



City of Nedlands

Agenda

Special Council Meeting 15 June 2021

Dear Council member

A Special Meeting of the City of Nedlands is to be held on Tuesday 15 June 2021 in the Council Chamber, 71 Stirling Highway, Nedlands commencing at 5.00 pm for the purpose of giving local public notice of its intention to impose differential rates in accordance with Section 6.36 of the Local Government Act 1995.

Please be aware COVID-19 2m² restrictions with 1.5m social distancing rules apply. Once the venue is at capacity no further admission into the room will be permitted. Prior to entry, attendees will be required to register using the SafeWA App or by completing the manual contact register prior to entry - as stipulated by Department of Health mandatory requirements.

The public can continue to participate by submitting questions and addresses via the required online submission forms at:

<http://www.nedlands.wa.gov.au/intention-address-council-or-council-committee-form>

<http://www.nedlands.wa.gov.au/public-question-time>

Ed Herne
Acting Chief Executive Officer
10 June 2021

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City of Nedlands

Notice of a special meeting of Council to be held in Council Chamber, 71 Stirling Highway, Nedlands on Tuesday 15 June 2021 at 5.00 pm for the purpose giving local public notice of its intention to impose differential rates in accordance with Section 6.36 of the Local Government Act 1995.

Special Council Agenda

Declaration of Opening

The Presiding Member will declare the meeting open at 5.00 pm and will draw attention to the disclaimer below.

Present and Apologies and Leave of Absence (Previously Approved)

Leave of Absence None.
(Previously Approved)

Apologies None as at distribution of this agenda.

Disclaimer

Members of the public who attend Council meetings should not act immediately on anything they hear at the meetings, without first seeking clarification of Council's position. For example, by reference to the confirmed Minutes of Council meeting. Members of the public are also advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

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1. Public Question Time

A member of the public wishing to ask a question should register that interest by notification in writing to the CEO in advance, setting out the text or substance of the question.

The order in which the CEO receives registrations of interest shall determine the order of questions unless the Mayor determines otherwise. Questions must relate to a matter affecting the City of Nedlands.

2. Addresses by Members of the Public

Addresses by members of the public who have completed Public Address Session Forms to be made at this point.

3. Disclosures of Financial / Proximity Interest

The Presiding Member to remind Council Members and Employees of the requirements of Section 5.65 of the *Local Government Act* to disclose any interest during the meeting when the matter is discussed.

A declaration under this section requires that the nature of the interest must be disclosed. Consequently, a Council member who has made a declaration must not preside, participate in, or be present during any discussion or decision-making procedure relating to the matter the subject of the declaration.

However, other Council Members may allow participation of the declarant if the Council Member further discloses the extent of the interest. Any such declarant who wishes to participate in the meeting on the matter, shall leave the meeting, after making their declaration and request to participate, while other Council Members consider and decide upon whether the interest is trivial or insignificant or is common to a significant number of electors or ratepayers.

4. Disclosures of Interests Affecting Impartiality

The Presiding Member to remind Council Members and Employees of the requirements of Council's Code of Conduct in accordance with Section 5.103 of the *Local Government Act*.

Council Members and Employees are required, in addition to declaring any financial interests to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making procedure.

The following pro forma declaration is provided to assist in making the disclosure.

"With regard to the matter in item x I disclose that I have an association with the applicant (or person seeking a decision). This association is (nature of the interest).

As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly."

The Council Member or employee is encouraged to disclose the nature of the association.

5. Declarations by Council Members That They Have Not Given Due Consideration to Papers

Council Members who have not read the business papers to make declarations at this point.

6. Differential Rates 2021/22

Council	15/06/21
Applicant	City of Nedlands
Employee Disclosure under section 5.70 Local Government Act 1995	Nil
Director	Andrew Melville
CEO	Ed Herne
Attachments	1. Draft Rate Setting Statement for 2021/22 2. Statement of Objects and Reasons for imposing the Differential Rates for 2021/22
Confidential Attachments	Nil

Executive Summary

The purpose of this report is to seek Council approval for the advertising of the proposed differential rates and minimum rates for the 2021/22 financial year in accordance with Section 6.36 of the *Local Government Act 1995*.

Recommendation to Council**That Council:**

1. **approves the advertising of the differential rates by local public notice for a period of 21 days, in accordance with Section 6.36(1) of the *Local Government Act 1995*; and**
2. **endorses the Statement of Objects and Reasons for each differential rate and minimum rate as detailed in Attachment 2.**

Voting Requirement

Simple Majority

Discussion/Overview

The City imposes differential rates based on the purpose for which the land is zoned or for which the land is held or used. This allows the City the opportunity to levy different rates in the dollar on the Gross Rental Value (GRV) of different property classifications to reflect the differing levels of demand placed on City services and infrastructure in each differential category. Currently, the City uses 3 differential rate classifications as detailed below:

1. Residential
2. Residential Vacant
3. Non-Residential

The City also establishes a minimum rate for each differential rating classification to ensure that all ratepayers make a reasonable contribution to the cost of providing services and infrastructure by the City.

The City proposes the following differential rates to be advertised for public comment:

Differential Rate	Minimum Rate Proposed	Rate in the Dollar (\$) Proposed
Residential	\$1,529	0.067546
Residential Vacant	\$2,027	0.084667
Non-Residential	\$2,016	0.075330

The City is proposing a 3% increase in the rate in the dollar and minimum rates in order to continue supporting the cost of services and infrastructure provided by the City. This represents an increase of \$911,000 in revenue for the City to devote towards its operations and capital investment for 2021/22. For the ratepayer, this equates to an increase of \$73.26 per year for the average residential ratepayer, and an increase of \$45 per year for the minimum rates category.

The proposed rates have been achieved through a critical review of operational costs to continue delivering services and achieving a capital program that matches delivery capacity.

The Rate Setting Statement for 2021/22 presented in Attachment 1 reflects how the rates revenue will be distributed across operations and capital investment.

In accordance with Section 6.36 of the *Local Government Act 1995*, the City is required to give local public notice of its intention to impose differential rates prior to adopting its budget for the 2021/22 financial year.

Key Relevant Previous Council Decisions:

Nil.

Consultation

The Council was presented with the draft budget and rates information at a series of Councilor Briefings held during April, May, and June.

Strategic Implications

How well does it fit with our strategic direction?

The differential rates form part of the 2021/22 budget which supports the City's strategic direction and ensures compliance to the *Local Government Act*.

Who benefits?

The budget ensures that there is an equitable distribution of benefits in the community.

Does it involve a tolerable risk?

The differential rates modelling was prepared in line with the City's level of tolerance risk.

Do we have the information we need?

The differential rates and the draft budget were based on economic and financial data available at the time of preparation of the budget.

Budget/Financial Implications

The differential rates will provide an additional \$911,000 in revenue to the City for 2021/22.

Can we afford it?

The proposed differential rates have been modelled in order to achieve the optimum level of service and infrastructure delivery for the City.

How does the option impact upon rates?

The proposed impact is a 3% increase in rates.

Conclusion

Council's approval of the proposed differential rates and the supporting Statement of Objects and Reasons for Differential Rates will allow the City to meet its statutory obligation to advertise the proposed rate in the dollar and minimum rates for 21 days for public comments.

CITY OF NEDLANDS
ANNUAL BUDGET 2021/22
Rate Setting Statement as at 30 June 2022

	2021/22	2020/21	2020/21
	Draft Budget	Forecast	Budget
OPERATING ACTIVITIES			
Net current assets at start of financial year - surplus/(deficit)	5,513,378	3,252,636	3,252,636
	5,513,378	3,252,636	3,252,636
Revenue from operating activities (excluding rates)			
Contributions	1,608,056	1,762,202	1,710,008
Fees and charges	7,615,071	7,789,235	7,073,413
Interest earnings	117,000	274,653	304,000
Other revenue	415,638	393,221	447,302
Profit on asset disposals			182
	9,755,765	10,219,311	9,534,905
Expenditure from operating activities			
Employee costs	(15,997,802)	(15,491,215)	(14,123,024)
Materials and contracts	(15,259,878)	(10,065,739)	(12,573,166)
Utility charges	(827,703)	(837,280)	(889,500)
Depreciation on non-current assets	(4,517,900)	(4,405,900)	(4,405,900)
Interest expenses	(113,432)	(158,988)	(172,115)
Insurance expenses	(408,200)	(378,430)	(444,767)
Other expenditure	(1,382,886)	(645,167)	(900,852)
Loss on asset disposals	-	-	(30,316)
	(38,507,801)	(31,982,719)	(33,539,640)
Operating activities excluded from budgeted deficiency			
Non-cash amounts excluded from operating activities	4,517,900	4,405,900	4,436,216
Amount attributable to operating activities	(18,720,758)	(14,104,872)	(16,315,883)
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	4,077,046	2,009,688	2,180,879
Purchase property, plant and equipment	(3,238,279)	(1,496,308)	(2,607,310)
Purchase and construction of infrastructure	(5,242,697)	(5,365,577)	(6,437,663)
Proceeds from disposal of assets	115,700	34,504	3,411,163
Proceeds from self supporting loans	16,700	8,180	17,500
Advances of self supporting loans			
Amount attributable to investing activities	(4,271,530)	(4,809,513)	(3,435,431)
FINANCING ACTIVITIES			
Repayment of borrowings	(1,855,936)	(1,750,166)	(1,750,166)
Principal elements of finance lease payments	-	(41,000)	(38,987)
Transfers to cash backed reserves (restricted assets)	(1,302,624)	(343,866)	(4,524,113)
Transfers from cash backed reserves (restricted assets)	515,000	1,838,560	1,838,560
Amount attributable to financing activities	(2,643,560)	(296,472)	(4,474,706)
Budgeted deficiency before general rates	(25,635,848)	(19,210,857)	(24,226,020)
Estimated amount to be raised from general rates	25,635,848	24,724,235	24,697,233
Net current assets at end of financial year - surplus/(deficit)	-	5,513,378	471,213



City of Nedlands

Objects and Reasons for Imposing Differential Rates for 2021/22

The following Objects and Reasons are provided in accordance with Section 6.36 of the *Local Government Act 1995* and the Council's "Notice of Intention to Levy Differential Rates" for the 2021/22 Financial Year on various categories of properties within the City.

The differential rates are to be levied in accordance with Sections 6.33 of the *Local Government Act 1995*. This document outlines the objects and reasons for implementing differential general rates.

Overall rating objective

The overall objective of the proposed rates in the 2021/22 Budget is to provide for the net funding requirement of the City of Nedlands' various programs, services, and facilities.

Pursuant to Section 6.36 (1) of the Act, the City has given local public notice of its intention to apply differential general rates and minimum payments in respect of each differential rating category.

Differential General Rating

The purpose of imposing a GRV differential rating for residential, residential vacant land and non-residential is to obtain a fair and equitable form of revenue raising from all categories of properties in the City.

Under the *Local Government Act*, Section 6.33 Differential general rates, a local government may impose differential general rates according to any, or a combination, of the following characteristics —

- (a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or
- (b) a purpose for which the land is held or used as determined by the local government; or
- (c) whether or not the land is vacant land; or
- (d) any other characteristic or combination of characteristics prescribed

The differential rates categories for Residential, Residential Vacant and Non-Residential for 2021/22 are proposed as:

Differential Rate	Minimum Rate Proposed	Rate in the Dollar (\$) Proposed
Residential	\$1,529	0.067546
Residential Vacant	\$2,027	0.084667
Non-Residential	\$2,016	0.075330

Following are the objects and reasons for each of the differential rates: -

1. Residential Differential Rate

The rate in the dollar and minimum rate have been set on the basis that ratepayers make a reasonable contribution to the cost of local government and facilities.

2. Residential Vacant Differential Rate

The rate in the dollar and minimum rate have been set in an effort to promote development of properties thereby stimulating growth and development in the Community.

3. Non-Residential Differential Rate

The rate in the dollar and minimum rate have been set to provide for a reasonable contribution towards infrastructure and the cost of local government.

Electors and ratepayers of the City of Nedlands are invited to submit their comments on the above rates in writing by 11 July 2021. Submissions should be addressed to the Chief Executive Officer, City of Nedlands, PO Box 9, Nedlands WA 6909 or council@nedlands.wa.gov.au, with "Differential Rates" in the subject line.

Ed Herne
Acting Chief Executive Officer

Declaration of Closure

There being no further business, the Presiding Member will declare the meeting closed.