parcels and fund with Council approval infrastructure and other developments in line with structure plan principles; or
 - c) internally fund the purchase or construction of City of Melville community facilities or infrastructure assets, on the basis that those funds will be returned to the Land and Property Reserve over a predetermined period of time with interest, with the interest rate being set at what would have been charged by the Western Australian Treasury Corporation for the term of the borrowing using the Semi Annual Annuity interest rate.
- 16) Leave Entitlements Reserve**
To be used to fund the non-current liability amount of annual, sick and long service leave entitlements accrued in previous financial years beyond the amount provided for in the Provision for Leave current liability account.
- 17) Libraries, Art Centres and Museums Equipment, Furniture and Specialised Fit Out Reserve**
To be used to fund the acquisition and replacement of the fit outs, furniture and specialised equipment for art centres, museums and libraries.
- 18) New/Upgrade Works Reserve (previously Future Works Reserve)**
To be used to fund the "New" and "Upgrade" components of the costs of Infrastructure Capital Works and Buildings as opposed to renewal of existing assets as per Asset Management Plans.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.5 Reserve Account Budgets (Continued)**

- 19) Organisational Environmental Sustainability Initiatives Reserve**
To be used to fund environmental initiatives which are intended to reduce the energy usage and/or carbon footprint of the corporation of the City of Melville or for debt servicing costs associated with any loan borrowings taken out for such purposes.
- 20) Parking Facilities Reserve**
To be used to fund the provision, refurbishment or improvement of parking facilities and equipment.
- 21) Parking Management Reserve – Canning Bridge Activity Centre**
To fund public transport, car parking, streetscape upgrades that improve opportunities for walking and cycling, footpaths and other pedestrian-related infrastructure, cycle paths and other cycling-related infrastructure, street trees, plants and landscaping that improves pedestrian amenity and/or Travelsmart programs and initiatives at the Canning Bridge Activity Centre, or as per the discretion of the Council under the advice of a Parking Fund Advisory Committee.
- 22) Parking Management Reserve - Riseley Activity Centre**
To fund public transport, car parking, streetscape upgrades that improve opportunities for walking and cycling, footpaths and other pedestrian-related infrastructure, cycle paths and other cycling-related infrastructure, street trees, plants and landscaping that improves pedestrian amenity and/or Travelsmart programs and initiatives at the Riseley Activity Centre, or as per the discretion of the Council under the advice of a Parking Fund Advisory Committee.
- 23) Private Swimming Pool Inspection Fee Reserve**
To temporarily retain any surpluses that may arise from the Swimming Pool Inspection fees to be used to offset any deficits that may occur in future year's operations of the Private Swimming Pools Inspection Program.
- 24) Public Open Space and Urban Forest Reserve**
To be used to fund the purchase, development and re-development of public open spaces, including streetscapes, bushlands, parks and reserves and to fund initiatives to enhance and improve the urban forest or for debt servicing costs associated with any loan borrowings taken out for such purposes.
- 25) Rates Equalisation Reserve**
To temporarily retain any surplus carried forward funds as shown in the audited Annual Financial Report Rate Setting Statement in excess of the estimated surplus funds brought forward amount identified in the following years Annual Budget Rate Setting Statement to subsequently be used to reduce the need to raise rates in future years or to meet any budget shortfalls identified during budget reviews.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.5 Reserve Account Budgets (Continued)**

- 26) Recreation Centres Specialised Plant, Equipment and Structures Reserve**
To be used to fund the acquisition, repair, upgrade and replacement of Recreation Centres specialised plant, equipment and structures.
- 27) Refuse Bins Reserve**
To be used for the purchase, replacement and distribution of domestic and public refuse and recycling bins or receptacles.
- 28) Refuse Facilities Reserve**
To be used for payments relating to the establishment and operation of waste management facilities, funding associated costs, and the cost of landscaping, environmental and rehabilitation works of former refuse tip sites operated by the City of Melville and for any additional waste collection and disposal costs of waste associated with storm or disaster events.
- 29) Risk Management and Insurance Equalisation Reserve**
To be used to fund prior years insurance premium contingencies, the self insured element of insurance claims, risk reduction initiatives or projects, losses arising from investment activities and discretionary expenditure required as a consequence of unforeseen events beyond the control of the City.
- 30) Special Projects Reserve**
To be used to fund costs associated with City of Melville Council Elections, infrastructure asset condition surveys, asset valuations and gross rental value revaluations and strategic planning projects.
- 31) Unexpended Works and Specific Purpose Grants Reserve**
To be used to carry forward available funding for uncompleted projects and specific purpose grants that will be completed and expended in ensuing financial years.
- B) That by Absolute Majority Decision of the Council the one off transfer of \$6,000,000 from the Land and Property Reserve to the Organisational Environmental Sustainability Initiatives Reserve be approved as detailed in Attachment [5840A June 2021](#).**
- C) That by Absolute Majority Decision of the Council the one off transfer of \$1,500,000 from the Land and Property Reserve for the acquisition of a property to be used for a non-commercial purpose be approved as detailed in Attachment [5840A June 2021](#).**

At 7:49pm the Mayor declared the motion

CARRIED EN BLOC BY ABSOLUTE MAJORITY (9/0)

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.6 2020-2021 Surplus Funds**

The 2021-2022 Budget has been formulated on the basis that there will be estimated surplus funds of \$397,132 which will be carried forward from the 2020-2021 financial year to the 2021-2022 financial year through the opening balance of the Rates Equalisation Reserve.

The actual surplus/deficit will be determined following receipt of the 2020-2021 audited financial statements. Should, following receipt of the 2020-2021 audited financial statements, any budget surplus be identified, this will be reported to the Council with a recommendation that the funds be transferred into the Rates Equalisation Reserve. Should the 2020-2021 audited financial statements reveal a budget deficit amount, direction will be sought from the Council as to which projects or programs it wishes to be curtailed or to funds transfer funds from the Rates Equalisation Reserve.

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (5840-7)
ABSOLUTE MAJORITY APPROVAL**

That the Council notes that an estimated \$397,132 closing funds as at 30 June 2021 has been used in the opening balance of the Rates Equalisation Reserve in the 2021-2022 budget and that the final actual net closing funds amount will be determined following receipt of the 2020-2021 audited financial statements and approves the transfer of any net closing funds for the completed 2020-2021 financial year to the Rates Equalisation Reserve account.

At 7:49pm the Mayor declared the motion

CARRIED EN BLOC BY ABSOLUTE MAJORITY (9/0)

1.7 Imposition of Fees and Charges

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

The fees are to be imposed when adopting the annual budget but may, subject to giving local public notice, be imposed or amended from time to time during the financial year.

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (5840-8)
ABSOLUTE MAJORITY APPROVAL**

That by Absolute Majority Decision of the Council, in accordance with Section 6.16 of the *Local Government Act 1995*, the 2021-2022 Schedule of Fees and Charges included in the attached budget papers [5840A June 2021](#) be adopted and the new fees be applicable from 1 July 2021.

At 7:49pm the Mayor declared the motion

CARRIED EN BLOC BY ABSOLUTE MAJORITY (9/0)

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.8 Payment and Instalment Due Dates****OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (5840-9)
ABSOLUTE MAJORITY APPROVAL**

That by Absolute Majority Decision of the Council in accordance with Section 6.45 of the *Local Government Act 1995* and applicable Regulations, due dates for payment of rates and the instalment due dates be as follows:-

Full payment and 1st instalment due date	28 August 2021
2nd Instalment due date	30 October 2021
3rd Instalment due date	4 January 2022
4th and final instalment due date	6 March 2022

At 7:49pm the Mayor declared the motion

CARRIED EN BLOC BY ABSOLUTE MAJORITY (9/0)

1.9 Administration and Interest Charge for Rates and Services Charges

Section 6.45 of the *Local Government Act* provides the opportunity for a Local Government to impose an additional charge over and above the administrative charge, where payments of rates or service charges are made by instalments. Effectively this is an interest charge which has been set at a maximum amount of 5.5% to enable a Local Government to recover some of the lost investment revenue that would have been earned had the payment of rates or service charges been made in one lump sum by the first due date.

In 2021-2022 it is proposed to not charge an instalment administration charge where a person pays their rates by the four instalment option.

The instalment interest charge is recommended to be 2% so as to ensure an undue burden is not placed on ratepayers choosing to pay by instalments.

Section 6.13 of the *Local Government Act 1995* provides the opportunity for a Local Government to impose a maximum interest rate which aligns with the interest rate charged by the Australian Taxation Office, on amounts owing by those who are not considered to be in financial hardship.

An interest rate of 3.5% will be imposed in 2021-2022 on all rates and service charges, including the refuse charge, swimming pool inspection fee, property surveillance and security service charge and underground power and streetscape service charges or specified area rate debts that are not paid by the due date.

No credit card surcharge fees will be charged in 2021-2022.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.9 Administration and Interest Charge for Rates and Services Charges (Continued)****OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (5840-10)
ABSOLUTE MAJORITY APPROVAL**

- 1) That by Absolute Majority Decision of the Council where, a property owner has elected to, and is adhering to, paying rates and service charges through an instalment program, no instalment administration charges be charged and an instalment interest charge of 2% per annum, as provided for in Section 6.45 of the Local Government Act, be imposed.
- 2) That by Absolute Majority Decision of the Council, an interest charge of 3.5% be imposed on all rates and service charges including the refuse charge, swimming pool inspection fee, and property surveillance and security service charge, but excluding any outstanding amounts relating to underground power and streetscape service charges or specified rates, that are not paid by the due date, as provided for in Section 6.13 of the Local Government Act.

This charge applies to non payment at the completion of the first instalment or payment in full period and if the payment by instalment option is chosen, any subsequent instalment payments that are not made by the due dates.

- 3) That by Absolute Majority Decision of the Council, an interest charge of 3.5% be imposed, as provided for in Section 6.13 of the Local Government Act on all outstanding underground power and streetscape service charges or specified area rate debts that remain unpaid and this interest charge be applicable for a period of five years from 1 July in the year in which the specified area rate or service charge was first levied, after which time the standard interest charge is to be applied.

At 7:49pm the Mayor declared the motion

CARRIED EN BLOC BY ABSOLUTE MAJORITY (9/0)

1.10 Interest Charge on Money Owing to Local Government

Each year a local government may resolve by absolute majority decision to require a person to pay interest at a particular rate, as set out in the annual budget, on any amount of money other than rates and service charges which is owed to the local government and has been owed for a period of not less than thirty five days.

This interest charge provides an added incentive for people to meet their obligations to the City of Melville.

In keeping with the practice of previous years it is recommended that the maximum amount permitted under the *Local Government Act 1995* as an interest charge be imposed for amounts outstanding on commercial activities and for that to be applied thirty five days after the date which is stated on the account for payment. In respect of the various community clubs and organisations, it is suggested that, 50% of the maximum interest charge permitted under the *Local Government Act 1995* should be applied where the amount owing to the Council has been outstanding for a period of sixty days after the payment was due.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.10 Interest Charge on Money Owing to Local Government (Continued)**

To enable this differentiation to occur a Delegated Authority is granted to the Chief Executive Officer to determine which category a particular debt falls with the consequence that the relevant interest charge is then applied.

With respect to both of the arrangements any account under \$50.00 will not have interest applied to it due to the significant administration costs involved in the process.

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (5840-11)
ABSOLUTE MAJORITY APPROVAL**

- 1) That by Absolute Majority Decision of the Council, in accordance with Section 6.13 of the *Local Government Act 1995*, the maximum interest charge permitted under the *Local Government (Financial Management) Regulations 1996* be imposed on all outstanding accounts in respect to commercial activities with such interest commencing thirty five days after the date which is stated on the account for payment.**
- 2) That by Absolute Majority Decision of the Council, in accordance with Section 6.13 of the *Local Government Act 1995*, 50% of the maximum interest charge permitted under the *Local Government (Financial Management) Regulations 1996* will be imposed on all outstanding accounts in respect to community clubs and organisations sixty days after the date which is stated on the account for payment.**
- 3) That by Absolute Majority Decision of the Council, the interest charges outlined in recommendations 1 and 2 will not apply where the account outstanding is \$50.00 or less.**
- 4) That by Absolute Majority Decision of the Council, the Chief Executive Officer be granted delegated authority to determine which category a particular debt falls within.**

At 7:49pm the Mayor declared the motion

CARRIED EN BLOC BY ABSOLUTE MAJORITY (9/0)

1.11 Elected Members Allowances and Sitting Fees

Section 5.98 of the Act states as follows: *Fees etc. for council members*

(1A). In this section — determined means determined by the Salaries and Allowances Tribunal under the Salaries and Allowances Act 1975 section 7B.

Subsection (5) states: *The mayor or president of a local government is entitled, in addition to any entitlement that he or she has under subsection (1) or (2), to be paid —*

(a) the annual local government allowance determined for mayors or presidents; or

(b) where the local government has set an annual local government allowance within the range determined for annual local government allowances for mayors or presidents, that allowance.

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.11 Elected Members Allowances and Sitting Fees (Continued)**

Section 5.99 of the Act states as follows:

5.99. Annual fee for council members in lieu of fees for attending meetings A local government may decide that instead of paying council members a fee referred to in section 5.98(1), it will instead pay all council members who attend council or committee meetings —*

(a) the annual fee determined by the Salaries and Allowances Tribunal under the Salaries and Allowances Act 1975 section 7B; or

(b) where the local government has set a fee within the range for annual fees determined by that Tribunal under that section, that fee.

** Absolute majority required.*

Due to the scale, volume and complexity of the matters dealt with by the Elected Members of the City it is recommended that the fees and allowances be set at the top of the range determined by the Salaries and Allowances Tribunal. Sufficient funds have been provided in the 2021-2022 Budget for this to occur.

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (5840-12)
ABSOLUTE MAJORITY APPROVAL**

That by Absolute Majority Decision of the Council all Elected Members allowances and sitting fees be paid at the maximum rate as determined by the Salaries and Allowances Tribunal.

At 7:49pm the Mayor declared the motion

CARRIED EN BLOC BY ABSOLUTE MAJORITY (9/0)

1.12 Eligibility for Rate Prize

In previous years, the Council has determined that Elected Members and Staff are ineligible to be chosen as a winner of any of the rates payment incentive prizes. It is proposed to continue with that practice for 2021-2022.

OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (5840-13) APPROVAL

That the Council resolves that all Elected Members and staff of the City of Melville be ineligible to be chosen as a winner of the rate payment incentive prizes either as a sole or part owner of any property.

At 7:49pm the Mayor declared the motion

CARRIED EN BLOC BY ABSOLUTE MAJORITY (9/0)

**C21/5840 CONSIDERATION AND ADOPTION OF THE 2021-2022 BUDGET (AMREC)
(ATTACHMENT)****1.13 Adoption of Percentage for Reporting of Material Variances**

Each financial year, a local government is to adopt a percentage or value, calculated in accordance with Australian Accounting Standards (AASB), to be used in statements of financial activity for reporting material variances. The AASB 1031 Materiality refers to the publication *Framework for the Preparation and Presentation of Financial Statements* in which it is stated that information is material if its omission or misstatement could influence the economic decisions of users of the financial statements

It is proposed that a level of 10.0% or \$100,000 whichever is the greater be adopted for the reporting of material variances for 2021-2022.

OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (5840-14) APPROVAL

That in accordance with Regulation 34 of the *Local Government (Financial Management) Regulations 1996*, the level to be used in statements of financial activity in the year 2021-2022 for reporting material variances, be 10% or \$100,000, whichever is the greater.

At 7:49pm the Mayor declared the motion

CARRIED EN BLOC BY ABSOLUTE MAJORITY (9/0)

At 7:49pm Cr Barber returned to the meeting.

At 7:50pm Ms Whyte left the meeting and did not return.

At 7:50pm Ms Young left the meeting and returned at 7:52pm.

At 7:50pm Mr Hitchcock left the meeting and returned at 7:52pm.

At 7:50pm Cr Woodall left the meeting and returned at 7:53pm.

At 7:49pm the Mayor brought forward Item 12.1 Motion from Councillor Pazolli - Request for Small Group Briefing for CBACP.

Disclosure of Interest

Member	Cr Mair
Type of Interest	Financial Interest
Nature of Interest	Director of a company that owns property in that area
Request	Leave
Decision Leave	Leave

At 7:50pm having declared an interest, Cr Mair left the meeting.

Officers provided an advice note on this matter. [Advice Note Request for Small Group Briefing for CBACP](#)

12. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

12.1 Request for Small Group Briefing for CBACP (Cr Pazolli)

The Council directs the Chief Executive Officer to arrange for the Canning Bridge Activity Centre Plan Review consultants, Hatch Roberts Day, provide a briefing on the Canning Bridge Activity Centre Plan Review draft documents to the Canning Bridge Stakeholder Working Group by June 28, 2021.

In introducing the Motion, Councillor Pazolli advised that the motion had been updated and requested that the updated motion be the one considered.

COUNCIL RESOLUTION

Motion

At 7:51pm Cr Pazolli moved, seconded Cr Kepert –

The Council directs the Chief Executive Officer to arrange for the Canning Bridge Activity Centre Plan Review consultants, Hatch Roberts Day, provide a briefing on the Canning Bridge Activity Centre Plan Review draft documents to the Canning Bridge Stakeholder Working Group by June 28, 2021 and, if requested by at least five members of any of the other community groups involved in the HRD (Hatch Robert Day) Round Tables, to provide a similar briefing at a time convenient for the requesting group.

At 7:58pm the Mayor declared the motion

CARRIED UNANIMOUSLY (10/0)

12.1 Request for Small Group Briefing for CBACP, continued

Reasons for the Motion as provided by Cr Pazolli

The CBACP review was commissioned both as a required statutory review (that required community consultation) and, in part, because of community concerns regarding how the current CBACP was being interpreted which was viewed as inconsistent with the assurances provide to the community when the CBACP was originally adopted. A crucial part of the review was to ensure that there was widespread community involvement and feedback.

It is the view of the CBACP Stakeholder Working Group (SWG) community members involved in the round tables or the PDF that a commitment was given by consultants HRD that they would have the opportunity to comment on HRD's proposed changes. It is only fair that given the voluntary time commitment provided by the members of this group that they be provided with a briefing by HRD which will provide an opportunity for them to provide feedback to Councillors, that Council can then consider before deciding whether to put the proposed changes to the CBACP out for public consultation.

To acknowledge the effort and citizens' engagement of those members of the SWG who gave up their own time to participate in the review and to take those efforts seriously, that they should be provided this opportunity to be briefed by HRD.

At 8:00pm Ms Head left the meeting and returned at 8:00pm.

At 8:01pm Cr Mair returned to the meeting.

At 8:07pm Cr Kepert made a deputation to the meeting in relation to Item M21/5846 – Request for Legal Assistance – Elected Member, which concluded at 8:11pm. Questions to Cr Kepert concluded at 8:19pm.

At 8:20pm the Executive Manager Governance and Legal Services addressed the meeting in relation to M21/5846 – Request for Legal Assistance – Elected Member, which concluded at 8:23pm.

At 8:23pm Mr Ferris left the meeting and returned at 8:29pm.

Motion

At 8:23pm Cr Barton moved, Seconded Cr Pazolli –

That the meeting be closed to the members of the public to allow for items deemed confidential in accordance with section 5.23(2)(e) of the Local Government Act 1995, to be discussed behind closed doors.

At 8:25Pm the Mayor declared the motion

LOST (3/8)

Yes	3	Cr Robartson, Cr Woodall, Cr Robins
No	8	Cr Barber, Cr Barton, Cr Mair, Cr Sandford, Cr Pazolli, Cr Kepert, Cr Fitzgerald, Mayor Gear

Disclosure of Interest

Member Cr Kepert
 Type of Interest Interest under the Code of Conduct
 Nature of Interest The Councillor seeking Legal representation under CP-017 Legal Representation for Elected Members and Employees.
 Request Stay, Discuss and Vote
 Decision Leave Stay, Discuss, and Vote

**M21/5846 – REQUEST FOR LEGAL ASSISTANCE – ELECTED MEMBER (REC)
(CONFIDENTIAL ATTACHMENT)**

Ward : All
 Category : Policy
 Subject Index : Legal Matters
 Customer Index : City of Melville
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Previous Items : Not applicable
 Works Programme : Not Applicable
 Funding : To be determined
 Responsible Officer : Steve Cope
 Acting Chief Executive Officer
 Louis Hitchcock
 Manager Governance and Legal Services

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input checked="" type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>
<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

**M21/5846 – REQUEST FOR LEGAL ASSISTANCE – ELECTED MEMBER (REC)
(CONFIDENTIAL ATTACHMENT)****KEY ISSUES / SUMMARY**

- A request has been received from an Elected Member for legal assistance under Council Policy CP-017 – Legal Representation Policy Elected Members and Employees.
- The request includes a request for the Elected Member to select the legal representation.

BACKGROUND

Council Policy CP-017 Legal Representation Policy Elected Members and Employees (CP-017) provides for the provision of financial assistance to Elected Members and employees who are required to engage legal services of an approved lawyer as a result of lawful actions they have undertaken in the fulfilment of their official duties provided they have acted reasonably and in good faith and have not acted illegally, dishonestly or against the interests of the City.

Under the policy, an “approved lawyer” is defined as:

- (a) *An Australian legal practitioner under the Legal Profession Act 2008;*
- (b) *from a law firm on the City’s panel of legal service providers, unless the Council considers that this is not appropriate for example in circumstances where a conflict of interest exists or insufficient expertise; and*
- (c) *approved in writing by the Council, or the by the Chief Executive Officer, under delegated authority.*

DETAIL

The policy requires that the Council make a decision in relation to requests for financial assistance under this policy, except where there is a need for the provision of urgent legal services.

The Policy has the following requirements in relation to considering applications for financial assistance.

- 2 (a) *Subject to item 1(c) and 2(e), decisions as to financial assistance under this policy are to be made by the Council.*
- (b) *An Elected Member or employee requesting financial support for legal services under this policy is to make an application in writing, where possible in advance, to the Chief Executive Officer providing full details of the circumstances of the matter, a declaration that he/she has acted in good faith and has not acted unlawfully and the legal services required.*
- (c) *The Chief Executive Officer will prepare, or have prepared an assessment of the request for financial support for legal services and the assessment will be included in the report to the Council.*

**M21/5846 – REQUEST FOR LEGAL ASSISTANCE – ELECTED MEMBER (REC)
(CONFIDENTIAL ATTACHMENT)**

- (d) *An Elected Member or employee requesting financial support for legal services, or any other person who might have a financial interest in the matter, should take care to ensure compliance with the financial interest provisions of the Local Government Act 1995.*

Information associated with the request for legal assistance is contained in the confidential attachment which was distributed to Elected Members under confidential cover on 18 June 2021.

STAKEHOLDER ENGAGEMENT**I. COMMUNITY**

No community consultation has been undertaken in relation to this report.

II. OTHER AGENCIES / CONSULTANTS

No consultation with external agencies or consultants has been undertaken in relation to this report.

STATUTORY AND LEGAL IMPLICATIONS

The City of Melville, Elected Members and Officers are directed by legislative requirements, in particular those of the *Local Government Act 1995*.

FINANCIAL IMPLICATIONS

Council Policy CP-017 – Legal Representation Policy Elected Members and Employees provides for the payment of legal representation costs up to \$10,000. Any payments over this amount will require a decision of the Council.

Should the legal proceedings result in the recovery of any funds, the assistance provided by the City is to be repaid. Additionally, if the person in receipt of the assistance is found to have acted unreasonably, illegally, dishonestly, against the interests of the City or otherwise in bad faith, or where information from the person is shown to have been false or misleading the assistance may be withdrawn and any monies already provided are to be repaid.

4. Repayment of Assistance

- (a) *Any amount recovered by an Elected Member or employee in proceedings, whether for costs or damages, will be offset against any monies paid or payable by the City.*
- (b) *Assistance will be withdrawn where the Council or the City determines, upon advice, that a person has acted unreasonably, illegally, dishonestly, against the interests of the City or otherwise in bad faith, or where information from the person is shown to have been false or misleading.*

**M21/5846 – REQUEST FOR LEGAL ASSISTANCE – ELECTED MEMBER (REC)
(CONFIDENTIAL ATTACHMENT)**

- (c) *Where assistance is so withdrawn, the person who obtained financial support is to repay any monies already provided. The City may take action to recover any such monies in a court of competent jurisdiction.*

5. Acknowledgment

Prior to the submission of an application requesting financial support for legal services to the Council, or in the case of an urgent request to the Chief Executive Officer, the Elected Member or employee seeking assistance shall acknowledge in writing, that they fully comprehend the intent of this policy, and where appropriate undertake to reimburse the City in accordance with the provisions of Part 4 above.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Risk Statement & Consequence	Level of Risk	Risk Treatment
An incorrect adverse finding against an Elected Member due to unsuitable representation.	Minor consequences which are almost certain, resulting in a Medium level of risk	The Council provides opportunity to seek legal services where applicable.

POLICY IMPLICATIONS

Council Policy CP-017 Legal Representation Policy Elected Members and Employees applies [5846 CP-017 Legal Representation Policy](#)

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

CONCLUSION

In considering the circumstances outlined in the Confidential Attachment, there is an option for the Council to resolve to provide legal assistance as requested in accordance with Council Policy CP-017 – Legal Representation Policy for Elected Members and Employees,

**M21/5846 – REQUEST FOR LEGAL ASSISTANCE – ELECTED MEMBER (REC)
(CONFIDENTIAL ATTACHMENT)**

OFFICER RECOMMENDATION (5846)

REFUSAL

That the Council:

1. has considered the request for legal assistance from Cr Kepert in accordance with the provisions of the CP-017- Legal Representation Policy Elected Members and Employees in relation to the State Administrative Tribunal matter DR 98 2021 and resolves that assistance not be provided.
2. That this resolution be made public when the matter DR 98 2021 before the State Administrative Tribunal has been concluded.

Alternative Motion

At 8:28pm Cr Pazolli moved, seconded Cr Sandford –

COUNCIL RESOLUTION

That the Council has considered the request for legal assistance from Cr Kepert in accordance with the provisions of the CP-017- Legal Representation Policy Elected Members and Employees in relation to the State Administrative Tribunal matter DR 98 2021 and resolves that legal assistance to the maximum value of \$10,000 be provided, subject to:

- a) **confirmation in writing by Cr Kepert of the intent of CP-017 - Legal Representation Policy Elected Members and Employees, including the reimbursement requirements.**
- b) **Legal services being provided by a member of the WALGA Panel of Legal Service Providers.**
- c) **Costs being paid directly to the approved lawyer or reimbursement of costs on submission of relevant supporting documents.**

At 8:45pm the Mayor declared the motion

CARRIED (6/5)

Yes	6	Cr Mair, Cr Sandford, Cr Pazolli, Cr Kepert, Cr Fitzgerald, Mayor Gear
No	5	Cr Robartson, Cr Barber, Cr Barton, Cr Woodall, Cr Robins

Reasons for the alternative motion as provided by Elected Members

- Considered beneficial for Cr Kepert to receive impartial legal advice on this matter.

12. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**12.1 Request for Small Group Briefing for CBACP (Cr Pazolli)****Item Brought Forward**

See Page 52.

13. MOTIONS WITHOUT NOTICE BY ABSOLUTE MAJORITY OF THE COUNCIL

Nil.

14. CLOSURE

There being no further business to discuss, Mayor Honourable George Gear declared the meeting closed at 8:45pm.