



City of Nedlands

Minutes

Special Council Meeting

15 June 2021

Attention

These Minutes are subject to confirmation.

Prior to acting on any resolution of the Council contained in these minutes, a check should be made of the Ordinary Meeting of Council following this meeting to ensure that there has not been a correction made to any resolution.

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City of Nedlands

Minutes of a special meeting of Council 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.

Declaration of Opening

The Presiding Member declared the meeting open at 5.00 pm and drew attention to the disclaimer below.

Present and Apologies and Leave of Absence (Previously Approved)

Councillors	Deputy Mayor L J McManus	(Presiding Member)
	Councillor F J O Bennett	Dalkeith Ward
	Councillor A W Mangano	Dalkeith Ward
	Councillor N R Youngman	Dalkeith Ward
	Councillor B G Hodsdon (from 5.02 pm)	Hollywood Ward
	Vacant	Hollywood Ward
	Councillor J D Wetherall	Hollywood Ward
	Councillor R A Coghlan	Melvista Ward
	Councillor R Senathirajah	Melvista Ward
	Councillor B Tyson (from 5.02 pm)	Melvista Ward
	Councillor K A Smyth	Coastal Districts Ward

Staff	Mr E K Herne	Acting Chief Executive Officer
	Mr J Duff	Director Technical Services
	Mr T G Free	Director Planning & Development
	Mr A Melville	Acting Director Corporate & Strategy
	Ms P Panayotou	Executive Manager Community
	Mrs N M Ceric	Executive Officer

Public There were 1 members of the public present and 1 online.

Press Nil.

Leave of Absence (Previously Approved) Nil.

Apologies Councillor N B J Horley Coastal Districts Ward

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 (in relation to agenda items only)

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.

Nil.

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.

Nil.

Councillor Tyson & Councillor Hodsdon joined the meeting at 5.02 pm.

3. Disclosures of Financial / Proximity Interest

The Presiding Member reminded 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.

There were no disclosures of financial interest.

4. Disclosures of Interests Affecting Impartiality

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

There were no disclosures affecting impartiality.

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

Nil.

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

Regulation 11(da) – Council agreed that a rate increase of 1.5% rather than 3% was acceptable rate increase to lessen the impact on ratepayers.

Moved – Councillor Wetherall
Seconded – Councillor Hodsdon

That the Recommendation to Council be adopted.
(Printed below for ease of reference)

Amendment

Moved - Councillor Smyth
Seconded - Councillor Senathirajah

That the rate increase be changed from 3% to 1.5%.

The AMENDMENT was PUT and was

**CARRIED 9/1
(Against: Cr. Wetherall)**

The Presiding Member adjourned the meeting to hold a scheduled briefing which had external presenters.

The meeting adjourned at 5.32pm and reconvened at 8.25pm with the following people in attendance:

Councillors	Deputy Mayor L J McManus	(Presiding Member)
	Councillor F J O Bennett	Dalkeith Ward
	Councillor A W Mangano	Dalkeith Ward
	Councillor N R Youngman	Dalkeith Ward
	Councillor B G Hodsdon	Hollywood Ward
	Vacant	Hollywood Ward
	Councillor J D Wetherall	Hollywood Ward
	Councillor R A Coghlan	Melvista Ward
	Councillor R Senathirajah	Melvista Ward
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Staff	Mr E K Herne	Acting Chief Executive Officer
	Mr J Duff	Director Technical Services
	Mr T G Free	Director Planning & Development
	Mr A Melville	Acting Director Corporate & Strategy
	Ms P Panayotou	Executive Manager Community
	Mrs N M Ceric	Executive Officer

Amendment

Moved - Councillor Mangano

Seconded - Councillor Youngman

Approves the current rate in the dollar for residential vacant land & the current residential vacant land minimum rate be increased by 10%.

The AMENDMENT was PUT and was

**CARRIED 8/2
(Against: Crs. Hodsdon & Wetherall)**

The Substantive Motion was PUT and was

**CARRIED 7/3
(Against: Crs. Mangano Youngman & Wetherall)**

Council Resolution

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*;**
- 2. endorses the Statement of Objects and Reasons for each differential rate and minimum rate as detailed in Attachment 2 as amended to 1.5% rate increase and reflected in the rate in the dollar; and**
- 3. approves the current rate in the dollar for residential vacant land & the current residential vacant land minimum rate be increased by 10%.**

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.

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*.

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
Fair value adjustments to financial assets at fair value through profit or loss			
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)



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	\$1,506	0.06656
Non-Residential	\$1,986	0.07423
Residential Vacant	\$2,165	0.09042

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 18 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 declared the meeting closed at 8.47 pm.