

**MINUTES
OF THE
SPECIAL MEETING OF COUNCIL
HELD ON
TUESDAY 24 JUNE 2014
AT 6.30PM IN THE COUNCIL CHAMBERS
MELVILLE CIVIC CENTRE**

DISCLAIMER

PLEASE READ THE FOLLOWING IMPORTANT DISCLAIMER BEFORE PROCEEDING:

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

Any statement, comment or decision made at a Council or Committee meeting regarding any application for an approval, consent or licence, including a resolution of approval, is not effective as an approval of any application and must not be relied upon as such.

Any person or entity who has an application before the City must obtain, and should only rely on, written notice of the City's decision and any conditions attaching to the decision, and cannot treat as an approval anything said or done at a Council or Committee meeting.

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

DISTRIBUTED 27 JUNE 2014

CONTENTS PAGE

	Item Description	Page Number
URBAN PLANNING		
P14/3512	Advertising of Draft Local Planning Strategy and Local Planning Scheme 6 With Modifications	5
CORPORATE SERVICES		
C14/6069	Consideration and Adoption of the 2014/2015 Budget	14



MINUTES OF THE SPECIAL MEETING OF THE COUNCIL HELD IN THE COUNCIL CHAMBERS, MELVILLE CIVIC CENTRE, 10 ALMONDBURY ROAD, BOORAGOON, COMMENCING AT 6.30PM ON TUESDAY, 24 JUNE 2014.

1. OFFICIAL OPENING

The Presiding Member welcomed those in attendance to the meeting and declared the meeting open at 6:30pm. Mr J Clark, A/Executive Manager Legal Services, read aloud the Disclaimer that is on the front page of these Minutes and then His Worship the Mayor, R Aubrey, read aloud the following Affirmation of Civic Duty and Responsibility.

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 Standing Orders to ensure the efficient, effective and orderly decision making within this forum.

2. PRESENT

His Worship the Mayor, Russell Aubrey

COUNCILLORS

Cr M Reynolds (Deputy Mayor)
Cr N Foxtton
Cr D Macphail, Cr R Aubrey
Cr C Robartson, Cr R Willis
Cr C Schuster, Cr N Pazolli
Cr J Barton, Cr S Taylor-Rees
Cr R Hill, Cr P Phelan

WARD

University
University
City
Bull Creek/Leeming
Applecross/Mount Pleasant
Bicton/Attadale
Palmyra/Melville/Willagee

3. IN ATTENDANCE

Dr S Silcox	Chief Executive Officer
Mr M Tieleman	Director Corporate Services
Ms C Young	Director Community Development
Mr J Christie	Director Technical Services
Mr S Cope	Director Urban Planning
Mr J Clark	A/Executive Manager Legal Services
Mr G Ponton	Manager Strategic Urban Planning
Mr B Taylor	Manager Financial Services
Mr W Nicholls	A/Senior Management Accountant
Mr N Fimmano	A/Governance & Compliance Program Manager
Ms S Tranchita	Minute Secretary
Ms G Healey-Burgess	Corporate Administration Officer

At the commencement of the meeting there were four members of the public and two members from the Press in the Public Gallery.

4. APOLOGIES AND APPROVED LEAVE OF ABSENCE**4.1 APOLOGIES**

Nil.

4.2 APPROVED LEAVE OF ABSENCE

Nil.

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

6.1 J Considine and H Dunlop, Booragoon

Question 1

Does the Southern Frame Group have to wait until the end of the advertising period for LPS6 before we can work with Council regarding zoning issues for our area.

Response

The advertising of Local Planning Scheme 6 will provide opportunity for the community to provide feedback on the proposals contained within the Scheme. The recent approval of the Melville City Centre Structure Plan has highlighted that the determination of the ultimate zonings for the area south of the Melville City Centre is one of many precincts likely to generate particular community interest. In these circumstances it is proposed that the advertising period will include particular focus on this area and direct contact with the "Southern Frame Group". At this stage consideration of an appropriate zoning for the "Southern Frame" area can occur during advertising of Local Planning Scheme 6 and may be able to be progressed as part of the approval of the overall Local Planning Scheme 6.

Question 2

When and how do we get access to the city map detailing proposed zoning in LPS6 for the City of Melville.

Response

The item to the Special Council Meeting on 24 June 2014 seeks to progress Local Planning Scheme 6 towards commencement of public advertising. Final consent to advertise will require further approval from the Minister for Planning. The City is aiming at commencement of advertising of the Scheme as soon as Ministerial approval is gained. Details of the advertising phase will be widely promoted in the local newspapers and on the City's website. The draft Scheme Text and Scheme Maps will be available on the City's website and the City's offices for viewing.

At 6.38pm Mr Taylor left the meeting.

7. DECLARATIONS OF INTEREST

7.1 FINANCIAL INTERESTS

Nil.

7.2 DISCLOSURE OF INTEREST THAT MAY CAUSE A CONFLICT

C14/6069 - Cr Schuster – Interest under the Code of Conduct

8. APPLICATIONS FOR NEW LEAVES OF ABSENCE

Nil.

9. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED

Nil.

10. REPORTS OF THE CHIEF EXECUTIVE OFFICER

At 6.38pm His Worship the Mayor brought forward Item P14/3512 for discussion.

P14/3512 - ADVERTISING OF DRAFT LOCAL PLANNING STRATEGY AND LOCAL PLANNING SCHEME 6 WITH MODIFICATIONS (REC) (ATTACHMENT)

Ward : All
 Category : Strategic
 Application Number :
 Property :
 Proposal : Advertising of Draft Local Planning Strategy and Local Planning Scheme 6 with Modifications
 Applicant : City of Melville
 Owner :
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Previous Items : P11/3236 to consider the adoption of Proposed Local Planning Scheme 6 and to seek the consent from the Western Australian Planning Commission to be advertised.(SMC 09/08/2011).
 Responsible Officer : Gavin Ponton
 Manager Strategic Urban Planning

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>

P14/3512 - ADVERTISING OF DRAFT LOCAL PLANNING STRATEGY AND LOCAL PLANNING SCHEME 6 WITH MODIFICATIONS (REC) (ATTACHMENT)**KEY ISSUES / SUMMARY**

- Current Scheme is 15 years old.
- Currently no formal Local Planning Strategy to give direction.
- Advertising the Strategy and Scheme will allow public comment on the initiatives contained in those documents and also allow issues that have been creating concern to be aired to the wider community.
- Documents have been with the Department of Planning for almost three years awaiting permission to advertise.
- In recent times the City's engagement on planning issues and initiatives has focused on structure plans for activity centres. Advertising will canvas issues outside of the structure plan areas and allow discussion to take place on a wider range of issues.
- Will provide a more relevant scheme with all parties more confident in its reflection of the community aspirations.
- Strategy will ensure clarity on the City's approach to focus on development along Public Transport corridors, around public transport nodes and in Activity Centres.
- Local Planning Strategy and Local Planning Scheme 6 draw on the actions and recommendations of other key Council documents such as Community Plan, Corporate Plan and Melville 2050 Intergenerational report as well as State strategies.
- The Local Planning Strategy and Local Planning Scheme 6 have previously been endorsed by Council for the purposes of advertising (SMC 09/08/2011). Consent from the Minister has now been received to commence advertising. Modifications are required to the draft Scheme to reflect recent amendments and address legislative changes over the last three years. Support to move towards advertising of the modified scheme and strategy is recommended accordingly.

BACKGROUND

The City's draft Local Planning Scheme (LPS) and Local Planning Scheme 6 (LPS6) have been developed through an extensive process of engagement and research. This has included Melville Visions, (an extensive survey with over 8,000 responses, focus groups and public meetings) The Community Plan, Neighbourhood Planning, meetings with Elected Members and research into the engagement on planning applications over the past 8 years.

The Western Australian Planning Commission, through its Central Sub-Regional Strategy requires the City to accommodate 11,000 new dwellings by 2031. The State Framework is also anticipating a growth beyond 2031 towards a Metropolitan area of 3.5 to 5 million people.

The City's draft Local Planning Scheme (LPS) and Local Planning Scheme 6 (LPS6) provide a strategic and statutory framework that can achieve these objectives with little impact on the majority of the residential areas of the City. They will also assist in providing more support for public transport infrastructure, the growth in the local economy and an increase in jobs and commercial enterprises within the City.

P14/3512 - ADVERTISING OF DRAFT LOCAL PLANNING STRATEGY AND LOCAL PLANNING SCHEME 6 WITH MODIFICATIONS (REC) (ATTACHMENT)**DETAIL**

Because of the time it has taken to gain endorsement to advertise, many of the early actions in the strategy have already begun and are reflected in structure planning work for Canning Bridge, Murdoch, Melville City Centre, Riseley Street and Willagee. These projects support the relevance of the strategy and reinforce the acceptance of the strategy's key principles by the community.

The Local Planning Strategy draws on the actions and recommendations of several Council documents including the Community plan, Corporate Plan and Melville 2050 intergenerational report.

The Strategy considers:

- Ways to increase population growth in the working age households in order to reduce the impact of over exposure to an ageing population.
- Capturing the multiplier benefits of major investments in Murdoch to induce diversification in the local economy
- Diversification of the rates base of Council to create a better balance between residential and non-residential sources
- The capacity to leverage off major commercial developments such as Canning Bridge and Murdoch Activity centre to catalyse precinct-based residential density
- A planned evolution based approach to urban development to facilitate non precinct based density along major public transport routes
- Ways to manage diversification of the housing stock over the next 10 years
- Opportunities for older households to cash-out of the family home and downsize to more affordable local housing product
- Supporting and encouraging investment in commercial office floorspace at key traffic intervention points to encourage higher levels of employment self-sufficiency.

In releasing the Local Planning Scheme 6 for public comment there may be some who object to not being able to subdivide their lot and there may be some who object to their neighbours being able to subdivide their lot. There may be those who object to increased density and height along transport routes and there may be some who consider the City has not gone far enough in increasing density and height. By proceeding to advertising with these documents though the opportunity will be provided for discussion of these issues in an informed environment. The opportunity will then be available to consider submissions and make an informed decision on whether to continue with the range of proposed changes.

The resulting strategy and scheme will provide certainty to residents about the potential of their investment. There will be a strategic direction that will provide confidence to both residents and buyers.

P14/3512 - ADVERTISING OF DRAFT LOCAL PLANNING STRATEGY AND LOCAL PLANNING SCHEME 6 WITH MODIFICATIONS (REC) (ATTACHMENT)

In supporting the progression of the scheme to public advertising the Minister for Planning has suggested a number of modifications be made to the Scheme. The City has two options at this stage of the process:

1. Council can resolve not to proceed with the Scheme as modified. If this is the case then
 - a. The City notifies the WAPC that Council will not proceed with the scheme,
2. Council can resolve to proceed with the scheme as modified and
 - a. Officers modify the scheme and forward the modified documents to the Minister
 - b. The Minister consents to the modifications
 - c. Local government advertises Scheme.
 - d. Local government reviews submissions and considers whether Scheme should be modified
 - e. Council resolution
 - i. to adopt scheme without modifications,
 - ii. to adopt Scheme with modifications,
 - iii. to not proceed with Scheme

There are further steps following on from this that entail submission to the Minister and approval by the Minister or a request to readvertise if there are significant changes.

The modifications to the Local Planning Scheme 6 by the Minister relate mainly to compliance with the Model Scheme Text.

- Some of the clauses inserted to reflect local concerns have reverted to the Model Scheme Text e.g. extinguishing irrelevant Restrictive Covenants relating to the quarrying of rock or soil and the value of a building were removed and standard covenant clauses reinserted.
(It was considered that these covenants could not be extinguished)
- R20A and R20B codings were inserted to reflect a clause in the old R-Codes which allowed lots over 900 sqm that were R20 before a certain date to be strata titled (450m² per lot) Lots created after that date were not able to access the strata title. The new R-codes have reverted back to a straight R20 which allows for any R20 lot to have 450 m² average lot size. The 20A and 20 B was confusing so the change simplifies the Scheme.
- The introduction of State Planning Policy 4.2: Activity Centres for Perth and Peel has removed the need for floorspace caps within Activity Centres, the floorspace requirements of the City Centre, District Centre, Neighbourhood Centre and Local Centre Zones have been removed.

P14/3512 - ADVERTISING OF DRAFT LOCAL PLANNING STRATEGY AND LOCAL PLANNING SCHEME 6 WITH MODIFICATIONS (REC) (ATTACHMENT)

- The Strategic Development areas, although remaining in the Local Planning Strategy have been removed from the Local Planning Scheme. They have been replaced by Development Areas with special conditions in place to allow structure plans to be prepared to guide development in these areas. The Guidelines have been included as part 6 of the scheme under Special Control Areas. This has also introduced provisions within the scheme to recognise Structure Plans and Local Development Plans. Development areas have been set for Canning Bridge, Booragoon and Riseley Street.
- A formula has been introduced in Section 12 to enable the heads of power to be introduced for Developer contributions if required.
- Residential Planning Codes have been introduced on the map for all centres. This is in line with current practice and model scheme text.

The general principles of the Local Planning Strategy have been endorsed by the Minister. The modifications relate to updating the document to reflect new studies, strategies and information.

Some of the information requested to be updated include:

- References to Directions 2031 rather than Network City and requiring a reworking of the information to reflect the subtle changes in State strategies since the scheme was originally endorsed.
- The replacement of the information from the Local Commercial Centres Strategy, which was based on information gathered in 2008, with the Local Commercial Activity Centres Strategy which has been undertaken by the City in 2013. This reflects the change in focus away from floorspace caps however does not change the hierarchy of centres or their interaction with each other.
- More relevant data on population, commercial enterprises, jobs, and community profile which have become available from the 2011 census and more recent studies has been updated.
- Updating State Planning policies that have been amended since the Strategy was endorsed
- Updating Council policies that are relevant to the Local Planning Strategy to reflect policies reviewed and endorsed since the Strategy was endorsed.

The Draft Local Planning Strategy and Draft Local Planning Scheme 6 with modifications are attached.

[3512 Draft Local Planning Strategy](#)

[3512 Draft Local Planning Scheme 6](#)

P14/3512 - ADVERTISING OF DRAFT LOCAL PLANNING STRATEGY AND LOCAL PLANNING SCHEME 6 WITH MODIFICATIONS (REC) (ATTACHMENT)**STAKEHOLDER ENGAGEMENT****I. COMMUNITY**

The level of communication in accordance with the Stakeholder Engagement Policy CP-002 for this item is to “consult” with the community. The initial process of drafting the documents encompassed a significant level of involvement including community workshops, discussion with key stakeholders, surveys, focus groups and public comment.

It is anticipated that a flyer will be able to be distributed with the rates notices advising of advertising of the Scheme and directing ratepayers to a webpage or contact number to learn more.

Full advertising of the Scheme could be anticipated to begin in August 2014. A three month advertising period would take place from August to November. During this period the scheme will be advertised through:

- Notice in Government Gazette
- Full page advertisement in local newspaper
- Advertorial coverage
- Press releases
- Displays in libraries and shopping centres
- Information days
- Neighbourhood meetings
- Presentations to and meetings with special interest groups
- Mailouts to those specifically impacted by changes and
- Webpage updates and information

Depending on the submissions received, it could be anticipated that a report on submissions would be presented to Council Early in 2015.

II. OTHER AGENCIES / CONSULTANTS

Adjoining Local Governments have been advised of the preparation of the scheme. Those Local Governments will be further advised of the advertising.

Utility service agencies will be advised of the advertising of the Scheme and Strategy as part of the notification of advertising.

STATUTORY AND LEGAL IMPLICATIONS

The *Town Planning Regulations 1967* provide for the Local Planning Scheme and Local Planning Strategy to be advertised and give guidance to the statutory timeframes to be followed in the process.

The Scheme requires advertising for a minimum of 90 days.

P14/3512 - ADVERTISING OF DRAFT LOCAL PLANNING STRATEGY AND LOCAL PLANNING SCHEME 6 WITH MODIFICATIONS (REC) (ATTACHMENT)

FINANCIAL IMPLICATIONS

An amount of \$60,000 has been set aside in the 2014/2015 budget to advertise the scheme including information days, displays, design, printing, marketing, collation and analysis of submissions.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Risk Statement	Level of Risk	Risk Mitigation Strategy
Groups within the community are unhappy with suggestions in the scheme and commence a media campaign.	Major consequences which are likely, resulting in a Extreme level of risk	The nature of advertising a scheme will create discussion within the community. By presenting key messages and encouraging people to put forward their views, positive and negative, will allow informed discussion and planning decisions to be explained without Council having to defend any decisions.

POLICY IMPLICATIONS

Planning Policies will be reviewed as part of the scheme endorsement process.

ALTERNATE OPTIONS & THEIR IMPLICATIONS

1. Council can resolve not to proceed with the Scheme as modified.

If this is the case then the City notifies the WAPC that Council will not proceed with the scheme, and

- a. We recommence the process of preparing a new Scheme. or
- b. The Minister may request the Scheme be advertised.

This option will mean that the current scheme, which is 15 years old, will continue to operate. The certainty in decision making gained by a new Scheme will be lost and it could be anticipated that development applications with significant variations will continue to increase as owners and developers will try to test an old scheme.

P14/3512 - ADVERTISING OF DRAFT LOCAL PLANNING STRATEGY AND LOCAL PLANNING SCHEME 6 WITH MODIFICATIONS (REC) (ATTACHMENT)

2. Council can resolve to proceed with the scheme as modified.
 - a. Officers modify the scheme and forward the modified documents to the Minister
 - b. The Minister consents to the modifications
 - c. Local government advertises the Scheme.
 - d. Local government reviews submissions and considers whether Scheme should be modified
 - e. Council resolution
 - i. to adopt scheme without modifications,
 - ii. to adopt Scheme with modifications,
 - iii. to not proceed with Scheme

CONCLUSION

The modifications proposed by the Minister are minor and do not impact on the general strategic direction of the Local Planning Strategy and Local Planning Scheme 6 that were endorsed by the Council for advertising in August 2011. Advertising the scheme will allow for an informed discussion of some of the issues that are being raised regarding intensity of development in suburban areas, impacts of Multi-Unit housing and the future direction for housing a growing population.

There has been several scheme amendments approved by the WAPC over the last three years that are reflected already in the Local Planning Scheme, however some require modifications to ensure conditions of the amendments are carried through to the new scheme.

There appears to be a need to consider the amendments that are related to Riseley Street, Melville City Centre and Willagee as part of the advertising for the Local Planning Scheme to avoid confusion of readvertising or advertising something different than what has been approved in the structure plan.

It is recommended therefore that the Council resolve to proceed with the Scheme and

- (i) Settle the modifications with the Commission together with a request for modifications to reflect the Strategic Plans for Melville City Centre, Riseley Street, Willagee and Kitchener Road;
- (ii) request the Commission to obtain the consent of the Minister or authorised person to the further modifications; and
- (iii) resubmit the scheme documents as attached with the required modifications duly carried out;

P14/3512 - ADVERTISING OF DRAFT LOCAL PLANNING STRATEGY AND LOCAL PLANNING SCHEME 6 WITH MODIFICATIONS (REC) (ATTACHMENT)

At 6.39pm Mr Taylor returned to the meeting.

OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (3512) APPROVAL

At 6.39pm Cr Robartson moved, seconded Cr Schuster –

That the Council:

- 1. Resolve to proceed with the Local Planning Scheme 6 including the modifications as proposed by the Minister**
- 2. Request the West Australian Planning Commission to consider the inclusion of modifications to reflect**
 - a. the structure plans for**
 - i. Melville City Centre**
 - ii. Riseley Street , and**
 - iii. Willagee, and**
 - b. The Scheme amendments for**
 - i. Kitchener Road with height restrictions.**
 - c. R-codes as reflected in the structure plans endorsed by Council**
 - i. Riseley Street Activity Centre**
 - ii. Murdoch Activity Centre**
 - iii. Willagee.**
- 3. Request the Western Australian Planning Commission to obtain the consent of the Minister or authorised person to the further modifications, and**
- 4. Resubmit the scheme documents with the required modifications to the Western Australian Planning Commission.**

At 6.45pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (13/0)

Vote Result Summary	
Yes	13
No	0

Vote Result Detailed	
Cr Aubrey	Yes
Cr Barton	Yes
Cr Foxtton	Yes
Cr Hill	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Pazolli	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Taylor-Rees	Yes
Cr Willis	Yes
Mayor Aubrey	Yes

At 6.46pm the meeting returned to the normal order of the Agenda.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**

Disclosure of Interest

Item No.	C14/6069
Member	Cr C Schuster
Type of Interest	Interest under the Code of Conduct
Nature of Interest	Potential affect to personal property should Amendment 2 be carried
Request	Not Applicable
Decision of Council	Not Required

Ward	: All
Category	: Operational
Subject Index	: Budget Estimates Operational and Forward Works Program
Customer Index	: Impacts on all Ratepayers of the City of Melville
Disclosure of any Interest	: The responsible officer and Elected Members are property owners / ratepayers in the City of Melville however this is an exempt interest in accordance with Section 5.63 (1) (a) & (b) of the <i>Local Government Act 1995</i> .
Previous Items	: C13/6062 Ordinary Meeting of Council 10 December 2013, Long Term Financial Model Review and Proposed Capital Works Program C14/6065 – Special Meeting of the Council 14 April 2014 – Consideration of 2014-2015 Draft Budget Requests
Works Programme	: As per 2014/2015 budget document
Funding	: As per 2014/2015 budget document
Responsible Officer	: Marten Tieleman Director Corporate Services

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**

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>

KEY ISSUES / SUMMARY

The 2014/2015 Budget Document is presented for consideration and adoption by Council.

BACKGROUND

The City of Melville is required to prepare an Annual Budget in accordance with the *Local Government Act 1995* and the Financial Management Regulations. 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 position. The 2014/2015 Budget has been prepared with a slightly different focus compared to other years, there has been a stronger linkage with the Long Term Financial Plan (LTFP). The LTFP was first adopted by Council in December 2012 and was revised in December 2013. Aligning the Budget with the LTFP this Plan ensures income and expenditure levels are set with reference to both current and future needs.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)****DETAIL**

The City of Melville commenced its formal Budget preparation in February 2014 with input from key officers from the various service areas. Budget practices and processes continue to be streamlined each year and the 2014/2015 Budget was no exception. As a result of the adoption of the LTFP, the Budget was prepared with greater acknowledgment of longer term sustainability. The Budget was also prepared with consideration and review of the Corporate Plan (2012-2016) by Council. A number of briefing sessions were held with Elected Members during the process to provide updates, discuss current issues and provide opportunity for feedback.

The 2014/2015 Budget has been finalised in a balanced position. To arrive at a balanced position is never an easy task when trying to minimise the impact on ratepayers but maintaining service levels and ensuring intergenerational equity.

The Budget Book [6069A June 2014](#) outlines key information including:

- A Budget overview;
- A comparison to the Long Term Financial Plan;
- Detailed rating information;
- Information on other charges such as the Security levy etc;
- A schedule of Fees and Charges;
- Operating Income and Expenditure schedules by Service Area;
- Capital Income and Expenditure schedules by Service Area;
- Reserve Levels and proposed transfers;
- Budget in a Statutory format as per Legislation and Regulations.

[6069B June 2014](#) provides an alternate Rate Setting Statement, showing the impact on Rate revenue should Federal Assistance funding be treated differently. This has been outlined under the 'Alternate Options' section of this report.

[6069C June 2014](#) provides a Ratepayer Profile for the City.

[6069D June 2014](#) provides details, including objects and reasons, supporting the City's differential rate. The rates in the dollar of Gross Rental Value (GRV) being recommended to Council for adoption are lower than those differential rates advertised on 27 May 2014 due to various changes that have been made to the draft budget document since that date.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)****STAKEHOLDER ENGAGEMENT****I. COMMUNITY**

Whilst no specific public consultation has taken place in regards to the 2014/2015 Budget, community consultation has occurred for a number of the major projects identified within the budget document. A notice of intention to impose differential rates was also advertised in the Melville Times on Tuesday, 27 May 2014 and the 21 day public comment period ends on Wednesday, 18 June 2014. No formal comments were received prior to the completion of this report.

II. OTHER AGENCIES / CONSULTANTS

- Fire and Emergency Services Agency 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 and Specified Area Rates;
- Office of Energy and Western Power with respect to Underground Power Projects.
- Southern Metropolitan Regional Council (SMRC) in relation to the Waste Disposal operation run by them on behalf of the City and four 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.

3.1. General function

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

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 2014/2015 budget as presented is considered to meet these statutory obligations.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)****FINANCIAL IMPLICATIONS**

Specific financial implications are as detailed in the forgoing Detail section of this report and the attached 2014/2015 budget document. Implications for Melville ratepayers will include:-

- Various increases in the levels of user fees and charges as detailed in the 2014/2015 Fees and Charges Schedule.
- An increase in the residential general improved rate in the dollar from 5.401866 cents (2013/2014) in the dollar of gross rental value to 5.885 cents in the dollar in 2014/2015. An increase in the minimum rate from \$697.50 to \$1,160.00. The increase both in the rate in the dollar and the minimum rate capture the inclusion of the cost of domestic rubbish collection in the residential improved rate;
- A decrease in the residential unimproved rate in the dollar from 6.807744 cents (2013/2014) in the dollar of gross rental value to 6.629 cents in the dollar in 2014/2015. A 6.1% increase in the minimum rate from \$697.50 to \$740.00;
- A decrease in the commercial/industrial rate in the dollar from 6.322794 cents (2013/2014) in the dollar of gross rental value to 6.117 cents (2014/2015) and the minimum rate increasing from \$817.30 to \$900.00 reflecting a 3.9% differential to the residential rate in the dollar.
- An Underground Power Service Charge of \$2,580 to recover the cost of cash calls in the 2014/2015 financial year for the Melville South Underground Power project area. It is to be noted additional charges to recover the cost of this project will also be required in 2015/2016.
- An Underground Power Service Charge of \$4,250 to recover the cost of cash calls in the 2014/2015 financial year for the Ardross East Underground Power project area.
- Underground Power Connection fees for the Ardross East Underground Power Scheme as noted in the budget.
- The Community Security & Liaison Service Charge has increased from \$51.20 to \$52.70.
- The Swimming Pool Inspection Fee has increased from \$33.40 to \$33.60 per annum.
- Maintaining the charge for payment by instalments at \$16.00 per annum;
- Maintaining an instalment interest charge of 4%;
- Reducing the Credit / Debit Card Surcharge Fee which is used to offset bank fees associated with credit card payments by ratepayers from 0.70% to 0.65%.
- As noted in the officer report C13/6062 – Long Term Financial Model Review and Proposed Capital Works Program to the Ordinary Meeting of Council held 10 December 2013, transfers to the Community Facilities Reserve and Infrastructure Reserve Asset Management Reserve accounts is under funded by \$1,603,660. This is not a sustainable financial management practice and is not in accordance with Council's Policies.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Risk Statement	Level of Risk	Risk Mitigation Strategy
Insufficient budget funding achieved to carry out works & 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 Council and that the consequences of insufficiently funding the City's operations are well understood.
An excessive quantum of funding is requested by some officers and directed towards areas of expenditure that are not a priority of the Community and Council or 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 & subject to independent review by all Managers, Finance & Council.

POLICY IMPLICATIONS

The budget has been developed on the principles outlined in Council's policies CP-008 Financial Sustainability – Forward Financial Planning and Funding Allocation Policy and CP-024 Borrowings & Asset Financing Policy.

Variation from policy CP-008 has occurred in respect to policy clause 2.2 in that the Annual 2013/2014 Budget does **not** include a two year budget.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

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 Program it wishes to see amended or what Capital Works it wishes to or does not wish to proceed with. In regards to 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 Council's asset management deferred liability. As renewal of assets is funded from specific asset management reserve accounts, should a Capital Works renewal project be not agreed to, a corresponding reduction in the transfer from the specific purpose reserve accounts will also be made resulting in no change to the amount to be funded from Rates. Rate reductions achieved by reducing Capital Works Projects can only be achieved by reducing funding to new or upgrade projects which are not funded from specific purpose reserve accounts, or by reducing the amounts being transferred to the specific purpose reserves.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**

The projects presented to Council for funding are considered to be the priority projects however there are many more that are also worthy of funding that could be suggested for inclusion should others be removed. Council needs to maintain and improve the level of asset refurbishment and renewal funding that will enable it to refurbish and renew its assets when they reach the end of their useful lives and will need to build reserves to enable it to do so.

An increase or decrease of 1% of rates equates to approximately \$770,000.

Clause 1.7 of Council Policy CP-008 Financial Sustainability – Forward Financial Planning and Funding Allocation states as follows:

In view of the potential risk of significant reductions in untied government grants, such as the Federal Governments Financial Assistance Grant (FAG), due to redistribution to other less financially sustainable local authorities, the City of Melville will seek to reduce it's reliance on such grants to fund its day to day operations and maintenance requirements. This will be achieved over time as funds permit by ensuring such funds are earmarked to finance the cost of non-recurrent projects or by transferring them to an appropriately designated cash backed reserve account. Such reserves will then be used to purchase investments or fund revenue earning projects that will assist the City to reduce it's reliance on rate revenue by using some or all of the returns on those investments or revenue earning projects to fund current operations. This principle recognises that untied grants may be of a temporary nature and that in order to ensure financial sustainability, it would be prudent for the City to maximise its capacity to fund its current operations using own source revenue. The untied roads portion of the Federal Assistance Grant will however be used solely to maintain or renew roads infrastructure as that portion of the grant is calculated with reference to the City's road network and maintenance needs. That the proposed council budget be presented to the Council with the untied FAG Funds applied to reserve accounts as per this clause and that an alternative budget proposal option to be presented with the untied FAG Funds applied to the current budget operational or capital expenditures. The Council can then decide on the appropriate budget to adopt;

Rate setting statements showing the two different treatments requested to be applied by Council are attached [6069B June 2014](#).

Should the \$2.15 million ear marked to be transferred to the Land & Property Reserve be applied to reducing general rates this would have the estimated impact of reducing total rate revenue by 2.79% and if applied evenly across all classes of differentially rated properties would result in improved residential properties rate revenue reducing by \$1,688,297, vacant residential land by \$43,396 and commercial land and properties by \$412,297.

This adjustment would have a one off impact in the 2014/2015 financial year in respect to the reduction of rates and should the practice be reversed in the following year the resultant increase would equate to over 2.79% of rates before any other cost increases are provided for.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)****CONCLUSION**

In accordance with the principles expressed in the LTFP (except for the instances highlighted in the previous commentary), the 2014/2015 Budget has been drafted with a long term view of the needs of the City and its residents in mind. A lower level of rate increase could jeopardise the future financial sustainability of the City of Melville or the continuing delivery of services. The City of Melville believes that its community is best served by making long term decisions that take into account the real impacts of rising costs in order to ensure current residents pay an equitable contribution towards the consumption of services and future residents are protected from price shocks, asset failure or reduction of services which would arise if this approach was not taken.

The Budget has been achieved without resorting to loan borrowings to fund normal operating or capital programs. A provision has been made in the budget for borrowings up to \$5 million for potential costs arising out of the State Government's decision on Local Government Reform to be handed down in August 2014.

It should be noted however that the budget has been balanced using estimated funds brought forward from 2013/2014 of \$250k which presents the unspent contingency budget. Opening funds represent approximately 0.32% of General Rates.

Reductions in the level of rate increase, whilst possible using short term measures such as deferment of asset maintenance or renewal, is 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. Evidence is also emerging that decisions taken by other local or state authorities in past years to impose rate increases pegged to the Consumer Price Index (CPI), has now resulted in them now being required to pass on successive rates or charges increases well in excess of CPI.

The 2014/2015 budget is recommended to the Council for approval.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**

OFFICER RECOMMENDATION (6069)

ABSOLUTE MAJORITY

1.1 Consideration and Adoption of the 2014/2015 Budget (ATTACHMENT)

The Budget Papers for 2014/2015 form part of the Attachments to the Agenda, which was distributed to the Members of the Council on Friday, 13 June 2014.

6069A June 2014

1.1.1. Ratepayer Profile (ATTACHMENT)

6069C June 2014

The Ratepayer Profile forms part of the Attachments to the Agenda, which was distributed to the Members of the Council on Friday, 13 June 2014.

OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6069)

NOTING

At 6.47pm Schuster moved, seconded Cr Macphail –

That the 2014/2015 Ratepayer Profile 6069C June 2014 be noted.

At 6.48pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (13/0)

Vote Result Summary	
Yes	13
No	0

Vote Result Detailed	
Cr Aubrey	Yes
Cr Barton	Yes
Cr Foxtton	Yes
Cr Hill	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Pazolli	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Taylor-Rees	Yes
Cr Willis	Yes
Mayor Aubrey	Yes

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)****1.1.2 Differential Rating (ATTACHMENT)****6069D June 2014****Background**

The *Local Government Act 1995* outlines procedures by which a local government can impose differential rates.

Detail

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. Consideration of all submissions is then to be undertaken.

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.

A Notice of Intention to Impose Differential Rates was advertised in the Melville Times newspaper on Tuesday, 27 May 2014.

A copy of the Notice of Intention to Levy Differential Rates forms part of the Attachments to the Agenda, which was distributed to the Members of the Council on 13 June 2014. The 21 day submission period closes on Wednesday, 18 June 2014. No submissions had been received prior to the completion of this report and if any submissions are received subsequently, these will be advised to Council prior to the Special Council Meeting date of 24 June 2014.

Unless amended by the Council, the proposed rates in the dollar and minimum rates for residential properties for 2014/2015 will be 5.885 cents in the \$ of GRV (13/14 5.401866 cents) with a minimum rate of \$1,160.00 (2013/2014 \$1,101.00 being \$697.50 + \$403.50 Refuse Charge.) for all Residential Improved Land and 6.629 cents in the \$ of GRV (2013/2014 6.807744 cents) with a minimum rate of \$740.00 (2013/2014 \$697.50) for all Residential Unimproved Land.

The proposed differential rate for all Commercial/Industrial properties in 2014/2015 is 6.117 cents in the dollar of GRV (2013/2014 6.322794 cents) with a minimum rate of \$900.00 (2013/2014 \$817.30). Note this applies to all improved and unimproved Commercial/Industrial Land.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**

1.1.2 Differential Rating (Continued)

OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6060)

NOTING

At 6.50pm Cr Schuster moved, seconded Cr Willis –

That the Differential Rating Submissions Report 6069D June 2014 be noted.

At 6.54pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (13/0)

Vote Result Summary	
Yes	13
No	0

Vote Result Detailed	
Cr Aubrey	Yes
Cr Barton	Yes
Cr Foxtton	Yes
Cr Hill	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Pazolli	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Taylor-Rees	Yes
Cr Willis	Yes
Mayor Aubrey	Yes

1.1.3 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, to be used in statements of financial activity for reporting material variances. The level adopted for the year 2013/2014 was 10.0% or \$50,000 whichever is the greater. It is proposed that the level adopted for the reporting of material variances for 2014/2015 should remain the same as in 2013/2014.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**

1.1.3 Adoption of Percentage for Reporting of Material Variances (Continued)

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6069)
APPROVAL**

At 6.54pm Cr Willis moved, seconded Cr Schuster –

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 2014/2015 for reporting material variances, be 10% or \$50,000, whichever is the greater.

At 6.56pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (13/0)

Vote Result Summary	
Yes	13
No	0

Vote Result Detailed	
Cr Aubrey	Yes
Cr Barton	Yes
Cr Foxton	Yes
Cr Hill	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Pazolli	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Taylor-Rees	Yes
Cr Willis	Yes
Mayor Aubrey	Yes

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)****1.1.4 Adoption of 2014/2015 Budget and Setting of 2014/2015 Rates and Charges****COMMENT**

Before proceeding to the recommendations with respect to the 2014/2015 Budget, it is appropriate to identify requirements of the *Local Government Act 1995* in regard to the Budget process.

The following matters require a decision by Absolute Majority:

- 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 Rate 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.

OFFICER RECOMMENDATION (6069)**ABSOLUTE MAJORITY**

At 6.55pm Cr Macphail moved, seconded Cr Schuster –

1. That by Absolute Majority Decision of Council the 2014/2015 Municipal Fund Budget 6069A June 2014 be adopted.
2. That by Absolute Majority Decision of Council the following general rates applicable to the 2014/2015 financial year i.e. for the period 1 July 2014 to 30 June 2015, be adopted:

All Improved Residential Land

5.885 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 \$1,160.00 per assessment;

All Unimproved Residential Land

6.629 cents in the dollar of gross rental values applicable to each property, location or other piece of land subject to a minimum rate of \$740.00 per lot;

Note: - Residential Land includes general residential, duplex, multi-unit, residential strata properties and Homeswest properties.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)****1.1.4 Adoption of 2014/2015 Budget and Setting of 2014/2015 Rates and Charges
(Continued)****All Commercial/Industrial Land including Strata Storage Units**

6.117 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 \$900.00 per assessment;

Note: - Commercial/Industrial land includes general industrial, commercial including retail, professional and office uses, service station, hotel / tavern, TAB and hospitals.

3. That by Absolute Majority Decision of Council

Properties included in the Melville South Underground Power Project Area shall be charged in accordance with the following scale of fees.

- **Network Charge – per property \$2,580**

4. That by Absolute Majority Decision of Council

Properties included in the Ardross East Underground Power Project Area shall be charged in accordance with the following scale of fees.

- **Network Charge – per property \$4,250**
- **Connection Fees as follows;**
- **Standard Connection Fee;**
- **Single Residential property - \$840.00**
- **Multi unit property up to 4 units - \$840.00**
- **Multi unit property, 5 to 15 units - \$420.00**
- **Multi unit property 16 or more units - \$210.00**
- **Modified Connection Fee;**
- **Single Residential property - \$420.00**
- **Multi unit property up to 4 units - \$420.00**
- **Multi unit property, 5 to 15 units - \$210.00**
- **Multi unit property 16 or more units - \$105.00**

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)****1.1.4 Adoption of 2014/2015 Budget and Setting of 2014/2015 Rates and Charges
(Continued)****5. That by Absolute Majority Decision of Council the following rates concessions for the 2014/2015 financial year, be adopted:****A. General Rate Concessions**

Strata storage units. Appropriately zoned and used strata titled storage units of 18m² or smaller, granted a concession of \$450.00 each; The value of this concession amounts to approximately \$25,650.

Melville Glades Golf Club. 100% concession from general rates. The value of this concession amounts to approximately \$16,584.40.

6. That by Absolute Majority Decision of Council the following refuse waste charges be adopted, for the 2014/2015 financial year where these services are charged via the City of Melville rates system**A) Residential Properties Waste & Recycling**

\$304.50 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;

\$110.25 per annum for each additional City of Melville approved recycling bin service when emptied at the same time as the standard domestic recycling 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) Commercial and Non-Rateable Properties

\$560.00 per annum for one standard removal and disposable 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;

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)****1.1.4 Adoption of 2014/2015 Budget and Setting of 2014/2015 Rates and Charges
(Continued)****C) Bulk Refuse Collection and Disposal**

\$25.80 (excluding GST) per lift – one bin of 660 litre capacity.

\$32.80 (excluding GST) per lift – one bin of 1,100 litre capacity.

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

D) Commercial and Non Rateable Recycling Services

\$448.00 per annum including GST for a weekly recycling bin service provided to commercial and non-rateable properties for one City of Melville approved recycling bin emptied on a weekly basis.

\$21.00 (excluding GST) per lift – one bin of 660 litre capacity.

\$25.75 (excluding GST) per lift – one bin of 1,100 litre capacity.

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

7. Swimming Pool Inspection Fee

That by Absolute Majority Decision of Council a swimming pool inspection fee of \$33.60 be adopted for 2014/2015.

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 fund 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 Council the property surveillance and security charge for the 2014/2015 year of \$52.70 be adopted.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)****1.1.4 Adoption of 2014/2015 Budget and Setting of 2014/2015 Rates and Charges
(Continued)****Amendment 1**

At 6.56pm Cr Macphail, with agreement from the seconder, Cr Schuster agreed to incorporate the amendment into the recommendation.

That the Council delete point 3 of item 1.1.4 of the Officers' Recommendation and renumber the subsequent points from 4 to 8 to read 3 to 7 and make all necessary adjustments to the 2014/2015 Draft Budget to reflect the fact that the Melville South Underground Power Project will not require funding in the 2014/2015 financial year.

Reasons for Amendment 1

Notice has been received from Western Power 23 June 2014 that due to a delay in the commencement of the Melville South Underground Power Project, no cash calls will be required from the City of Melville in the 2014/2015 financial year.

Consequently, there is no requirement to raise funding to meet cash calls by way of the \$2,580 Network Charge previously proposed.

At 7.24pm Mr Nicholls left the meeting.

At 7.24pm Cr Phelan left the meeting and returned at 7.28pm.

At 7.29pm Mr Nichols entered the meeting.

At 7.57pm Cr Macphail left the meeting and returned at 7.58pm.

Amendment 2

At 6.56pm Cr Pazolli moved, seconded Cr Taylor-Rees -

That the Council

- 1 Amend item 1.1.4, Recommendation 2 by deleting the All Improved Residential Rate of "5.885" cents and the value be replaced with "5.635".***
- 2 Apply \$2,150,000 of the untied Federal Assistance Grant budgeted to be set aside in the Land & Property Reserve, to the operating budget to replace the reduction in the All Improved Residential Rate revenue resulting from amendment 1 above.***
- 3 Amend all relevant budget documents and recommendations affected by the change in the All Improved Residential Rate as required.***

At 8.07pm the Mayor submitted Amendment 2, which was declared

LOST (3/10)

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**

1.1.4 Adoption of 2014/2015 Budget and Setting of 2014/2015 Rates and Charges
(Continued)

Vote Result Summary	
Yes	3
No	10

Vote Result Detailed	
Cr Barton	Yes
Cr Pazolli	Yes
Cr Taylor-Rees	Yes
Cr Aubrey	No
Cr Foxtton	No
Cr Hill	No
Cr Macphail	No
Cr Phelan	No
Cr Reynolds	No
Cr Robartson	No
Cr Schuster	No
Cr Willis	No
Mayor Aubrey	No

COUNCIL RESOLUTION (6069)

ABSOLUTE MAJORITY

At 8.06pm the Mayor submitted the substantive motion as amended -

1. **That by Absolute Majority Decision of Council the 2014/2015 Municipal Fund Budget 6069A June 2014 be adopted.**
2. **That by Absolute Majority Decision of Council the following general rates applicable to the 2014/2015 financial year i.e. for the period 1 July 2014 to 30 June 2015, be adopted:**

All Improved Residential Land

5.885 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 \$1,160.00 per assessment;

All Unimproved Residential Land

6.629 cents in the dollar of gross rental values applicable to each property, location or other piece of land subject to a minimum rate of \$740.00 per lot;

Note: - Residential Land includes general residential, duplex, multi-unit, residential strata properties and Homeswest properties.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)****1.1.4 Adoption of 2014/2015 Budget and Setting of 2014/2015 Rates and Charges
(Continued)****All Commercial/Industrial Land including Strata Storage Units**

6.117 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 \$900.00 per assessment;

Note: - Commercial/Industrial land includes general industrial, commercial including retail, professional and office uses, service station, hotel / tavern, TAB and hospitals.

3. That by Absolute Majority Decision of Council

Properties included in the Ardross East Underground Power Project Area shall be charged in accordance with the following scale of fees.

- Network Charge – per property \$4,250**
- Connection Fees as follows;**
- Standard Connection Fee;**
- Single Residential property - \$840.00**
- Multi unit property up to 4 units - \$840.00**
- Multi unit property, 5 to 15 units - \$420.00**
- Multi unit property 16 or more units - \$210.00**
- Modified Connection Fee;**
- Single Residential property - \$420.00**
- Multi unit property up to 4 units - \$420.00**
- Multi unit property, 5 to 15 units - \$210.00**
- Multi unit property 16 or more units - \$105.00**

4. That by Absolute Majority Decision of Council the following rates concessions for the 2014/2015 financial year, be adopted:**B. General Rate Concessions**

Strata storage units. Appropriately zoned and used strata titled storage units of 18m² or smaller, granted a concession of \$450.00 each; The value of this concession amounts to approximately \$25,650.

Melville Glades Golf Club. 100% concession from general rates. The value of this concession amounts to approximately \$16,584.40.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**1.1.4 Adoption of 2014/2015 Budget and Setting of 2014/2015 Rates and Charges
(Continued)

5. That by Absolute Majority Decision of Council the following refuse waste charges be adopted, for the 2014/2015 financial year where these services are charged via the City of Melville rates system

A) Residential Properties Waste & Recycling

\$304.50 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;

\$110.25 per annum for each additional City of Melville approved recycling bin service when emptied at the same time as the standard domestic recycling 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) Commercial and Non-Rateable Properties

\$560.00 per annum for one standard removal and disposable 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;

C) Bulk Refuse Collection and Disposal

\$25.80 (excluding GST) per lift – one bin of 660 litre capacity.

\$32.80 (excluding GST) per lift – one bin of 1,100 litre capacity.

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

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)****1.1.4 Adoption of 2014/2015 Budget and Setting of 2014/2015 Rates and Charges (Continued)****D) Commercial and Non Rateable Recycling Services**

\$448.00 per annum including GST for a weekly recycling bin service provided to commercial and non-rateable properties for one City of Melville approved recycling bin emptied on a weekly basis.

\$21.00 (excluding GST) per lift – one bin of 660 litre capacity.

\$25.75 (excluding GST) per lift – one bin of 1,100 litre capacity.

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

6. Swimming Pool Inspection Fee

That by Absolute Majority Decision of Council a swimming pool inspection fee of \$33.60 be adopted for 2014/2015.

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 fund account and used to offset the costs of inspections in the following year's budget.

7. Property Surveillance and Security Service Charge

That by Absolute Majority Decision of Council the property surveillance and security charge for the 2014/2015 year of \$52.70 be adopted.

That all necessary adjustments to the 2014/2015 Draft Budget be made to reflect the fact that the Melville South Underground Power Project will not require funding in the 2014/2015 financial year.

At 8.08pm the Mayor declared the motion

CARRIED BY ABSOLUTE MAJORITY (10/3)

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**

**1.1.4 Adoption of 2014/2015 Budget and Setting of 2014/2015 Rates and Charges
(Continued)**

Vote Result Summary	
Yes	10
No	3

Vote Result Detailed	
Cr Aubrey	Yes
Cr Foxton	Yes
Cr Hill	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Willis	Yes
Mayor Aubrey	Yes
Cr Barton	No
Cr Pazolli	No
Cr Taylor-Rees	No

1.1.5 Early Payment Incentives

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6069)
ABSOLUTE MAJORITY**

At 8.15pm Cr Willis moved, seconded Cr Hill –

- That by Absolute Majority Decision of Council the following early payment incentives be granted provided all 2014/2015 rates and charges (including refuse service charge, property surveillance and security charge, swimming pool inspection fee, emergency services levy and specified area rates) are paid in full on or before close of business (i.e. 5.00pm) by the early payment due date shown on the rate notice.**

Major Prize

One \$3,000 Bonus Saver Account from Westpac Bank.

Other Prizes

Four other prizes, each to the value of approximately \$500.

At 8.17pm the Mayor submitted the motion, which was declared
CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (13/0)

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**

1.1.5 Early Payment Incentives (Continued)

Vote Result Summary	
Yes	13
No	0

Vote Result Detailed	
Cr Aubrey	Yes
Cr Barton	Yes
Cr Foxtton	Yes
Cr Hill	Yes
Cr Macphail	Yes
Cr P Phelan	Yes
Cr Pazolli	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Taylor-Rees	Yes
Cr Willis	Yes
Mayor Aubrey	Yes

1.1.6 Loan Capital Fund Budget (ATTACHMENT)

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.

**OFFICER RECOMMENDATION (6069) AND COUNCIL RESOLUTION
ABSOLUTE MAJORITY**

At 8.17 pm Cr Macphail moved, seconded Cr Reynolds –

That by Absolute Majority Decision of Council the 2014/2015 Loan Fund Budget 6069A June 2014 be adopted.

At 8.18pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (13/0)

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**

1.1.6 Loan Capital Fund Budget (Continued)

Vote Result Summary	
Yes	13
No	0

Vote Result Detailed	
Cr Aubrey	Yes
Cr Barton	Yes
Cr Foxtton	Yes
Cr Hill	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Pazolli	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Taylor-Rees	Yes
Cr Willis	Yes
Mayor Aubrey	Yes

1.1.7 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 as detailed below.

In some cases e.g. the Community Security Service Reserve they are specifically required by legislation to record any surpluses that may arise from Service Charges or Specified Area Rates.

Other reserves such as the Leave Entitlement Reserve are created to ensure that funds are available to meet future known liabilities. Some such as the Risk Management Reserve are created to provide for contingent future liabilities the extent of which cannot yet be accurately assessed.

Reserves such as the Civic Centre Precinct Improvements Reserve, Information Technology Reserve, Community Facilities Reserve, Plant Replacement Reserve, Road Asset Management Reserve and the Parking Facilities Reserve are set aside to save for the future replacement of assets that are currently being consumed. It should be noted that Local Authorities in Western Australia are required to exclude depreciation expenses when setting rates however they are required to include capital expenditure and funds set aside or used reserves and other forms of non-operating revenues.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)****1.1.7 Reserve Account Budgets (Continued)**

Other forms of funding such as General Rates and Loan Borrowings are available to fund the replacement of assets. However due to:-

- a) the high value of assets owned by the City, the replacement of which, if achieved solely through reliance on loan borrowings, would quickly result in unacceptable debt service debt to equity and debt to revenue ratios being encountered,
- b) the desire to ensure that rate levels do not unduly fluctuate each year depending on whether or not a major expenditure is incurred or asset purchase/replacement is made and
- c) the need to ensure that ratepayers meet their equitable share of the cost of consumption of assets (as recognised by the application of condition based depreciation calculations) each financial year rather than deferring the liability to future years ratepayers, reserves are used.

Reserve accounts therefore represent the “savings accounts” of Councils and represent funds that have been set aside for future known and unknown events in order to help reduce the variability of Municipal rates.

Funds held in reserve accounts are invested and the interest earned is reinvested in those reserves, so as to, as far as is possible, maintain the real value of those funds.

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6069)
ABSOLUTE MAJORITY**

At 8.20pm Cr Schuster moved, seconded Cr Robartson–

That by Absolute Majority Decision of Council the 2014/2015 Reserve Accounts (Fund) Budget [6069A June 2014](#) be adopted for the following reserve accounts and purposes:

A) Applecross Underground Power & Streetscape Enhancement Reserve

To be used for underground power projects and streetscape enhancements in the Applecross Underground Power project area.

B) Applecross Underground Power & Streetscape Enhancement Reserve

To be used for underground power projects and streetscape enhancements in the Applecross West Underground Power project area.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**1.1.7 Reserve Account Budgets**C) 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.

D) Attadale South Underground Power & Streetscape Enhancement Reserve

To be used for underground power projects and streetscape enhancements in the Attadale South Underground Power project area.

E) Civic Centre Precinct Improvement Reserve

To be used for improvements to the buildings and associated landscaping and car parking located within the Civic Centre Precinct.

F) 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.

G) Community Facilities Reserve

To be used for the provision of new, renewed or upgraded community facilities/buildings.

H) 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.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**1.1.7 Reserve Account Budgets Continued**I) Future Works Reserve**

To be used to fund “New” Infrastructure Capital Works as opposed to renewal of existing assets as per Asset Management Plans.

J) Information Technology Reserve

To be used to fund the acquisition and replacement of computer software and information technology hardware.

K) 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.

L) Land & Property Reserve

To be used to fund revenue earning land and property purchases within the City of Melville.

M) Leave Entitlements Reserve

To be used to fund annual, sick and long service leave entitlements accrued in previous financial years.

N) Parking Facilities Reserve

To be used to fund the provision, refurbishment or improvement of parking facilities and equipment.

O) Plant Replacement Reserve

To be used to fund the purchase of replacement motor vehicles and plant, including waste collection trucks.

P) 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 in future year Swimming Pool Inspection Fees.

Q) Public Open Space Reserve

To be used to fund the purchase, development and re-development of public open space, parks and reserves or for debt servicing costs associated with any loan borrowings taken out for such purposes.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**1.1.7 Reserve Account Budgets Continued**R) Rates Equalisation Reserve**

To temporarily retain any surpluses that may be identified from the yearly audit of the City's operations, to be used in reducing the amount of rates required to be raised in future years.

S) Recreation Centres Equipment Replacement Reserve

To be used to fund the replacement of Recreation Centre plant and equipment to meet the requirements of the Recreation Equipment Asset Management Plan.

T) Refuse Bins Reserve

To be used for the purchase and replacement of domestic refuse bins.

U) 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 the waste collection and disposal costs of waste associated with storm or disaster events.

V) Risk Management Reserve

To be used to fund prior years insurance premium contingencies, the self insured element of insurance claims, risk reduction initiatives or projects and any losses arising from investment activities.

W) 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.

X) Unexpended Capital Works & 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.

At 8.22pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (13/0)

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**

1.1.7 Reserve Account Budgets Continued

Vote Result Summary	
Yes	13
No	0

Vote Result Detailed	
Cr Aubrey	Yes
Cr Barton	Yes
Cr Foxtton	Yes
Cr Hill	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Pazolli	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Taylor-Rees	Yes
Cr Willis	Yes
Mayor Aubrey	Yes

1.1.8 Trust Fund Budget

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6069)
ABSOLUTE MAJORITY**

At 8.22pm Cr Willis moved, seconded Cr Aubrey –

That by Absolute Majority Decision of Council the 2014/2015 Trust Fund Budget as detailed 6069A June 2014, be adopted.

At 8.24pm the Mayor submitted the motion, which was declared
CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (13/0)

Vote Result Summary	
Yes	13
No	0

Vote Result Detailed	
Cr Aubrey	Yes
Cr Barton	Yes
Cr Foxtton	Yes
Cr Hill	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Pazolli	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Taylor-Rees	Yes
Cr Willis	Yes
Mayor Aubrey	Yes

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)****1.1.9 2013/2014 Surplus Funds**

The 2014/2015 Budget has been formulated on the basis that an estimated opening funds balance of \$250,000 will be carried forward from the 2013/2014 financial year.

This amount has arisen as a result of contingency funding not being required in 2013/2014. The actual closing/opening funds surplus or deficit will be finally determined following receipt of the 2013/2014 audited financial statements anticipated to be in October 2014. Where a variance to the opening funds is identified that variance will be offset by a corresponding increase or decrease in the budgets of the continuing projects or grants reflected in the 2013/2014 Budget. Should, following receipt of the 2013/2014 audited financial statements, any opening funds balance be identified, this will be reported to Council at a future review of the 2014/2015 budget and direction sought from the Council as to the use of the opening funds balance (if any). Should the 2013/2014 audited financial statements reveal a budget deficit amount, this will also be addressed by a review of the 2013/2014 budget and direction sought from Council as to which projects or programs it wishes to be curtailed.

OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6069)**NOTING**

At 8.23pm Cr Robartson moved, seconded Cr Aubrey –

That Council note that an estimated Municipal Fund 30 June 2014 closing funds amount of \$250,000 has been used as an opening position in the 2013/2014 budget and that the final net closing funds amount will be determined following receipt of the 2013/2014 audited financial statements and further direction sought from Council, during a review of the 2014/2015 budget, as to the treatment of any variance identified.

At 8.26pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (13/0)

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**

1.1.9 2013/2014 Surplus Funds

Vote Result Summary	
Yes	13
No	0

Vote Result Detailed	
Cr Aubrey	Yes
Cr Barton	Yes
Cr Foxtton	Yes
Cr Hill	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Pazolli	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Taylor-Rees	Yes
Cr Willis	Yes
Mayor Aubrey	Yes

1.1.10 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. This year it has been decided to adopt the Fees & Charges at the same time as adopting the Budget.

Significant changes to the fees and charges schedule for 2014/2015 include:

- Lifestyle – new fitness programmes listed;
- Building – the removal of building permit approvals for signs following the introduction of the Signs Policy.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**

1.1.10 Imposition of Fees and Charges

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6069)
ABSOLUTE MAJORITY**

At 8.25pm Cr Schuster moved, seconded Cr Hill –

That by Absolute Majority Decision of Council, in accordance with Section 6.16 of the *Local Government Act 1995*, the 2014/2015 Schedule of Fees and Charges included in the attached budget papers [6069A June 2014](#) be adopted and the new fees be applicable from 1 July 2014.

At 8.26pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (13/0)

Vote Result Summary	
Yes	13
No	0

Vote Result Detailed	
Cr Aubrey	Yes
Cr Barton	Yes
Cr Foxton	Yes
Cr Hill	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Pazolli	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Taylor-Rees	Yes
Cr Willis	Yes
Mayor Aubrey	Yes

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**

1.1.11 Payment and Instalment Due Dates

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6069)
ABSOLUTE MAJORITY**

At 8.26pm Cr Reynolds moved, seconded Cr Foxtton –

That 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	23 August 2014
2nd Instalment due date	23 October 2014
3rd Instalment due date	6 January 2015
4th and final instalment due date	6 March 2015

At 8.28pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (13/0)

Vote Result Summary	
Yes	13
No	0

Vote Result Detailed	
Cr Aubrey	Yes
Cr Barton	Yes
Cr Foxtton	Yes
Cr Hill	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Pazolli	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Taylor-Rees	Yes
Cr Willis	Yes
Mayor Aubrey	Yes

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)****1.1.12 Administration and Interest Charge for Rates and Services Charges**

Sections 6.45 and 6.51 of the *Local Government Act 1995* detail the methods by which the Council can impose an administration charge and interest charge in respect to payment of Rates and Service Charges.

Section 6.45 allows a person to pay their rates and service charges by four equal instalments and provides that the Council can impose an administration charge as well as an interest component.

This year it is proposed to maintain an administration charge of \$16.00 (2013/2014 \$16.00) where a person pays their rates by the four instalment option. This fee partially offsets the additional costs incurred by the City in generating and delivering instalment reminder notices.

Section 6.45 of the *Local Government Act 1995* 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. The administration (interest) charge is recommended to be 4% so as to ensure an undue burden is not placed on ratepayers choosing to pay by instalments.

Section 6.51 of the *Local Government Act 1995* provides the Council with the legislative power to raise a penalty interest where rates and service charges remain unpaid by the due date and the ratepayer has not entered into an instalment program. During the 2013/2014 financial year the City of Melville imposed an interest rate of 11% being, the maximum interest rate permitted by the regulations. This rate is considered reasonable in the light of interest rates charged by credit card providers and is again recommended for 2014/2015.

In respect to interest charged on underground power and streetscape enhancement amounts that remain unpaid, it is proposed that the imposition of interest be charged at a rate of 4.5% (5.5% in 2013/2014) per annum for 2014/2015.

The credit card surcharge fee of 0.65% (0.7% in 2013/2014) has been continued to offset the additional cost of bank fees associated with credit card payments by ratepayers. No concessions for seniors or pensioners has been considered in respect to this charge due to the substantial cost of implementing and managing a system whereby such a concession could be easily administered. This charge is included in the Schedule of Fees and Charges adopted above.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**1.1.12 Administration and Interest Charge for Rates and Services Charges**OFFICER RECOMMENDATION (6069)****ABSOLUTE MAJORITY**

At 8.28pm Cr Macphail moved, seconded Cr Aubrey –

1. That by Absolute Majority Decision of Council where, a property owner has elected to, and is adhering to, paying rates and service charges through an instalment program, an instalment administration charge of \$16.00 and an instalment interest charge of 4% per annum, as provided for in section 6.45 of the *Local Government Act 1995*, be imposed.
2. That by Absolute Majority Decision of Council, an interest charge of the maximum amount permitted under the *Local Government Act 1995* and applicable Regulations (currently 11%) 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.

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 Council, an interest charge of 4.5% be imposed on all outstanding underground power and streetscape service charges or specified area rate debts that remain unpaid and this concessional interest charge be applicable for a period of three years from 1 July in the year in which the specified area rate or service charge was first levied, after which time the standard maximum interest charge permitted under the *Local Government Act 1995* and applicable Regulations (currently 11%) is to be applied.

At 8.29pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (13/0)

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**

1.1.12 Administration and Interest Charge for Rates and Services Charges
(Continued)

Vote Result Summary	
Yes	13
No	0

Vote Result Detailed	
Cr Aubrey	Yes
Cr Barton	Yes
Cr Foxtton	Yes
Cr Hill	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Pazolli	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Taylor-Rees	Yes
Cr Willis	Yes
Mayor Aubrey	Yes

1.1.13 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 35 days.

This interest charge was imposed for the first time in the 2001/2002 financial year and provides an added incentive for people to meet their obligations to the City of Melville.

The Council must determine by Absolute Majority decision during the annual budget process to impose this interest charge and must determine a rate and the period of time after which the interest is applied.

The regulations provide that the maximum amount of interest that can be charged is 11%. In keeping with the practice of previous years it would seem reasonable that this should be applied to commercial transactions only and a lesser rate be applied in respect to community groups and organisations. 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.

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)****1.1.13 Interest Charge on Money Owing to Local Government (Continued)**

It should be noted that the Local Government is not able to impose any interest until 35 days after the date of payment has elapsed. On that basis if 14 days is allowed for payment the earliest that the interest can be applied is on the 49th day.

In respect to commercial activities it is, therefore, proposed to introduce the maximum amount permitted under the Local Government Act Regulations as an interest charge and for that to be applied 35 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 (i.e. 5.5%) where the amount owing to the Council has been outstanding for a period of 60 days after payment was due. This would generally mean that these clubs and organisations would have about 75 days to make the payment before any interest charges are incurred.

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 (6069)
ABSOLUTE MAJORITY**

At 8.29pm Cr Foxtton moved, seconded Cr Aubrey –

- 1. That by Absolute Majority Decision of 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 35 days after the date which is stated on the account for payment.**
- 2. That by Absolute Majority Decision of 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* be imposed on all outstanding accounts in respect to community clubs and organisations with such interest commencing 60 days after the date which is stated on the account for payment.**

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**

1.1.13 Interest Charge on Money Owing to Local Government (Continued)

- 3. That by Absolute Majority Decision of 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 Council, the Chief Executive Officer be granted delegated authority to determine whether an outstanding debt is classified as a commercial activity or as community clubs and organisations.**

At 8.30pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (13/0)

Vote Result Summary	
Yes	13
No	0

Vote Result Detailed	
Cr Aubrey	Yes
Cr Barton	Yes
Cr Foxton	Yes
Cr Hill	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Pazolli	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Taylor-Rees	Yes
Cr Willis	Yes
Mayor Aubrey	Yes

**C14/6069 – CONSIDERATION AND ADOPTION OF THE 2014/2015 BUDGET (AMREC)
(ATTACHMENT)**

1.1.14 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 early rate payment incentive prizes.

It is proposed to continue with that practice for 2014/2015.

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6069)
ABSOLUTE MAJORITY**

At 8.30pm Cr Reynolds moved, seconded Cr Phelan –

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

At 8.30pm the Mayor submitted the motion, which was declared
CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (13/0)

Vote Result Summary	
Yes	13
No	0

Vote Result Detailed	
Cr Aubrey	Yes
Cr Barton	Yes
Cr Foxtton	Yes
Cr Hill	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Pazolli	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Taylor-Rees	Yes
Cr Willis	Yes
Mayor Aubrey	Yes

11. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

12. MOTIONS WITHOUT NOTICE BY ABSOLUTE MAJORITY OF THE COUNCIL

Nil.

His Worship the Mayor thanked the Director Corporate Services, Mr Marten Tieleman and his Officers for their great work in preparing the budget document.

13. CLOSURE

There being no further business to discuss the Mayor declared the meeting closed at 8.35pm.