

agenda

Special Meeting of Council

NOTICE IS HEREBY GIVEN THAT A
SPECIAL MEETING OF THE COUNCIL
OF THE CITY OF JOONDALUP WILL BE HELD IN
THE COUNCIL CHAMBER, JOONDALUP CIVIC CENTRE,
BOAS AVENUE, JOONDALUP

ON TUESDAY, 10 JULY 2012

COMMENCING AT 6.00pm

PURPOSE OF MEETING

The purpose of the meeting is to give consideration to the:

- Proposal for Levying Differential Rates for the 2012/13 Financial Year
- 2012/13 Draft Budget

MIKE TIDY
Acting Chief Executive Officer
6 July 2012

www.joondalup.wa.gov.au

PUBLIC QUESTION TIME

Members of the public are requested to lodge questions in writing by 9.00am on **Monday, 9 July 2012**

Answers to those questions received within that timeframe will, where practicable, be provided in hard copy form at the Special Council Meeting.

Please Note: Section 7(4) (b) of the Local Government (Administration) Regulations 1996 states that a Council at a special meeting is not required to answer a question that does not relate to the purpose of the meeting. It is requested that only questions that relate to items on the agenda be asked.

QUESTIONS TO

council.questions@joondalup.wa.gov.au
PO Box 21 Joondalup WA 6919

www.joondalup.wa.gov.au

PROCEDURES FOR PUBLIC QUESTION TIME

The following procedures for the conduct of Public Question Time were adopted at the Council meeting held on 17 March 2009:

Questions asked verbally

- 1 Members of the public are invited to ask questions at Council Meetings.
- 2 Questions asked at an ordinary Council meeting can relate to matters that affect the operations of the City of Joondalup. Questions asked at a Special Meeting of the Council must relate to the purpose for which the meeting has been called.
- 3 A register will be provided for those persons wanting to ask questions to enter their name. Persons will be requested to come forward in the order in which they are registered, and to give their name and address.
- 4 Public question time will be limited to two minutes per member of the public, with a limit of two questions per member of the public.
- 5 Statements are not to precede the asking of a question during public question time. Statements should be made during public statement time.
- 6 Members of the public are encouraged to keep their questions brief to enable everyone who desires to ask a question to have the opportunity to do so.
- 7 Public question time will be limited to the legislative minimum of fifteen minutes and may be extended in intervals of up to ten minutes by resolution of the Council, but the total time allocated for public questions to be asked and responses to be given is not to exceed 35 minutes in total. Public question time is declared closed following the expiration of the allocated time period, or earlier than such time where there are no further questions.
- 8 Questions are to be directed to the Presiding Member and should be asked politely in good faith and are not to be framed in such a way as to reflect adversely or be defamatory on a particular Elected Member or City employee. The Presiding Member shall decide to:
 - Accept or reject any question and his/her decision is final;
 - Nominate a member of the Council and/or City employee to respond to the question;
 - Take a question on notice. In this case a written response will be provided as soon as possible, and included in the agenda of the next Council meeting.
- 9 Where an elected member is of the opinion that a member of the public is:
 - asking a question at a Council meeting, that is not relevant to the operations of the City of Joondalup;
 - making a statement during public question time;they may bring it to the attention of the meeting.

- 10 Questions and any response will be summarised and included in the minutes of the Council meeting.
- 11 It is not intended that question time should be used as a means to obtain information that would not be made available if it was sought from the City's records under Section 5.94 of the *Local Government Act 1995* or the Freedom of Information (FOI) Act 1992. Where the response to a question(s) would require a substantial commitment of the City's resources, the Chief Executive Officer (CEO) will determine that it is an unreasonable impost upon the City and refuse to provide it. The CEO will advise the member of the public that the information may be sought in accordance with the FOI Act 1992.

Questions in Writing - Residents and /or Ratepayers of the City of Joondalup Only

- 1 Only City of Joondalup residents and/or ratepayers may submit questions to the City in writing.
- 2 Questions submitted to an ordinary Council meeting can relate to matters that affect the operations of the City of Joondalup. Questions submitted to a Special Meeting of the Council must relate to the purpose for which the meeting has been called.
- 3 The City will accept a maximum of five written questions per City of Joondalup resident/ratepayer. To ensure equality and consistency, each part of a multi-part question will be treated as a question in its own right.
- 4 Questions lodged by 9.00am on the day immediately prior to the scheduled Council meeting will be responded to, where possible, at the Council meeting. These questions, and their responses, will be distributed to Elected Members and made available to the public in written form at the meeting.
- 5 The Presiding Member shall decide to accept or reject any written question and his/her decision is final. Where there is any concern about a question being offensive, defamatory or the like, the Mayor will make a determination in relation to the question. Questions determined as offensive, defamatory or the like will not be published. Where the Presiding Member rules questions to be out of order, an announcement to this effect will be made at the meeting, including the reason(s) for the decision.
- 6 The Presiding Member may rule questions out of order where they are substantially the same as questions previously submitted and responded to.
- 7 Written questions unable to be responded to at the Council meeting will be taken on notice. In this case, a written response will be provided as soon as possible and included on the agenda of the next Council meeting.
- 8 A person who submits written questions may also ask questions at a Council meeting and questions asked verbally may be different to those submitted in writing.
- 9 Questions and any response will be summarised and included in the minutes of the Council meeting.

- 10 It is not intended that question time should be used as a means to obtain information that would not be made available if it was sought from the City's records under Section 5.94 of the *Local Government Act 1995* or the Freedom of Information (FOI) Act 1992. Where the response to a question(s) would require a substantial commitment of the City's resources, the Chief Executive Officer (CEO) will determine that it is an unreasonable impost upon the City and refuse to provide it. The CEO will advise the member of the public that the information may be sought in accordance with the FOI Act 1992.

DISCLAIMER

Responses to questions not submitted in writing are provided in good faith and as such, should not be relied upon as being either complete or comprehensive.

CODE OF CONDUCT

The Code recognises these ethical values and professional behaviours that support the principles of:

Respect for persons - this principle requires that we treat other people as individuals with rights that should be honoured and defended, and should empower them to claim their rights if they are unable to do so for themselves. It is our respect for the rights of others that qualifies us as members of a community, not simply as individuals with rights, but also with duties and responsibilities to other persons.

Justice - this principle requires that we treat people fairly, without discrimination, and with rules that apply equally to all. Justice ensures that opportunities and social benefits are shared equally among individuals, and with equitable outcomes for disadvantaged groups.

Beneficence - this principle requires that we should do good, and not harm, to others. It also requires that the strong have a duty of care to the weak, dependent and vulnerable. Beneficence expresses the requirement that we should do for others what we would like to do for ourselves.

* *Any queries on the agenda, please contact Council Support Services on 9400 4369.*

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LATE ITEMS / ADDITIONAL INFORMATION

In the event that further documentation becomes available prior to this Special Council meeting, the following hyperlink will become active:

[Additional Information100712.pdf](#)

CITY OF JOONDALUP

Notice is hereby given that a Special Meeting of the Council will be held in the Council Chamber, Joondalup Civic Centre, Boas Avenue, Joondalup on **Tuesday, 10 July 2012** commencing at **6.00pm**.

MIKE TIDY
Acting Chief Executive Officer
6 July 2012

Joondalup
Western Australia

AGENDA

1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

2 PUBLIC QUESTION TIME

(Please Note: Section 7(4)(b) of the *Local Government (Administration) Regulations 1996* states that a Council at a special meeting is not required to answer a question that does not relate to the purpose of the meeting. It is requested that only questions that relate to items on the agenda be asked.)

3 PUBLIC STATEMENT TIME

Statements made at a Special Meeting of the Council must relate to the purpose for which the meeting has been called.

4 APOLOGIES AND LEAVE OF ABSENCE

Apologies

Mr Garry Hunt, Chief Executive Officer.

Leave of Absence previously approved

Cr Liam Gobbert	12 July – 29 July 2012 inclusive.
Cr Russ Fishwick, JP	23 July – 28 July 2012 inclusive.
Cr Kerry Hollywood	23 July – 28 July 2012 inclusive.

5 DECLARATIONS OF INTEREST

6 IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY SIT BEHIND CLOSED DOORS

7 ITEMS OF BUSINESS

JSC03-07/12 PROPOSAL FOR LEVYING DIFFERENTIAL RATES FOR THE 2012/13 FINANCIAL YEAR

WARD: All

RESPONSIBLE DIRECTOR: Mr Mike Tidy
Corporate Services

FILE NUMBER: 102102, 101515

ATTACHMENTS: Nil.

PURPOSE

To consider submissions in response to the Council's advertised proposal for applying differential rates for the 2012/13 Financial Year.

EXECUTIVE SUMMARY

At a special meeting on 13 June 2012, (JSC02-06/12 refers) Council resolved to apply differential rates in the draft 2012/13 Budget and to advertise seeking public submissions in relation to the proposed differential rates and minimum payments.

Council further resolved that a report be presented to Council to consider any submissions received before the adoption of the draft 2012/13 Budget.

The advertising period for any submissions in relation to the proposed differential rates and minimum payments close on Monday, 9 July 2012. At the time of preparation of this report no submissions have been received. If any submissions are received prior to the Council meeting, these will be submitted as an addendum to this report, for consideration.

It is recommended that Council APPLIES differential rates for rating in the 2012/13 Financial Year in accordance with Section 6.33 of the Local Government Act 1995 and that the differential rates and minimum payments for the draft 2012/13 Budget be those as advertised.

BACKGROUND

A report considered by Council, at its meeting held on 13 June 2012, (JSC02-06/12 refers), set out the reasons and basis of the proposed differential rates for the 2012/13 Financial Year.

Differential rating was introduced in 2008/09. The 2012/13 differentials propose an increase of 4.9% for residential, commercial and industrial rates including minimum payments.

Since 2008/09 the Council has applied a higher differential rate to commercial and industrial land that is vacant to encourage property owners to develop their property. A higher differential for vacant residential land was introduced in 2011/12 for the same reason following a statutory change in the way vacant residential property was valued.

DETAILS

In accordance with the provisions of Section 6.36 of the *Local Government Act 1995* (the Act), the City advertised its intention to apply differential rating in the 2012/13 financial year and the differential rates it proposed to apply.

The City placed advertisements in *The West Australian* on Saturday, 16 June 2012 and in subsequent editions of the local newspapers on 21, 26 and 28 June and 3 July 2012 as well as on public notice boards and the City's website.

The period of advertising was for 21 days during which the City invited submissions in relation to the proposed differential rates. The closing day for public submissions is Monday, 9 July 2012. No submissions have been received at the time of preparation of this report.

Issues and options considered:

The City is required under Section 6.36 of the Act to consider any submissions received in relation to the proposed differential rates. The Council may resolve to set the rates in the dollar for the draft 2012/13 Budget as advertised or may set alternative rates in the dollar after any submissions received have been considered.

Legislation/Strategic Plan/Policy Implications:

Legislation: Section 6.33 of the *Local Government Act 1995* sets out the provisions in relation to differential rating and enables the City to apply separate rates in the dollar for different categories of property based on zoning, land use and whether they are improved or unimproved.

Section 6.36 of the *Local Government Act 1995* requires that if the City intends to apply differential rating it must give local public notice of its intention to do so and invite submissions in relation to the proposed differential rates and minimum payments, within 21 days of the date of the notice. Before making a final resolution in relation to the setting of the rates in the dollar and the adoption of the budget the Council is required to consider any submissions received.

Strategic Plan:

Key Focus Area: Leadership in Governance.

Objective:

- 1.3 To lead and manage the City effectively.
- 1.3.2 The City maintains a long-term Strategic Financial Plan which is reviewed regularly.
- 1.3.3 The City develops and implements a wide variety of Plans which benefit the community socially, economically and environmentally.

Key Focus Area: Economic Prosperity and Growth.

- Objective:**
- 3.1 To encourage the development of the Joondalup CBD.
 - 3.1.2 The City facilitates opportunities for development in the CBD through promotion, the provision of information, the identification of suitable opportunities for development and the implementation of supportive planning provisions, including the development and implementation of a new Structure Plan for the CBD (see Strategy 5.1.2).
 - 3.1.4 The City attracts and grows office-based professional service industries within the CBD.

Policy:

Not Applicable.

Risk Management considerations:

There are no risk management issues for applying a differential rate provided the statutory provisions are complied with.

Financial/Budget Implications:

The application of differential rating is apportioning the total rate revenue between different categories of property. There are no net budget implications from applying differential rating. The City could derive exactly the same total revenue by applying a general rate to all categories of property.

Regional Significance:

Not Applicable.

Sustainability implications:

Applying differential rating is important to ensure an equitable distribution of rates across all sectors of the community. Having a reasonable rate increase is considered prudent and in the best interests of the long term financial sustainability of the City of Joondalup. The proposed rate is less than that planned for 2012/13 in the 20 Year Strategic Financial Plan.

Consultation:

The proposed differential rates have been advertised and submissions invited in accordance with the requirements of Section 6.36 of the Act. At the time of preparation of this report no submissions have been received.

COMMENT

The proposal to apply differential rates has been considered by Council which resolved (JSC02-06/12 refers) to advertise and invite submissions on the proposal from the public. No submissions had been received at the time of preparation of this report and it is recommended that subject to consideration of any submissions received prior to the meeting Council apply differential rates for the 2012/13 Financial Year and that the differential rates and minimum payments advertised be used in the draft 2012/13 Budget.

VOTING REQUIREMENTS

Simple Majority.

RECOMMENDATION

That Council **APPLIES** differential rates for rating in the 2012/13 Financial Year in accordance with Section 6.33 of the *Local Government Act 1995* and that the differential rates and minimum payments for the draft 2012/13 Budget be as follows:

	Rate in \$	Minimum Payment
<u>General Rate - GRV</u>		\$
Residential Improved	0.055167	729
Residential Vacant	0.077730	729
Commercial Improved	0.067285	744
Commercial Vacant	0.110333	744
Industrial Improved	0.061541	744
Industrial Vacant	0.110333	744
<u>General Rate - UV</u>		
Residential	0.008305	729
Rural	0.008265	729

JSC04-07/12 DRAFT 2012/13 BUDGET**WARD:** All**RESPONSIBLE DIRECTOR:** Mr Mike Tidy
Corporate Services**FILE NUMBER:** 102102, 101515**ATTACHMENTS:**

Attachment 1	City of Joondalup Draft 2012/13 Budget Executive Report
Attachment 1a	Statement of Comprehensive Income by Nature or Type - (grey)
Attachment 1b	Statement of Comprehensive Income by Program - (grey)
Attachment 2	Statement of Cash Flows - (grey)
Attachment 3	Rate Setting Statement - (grey)
Attachment 4	Rating Information Statement - (grey)
Attachment 5	Notes to and Forming Part of the Budget - (blue)
Attachment 6	Capital Expenditure - (yellow)
Attachment 7	Vehicle and Plant Replacement Program (pink)
Attachment 8	Schedule of Fees and Charges - (white)
Attachment 9	Business Unit Services Matrix - (white)

PURPOSE

The purpose of this report is to present the draft 2012/13 Budget to Council for adoption.

EXECUTIVE SUMMARY

The process of preparing the draft 2012/13 Budget commenced in late 2011. It has encompassed detailed budget analysis and preparation, Executive review and Elected Member workshops.

The draft 2012/13 Budget has been developed within a strategic financial planning framework after due consideration of Council priorities and the resource allocation requirements of these priorities.

The process for the development of the draft 2012/13 Budget has incorporated clear links to Council's long term strategic financial objectives.

It is recommended that Council, BY AN ABSOLUTE MAJORITY, ADOPTS the annual budget for the City of Joondalup for the year ending 30 June 2013, incorporating the following:

- 1 *Budget Statements.*
- 2 *Rates.*
- 3 *Emergency Services Levy.*
- 4 *Domestic Refuse Charges.*
- 5 *Private Swimming Pool Inspection Fees.*

- 6 *Early Payment Incentives.*
- 7 *Payment Options.*
- 8 *Late Payment Interest.*
- 9 *Emergency Services Levy Interest Charge.*
- 10 *Instalment and Payment Arrangement Administration Fees and Interest Charges.*
- 11 *Capital Works Program.*
- 12 *Transfers from Reserves.*
- 13 *Transfers to Reserves.*
- 14 *Fees and Charges.*
- 15 *Material Variances for Reporting Purposes.*
- 16 *Request for a Report on Various Reserve Fund Balances and Potential Uses.*
- 17 *Approves the creation of a Public Art Reserve.*

BACKGROUND

The 2012/13 budget process has been in progress since late 2011. The contents of the budget have been refined over this period after presentations, analysis and review by the Chief Executive Officer, executive and senior staff, followed by workshops and consultation with Elected Members.

The draft 2012/13 Budget has been formulated within a long term financial planning framework aimed at securing the financial sustainability of the City. This requires continuing commitment and the draft 2012/13 Budget represents another step in that commitment.

The financial parameters of the draft Budget were established and projected based on agreed assumptions driven by the 20 Year Strategic Financial Plan.

DETAILS

Development of the draft 2012/13 Budget

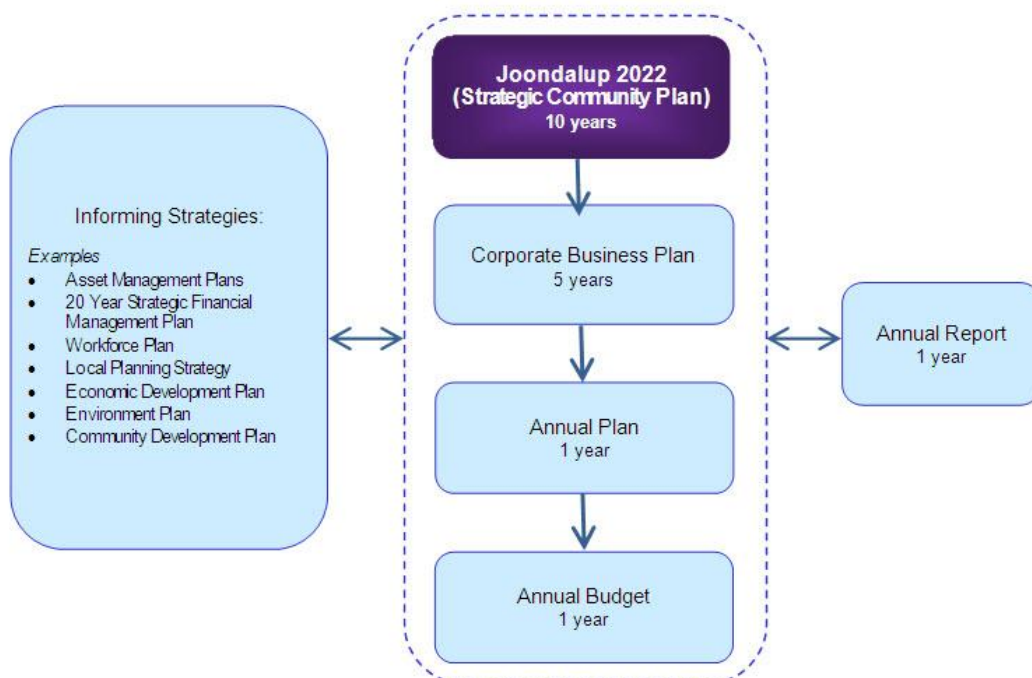
In developing the draft 2012/13 Budget the City was mindful of the impact of rate increases on the long term financial sustainability of the City. The 20 Year Strategic Financial Plan identified the need for a rate increase that would enable the City to provide for the services, facilities and works its residents have come to expect and to achieve the strategic goals and objectives the City and the community have identified.

The budget process has been conducted over many months and has involved extensive analytical and review stages as summarised below:

- Continuous Analysis of 2011/12 Financial Performance.
- Assess Financial Capacity, Sustainability, Assets and Reserves.
- Set Budget Parameters.
- Submission of Operational and Capital Proposals.
- Initial Assessment of Proposals:
 - Operations.
 - Capital.
 - Community need.
 - Plans and Strategies.

- Reference and alignment to Strategic Plan 2008-2011.
- Initial Review of Service Delivery and Confirmation of Service Standards.
- Critical Analysis of 2011/12 Annual Plan Performance.
- Review Proposals for Capacity:
 - Rating.
 - Alternative Revenue Streams.
 - Resources to implement and deploy.
- Determine Potential Reductions.
- Executive Analysis.
- Strategic Financial Plan Alignment.
- Elected Member Workshops (during February, March, April, May and June 2012).

The integrated planning framework is depicted in the following diagram:



Operating Budget

The City continues to struggle to maintain the resources and operational capacity required to deliver the services, facilities, works and projects to the standards that the community expects and to ensure that its infrastructure and other assets are adequately maintained. This has meant appropriate increases in employee costs and materials and contracts.

The City has had to address a significant number of challenges in framing the draft 2012/13 Budget including:

- Further increases in State Government fees and charges in particular electricity.
- The full year effect of reduced building fee income as a result of the new Building Act.
- The State Government's decision not to review statutory Planning fees and charges.
- A significant fall in interest rates greatly reducing investment income.
- The introduction of the Federal Government's Carbon Tax.

The City has reviewed all fees and charges to ensure they reflect legislative requirements, current policies and are set at appropriate levels for the services provided. The City is mindful of the impacts of fee increases on the community and in most cases the increases are less than 5%.

Parking fees are proposed to be increased for 2012/13. This will be the first parking fee increase since the commencement of paid parking in 2008/09. Each category of parking is proposed to increase by 10c per hour.

The operating budget provides for the resources required to deliver the services, facilities, works and projects that the community expects and have been planned for. There will be little or no capacity to undertake or implement unbudgeted or unplanned works or services during 2012/13.

Capital Budget

This Budget provides for a capital works and projects program of \$36.1 million including the following:

- \$4.2m in major projects for the Currambine Community Centre;
- \$3.9m of road construction works for the dualling of part of Moore Drive;
- \$2.2m of road construction works for the dualling of the western end of Hodges Drive;
- \$2.1m to advance the Ocean Reef Marina, Joondalup Performing Arts and Cultural Facility and other significant projects;
- \$1.7m to complete various streetscape and landscaping works in Joondalup City Centre, Burns Beach Road and at other locations in the City;
- \$11.8m for various road works including:
 - Road Preservation and resurfacing along Leeway Drive, Aerolite Way, Hawker Avenue, Trailwood Drive, Wentletrap Way, Wisteria Parade, Linear Avenue, Windlass Avenue, Ocean Reef Road, Dampier Avenue, Cockman Road, Trappers Drive, Hepburn Avenue and many other local roads across the City;
 - Local traffic treatments including Meridian Drive, Conidae Drive, Poseidon Road, Craigie Drive and Marri Road;
 - Blackspot projects for Oceanside Promenade, Whitfords Avenue/Eddystone Avenue, Endeavour Road, Ocean Reef Road/Edgewater Drive and Candlewood Boulevard;
 - Parking facilities, stormwater drainage and street lighting works;
- \$2.0m in other building works, facility upgrades and mini-makeovers;
- \$4.3m for parks equipment, playground equipment, shelters, barbecues and parks reticulation refurbishments in accordance with Landscape Master plans or asset preservation plans; and
- \$1.2m on maintenance and capital for natural areas management of dedicated bushland areas, bushland in developed parks and foreshores.

(Attachment 1 refers)

Reserves Budget

The City will transfer the following amounts to and from various reserves during 2012/13:

- Transfer to the Parking Facility Reserve \$1.7 million being surplus funds generated from paid parking operations.
- Transfer to various reserves \$1.9 million in interest that is expected to be earned from the investment of reserve funds during 2012/13.
- Transfer from the Parking Facility Reserve \$276,000 to fund the operations of the Cat Bus service within the City Centre and for the purchase of additional parking equipment.
- Transfer from the Waste Management Reserve \$785,848 to lessen the impact of increased refuse disposal costs.

- Transfer from the Joondalup Performing Arts and Cultural Facility Reserve an amount of \$406,850 to continue the progress of this project.
- Transfer from the Ocean Reef Marina Reserve \$1.4 million to partly fund the continuation of the Marina project.
- Transfer from the Currambine/Kinross Community Centre Reserve \$1.1 million to commence the construction of the Currambine Community Centre.
- Transfer from the Strategic Asset Management Reserve \$3.1m to fund the construction of the Currambine Community Centre (\$2.6m), the replacement of part of the roof at the Craigie Leisure Centre (\$350,000) and the continuation of the Cafés/Kiosks/Restaurants and CBD Office Development projects (\$131,696).
- Transfer from the Vehicle, Plant and Equipment Reserve \$940,900 for the replacement of various vehicles, plant and equipment.
- Transfer from the Cash in Lieu of Public Open Space Reserve \$230,000 for the Mirror Park skate park facilities.
- Transfer from the Capital Works Carried Forward Reserve \$8.1 million to provide for 2011/12 uncompleted works to be undertaken in 2012/13.

It is also proposed to create a new reserve for Public Art. Unspent 2011/12 budget funds for public art of \$50,000 have been carried forward. It is proposed that these will be moved to the new reserve. It is intended that these funds will be spent in 2012/13 however the new reserve will be used for setting aside future public art funds as the occasion arises.

Loan Borrowings

There are no loan borrowings proposed in 2012/13.

Material Variances

The *Local Government Act 1995* (the Act) requires that each year a local government is to adopt a materiality level for the purpose of reporting variances in the monthly Statement of Financial Activity. At its meeting held on 19 October 2010 (CJ179-10/10 refers), Council resolved that in future a materiality level be determined as part of budget adoption each year if it was not proposed to make any changes.

The current level of variance which is considered material for the purposes of reporting under Regulation 34 (5) of the *Local Government (Financial management) Regulations 1996* is \$50,000 or 5% of the appropriate base, whichever is the higher. It is not proposed to make any changes to that level.

Rate and Refuse Charge Increases

Differential rating is proposed to continue in the 2012/13 financial year. Differential rates have been proposed for residential improved, residential vacant, commercial improved, commercial vacant, industrial improved and industrial vacant. The proposed differential rates for commercial and industrial vacant land are twice the lowest differential rate. The proposed differential for residential vacant land is 41% higher than the lowest differential rate. The intent of these differentials is to encourage the development of vacant residential, commercial and industrial land.

The proposed differential rates provide for a rate increase of 4.9%. The corresponding minimum payments are also proposed to be increased by 4.9%. The 2012/13 proposed rate increase recognises the need for long term financial sustainability. The proposed rate increase is less than projected in the City's, 20 Year Strategic Financial Plan. With a 4.9% overall rate increase and based on an average gross rental value of \$18,630 the average residential improved rates levy (excluding refuse charge) within the City will be \$1,027.

The City's domestic refuse charge is proposed to increase 5.0% to \$313 in 2012/13. This is inclusive of the impact of the Carbon Tax. The City is using some funds from its Waste Management Reserve to help contain the impact of refuse cost increases.

Issues and options considered:

The process for the development of the draft 2012/13 Budget has involved:

- The identification of long term directions for financial management of income and expenditure following a rigorous analysis and consideration of Council's current financial position, and
- The establishment of financial parameters for the 2012/13 financial year including consideration of rating income, grants, fees and charges and other income, and likely demands on expenditure.

The City has for a number of years offered a variety of options for the payment of rates including those required under legislation. Commencing in the 2012/13 Financial Year the City offers AdvancePay as a further alternative option for the payment of rates whereby following the payment of the 2012/13 rates and charges ratepayers can, if they wish, commence paying the 2013/14 rates in advance in weekly, fortnightly or monthly payments, by direct debit, with no fees or interest charges for any payments received by the City prior to the due date in August 2013.

Legislation/Strategic Plan/Policy Implications

Legislation The accompanying Budget for 2012/13 has been prepared in accordance with the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996* and *Australian Accounting Standards*.

Strategic Plan

Key Focus Area: Leadership and Governance.

Objective: 1.3 To lead and manage the City effectively.

Policy:

Not Applicable.

Risk Management Considerations:

When setting the Annual Budget the City is exposed to financial risk over the long term if insufficient regard is given to both revenue and expenditure implications beyond the budget period. Financial planning through the 20 Year Strategic Financial Plan helps mitigate the long term risks.

Financial/Budget Implications:

These are detailed in the budget papers.

Regional Significance:

Not Applicable.

Sustainability Implications:

The Council has as a key financial objective, the long term financial sustainability of the City of Joondalup in order to give it the capacity to achieve its key objectives as set out in the Strategic Plan.

Consultation:

The draft 2012/13 Budget contains the collective input from a wide variety of sources derived over the course of the previous twelve months as well as the City's long term plans. Many of these involved considerable community and stakeholder consultation.

The proposed differential rates for the 2012/13 year have been advertised for public comment for 21 days. No submissions have been received at the time of preparation of this report.

COMMENT

A rigorous approach has been applied to the preparation of the draft 2012/13 Budget recognising the long term strategic financial planning framework and the linkages to Council's long term objectives. In relation to the development of the 20 Year Strategic Financial Plan and the Annual Budget, Council has applied the following principles:

- Improving and managing financial risks relating to debt, assets and liabilities.
- Provision of reasonable stability in the level of rate burden.
- Consideration of the future financial impacts of Council decisions.
- Provision of accurate and timely disclosure of financial information.

In the 2012/13 budget process Council has taken a rigorous cost benefit approach to the provision of services, capital works and projects.

VOTING REQUIREMENTS

Absolute Majority.

RECOMMENDATION

That Council, BY AN ABSOLUTE MAJORITY:

- 1 ADOPTS the annual budget for the City of Joondalup for the year ending 30 June 2013 as per Appendix 1 to JSC04-07/10, comprising:**
 - 1.1 Executive Report (Attachment 1 refers - grey);**
 - 1.2 Statement of Comprehensive Income by Nature or Type (Attachment 1a refers - grey);**
 - 1.3 Statement of Comprehensive Income by Program (Attachment 1b refers - grey);**
 - 1.4 Statement of Cash Flows (Attachment 2 refers - grey);**

- 1.5 Rate Setting Statement (Attachment 3 refers - grey);
- 1.6 Rating Information Statement (Attachment 4 refers - grey);
- 1.7 Notes to and Forming Part of the Budget - Attachment 5 refers - blue);
- 1.8 Capital Expenditure (Attachment 6 refers - yellow);
- 1.9 Vehicle and Plant Replacement Program (Attachment 7 refers - pink);
- 1.10 Schedule of Fees and Charges (Attachment 8 refers - white);
- 1.11 Business Unit Services Matrix (Attachment 9 refers - white);

2 Rates:

- 2.1 In accordance with the provisions of Sections 6.32, 6.33 and 6.35 of the *Local Government Act 1995* IMPOSES Differential Rates and Minimum Payments for the 2012/13 Financial Year in accordance with the following tables:

2.1.1 Gross Rental Valued Properties:

On each Residential, Commercial and Industrial Lot or other piece of rateable land as follows:

Rating Zones	Gross Rental Value Rates (rate in dollar)	Minimum Payment (\$)
Residential Improved	0.055167	729
Residential Vacant	0.077730	729
Commercial Improved	0.067285	744
Commercial Vacant	0.110333	744
Industrial Improved	0.061541	744
Industrial Vacant	0.110333	744

2.1.2 Unimproved Valued Properties:

On each Residential and Rural Lot or other piece of rateable land as follows:

Rating Zones	Unimproved Value Rates (rate in dollar)	Minimum Payment (\$)
Residential	0.008305	729
Rural	0.008265	729

- 2.2 In accordance with the provisions of Section 6.32 and Section 6.37 of the *Local Government Act 1995* IMPOSES Specified Area Rates for the 2012/13 Financial Year in accordance with the following tables:

Specified Area	Gross Rental Value Rates (rate in dollar)	Purpose
Harbour Rise (2.2.1)	0.00603550	Maintaining enhanced landscaping which will be applied during 2012/13
Iluka (2.2.2)	0.00331646	Maintaining enhanced landscaping which will be applied during 2012/13
Woodvale Waters (2.2.3)	0.01098100	Maintaining enhanced landscaping which will be applied during 2012/13

- 2.2.1 Harbour Rise Specified Rate area comprises the area bounded by:

Going along Whitfords Avenue from the corner of Seychelles Lane and following the shared boundaries of Whitfords Avenue with Lots 9009 Martinique Mews, Lots 470-478, 413-414, lot 397, Lots 331-333, crossing Barbados Turn and continuing north with shared boundaries of Curacao Lane and Lots 337-334, 378, 377, 403, 402, 376-367, and Lot 9009 Angove Drive;

North-east along the boundary of Lot 9009 Angove Drive, across Mallorca Avenue and following the boundaries of Lot 251 and 250 where they meet Angove Drive;

Following the shared boundaries of Ewing Drive with Lots 250, 249, 409, 410, 247, 245-240, 411 and 408 and then across Ewing Drive along the boundary that strata Lot 1 (Lot 201) Ewing Drive shares with lot 650 Ewing Drive, and along the rear boundaries of strata Lot 1 (Lot 201) Ewing Drive and Lots 200-198 Marbella Drive;

Along the boundary that Lot 198 Marbella Drive shares with Lot 171 and 172 Waterford Drive, across Marbella Drive and continuing along the rear boundaries of strata Lots 1 and 2 (Lot 197) to strata Lots 1 and 2 (Lot 190) Algarve Way, along the boundary that Lot 184 Tobago Rise shares with Lot 181 Waterford Drive, across Tobago Rise and then along the boundary between Lot 1 The Corniche and Lots 182 and 183 Waterford Drive, continuing along the rear boundaries of Lots 75-66 The Corniche and Lots 142-149 The Corniche. Along the rear boundary of Lot 150 The Corniche until the boundary between Lot 204 and Lot 166 Lukin Road is reached. Along the boundary between Lots 204 and 166 Lukin Road, along the front boundaries of Lots 166-164 Lukin Road. Along the boundary of Lot 164 Lukin Road that is shared with Hepburn Avenue and continuing along Hepburn Avenue along the south-eastern boundaries of Leeward Park;

Continuing along the shared boundaries of Hepburn Avenue with Lot 170 Amalfi Drive, Lots 492-503 Seychelles Lane and Lot 909 Martinique Mews;

2.2.2 Iluka Specified Rate area comprises the area bounded by Shenton Avenue, Marmion Avenue, Burns Beach Road and the Foreshore Reserve;

2.2.3 Woodvale Waters Specified Rate area comprises the area bounded by Timberlane Drive and Yellagonga Regional Park with street addresses of Grey-Smith Gardens, Phillips Fox Terrace, Buvelot Place, Wakelin Close, Conder Place, Streeton Parade, Withers Grove, Olsen Court, Heysen Crest, Fullwood Walk except for Lots 156 Streeton Parade and Lot 12240 Phillips-Fox Terrace,

for the purposes of maintaining enhanced landscaping which will be applied during 2012/13;

3 Emergency Services Levy

In accordance with the provisions of Sections 36B and 36L of the *Fire and Emergency Services Authority of Western Australia Act 1998*, IMPOSES the 2012/13 Emergency Services Levy Rates and Minimum and Maximum Payments on Residential, Vacant Land, Commercial, Industrial and Miscellaneous lots as follows:

ESL CATEGORY	ESL Rate (rate in \$)	Minimum and Maximum Payments ESL CHARGES BY PROPERTY USE			
		Residential and Vacant Land		Commercial, Industrial and Miscellaneous	
		Minimum	Maximum	Minimum	Maximum
1	0.0119	\$57	\$290	\$57	\$165,000

4 Domestic Refuse Charges:

In accordance with the provisions of Part IV of the *Health Act 1911* and Section 67, Division 3, Part 6 of the *Waste Avoidance and Resource Recovery Act 2007*, IMPOSES the following domestic refuse charges for the 2012/13 financial year:

a	Per existing unit serviced	\$313.00
b	Each Additional Service	\$313.00
c	Collection from within the property boundary	\$52.00
d	New Refuse Service - Purchase and delivery of bin	\$66.00 (inclusive of GST)

5 Private Swimming Pool Inspection Fees:

In accordance with Regulation 53(2) of the *Building Regulations 2012*, IMPOSES for the 2012/13 financial year, a Private Swimming Pool Inspection Fee of \$20.90 (inclusive of GST) for each property where there is located a private swimming pool;

6 Early Payment Incentives:

In accordance with the provisions of Section 6.46 of the *Local Government Act 1995*, OFFERS the following early payment incentives for the payment of rates and charges:

6.1 full payment of all current and arrears of rates including specified area rates, emergency services levy, domestic refuse charge and private swimming pool inspection fees (inclusive of GST) within 28 days of the issue date on the annual rate notice, for eligibility to enter the early incentive draw with the following prizes:

6.1.1 Major Prizes:

- **Lexus CT200H Prestige Hybrid 5 door hatch to the value of \$43,697 (including on-road costs); and**
- **Toyota Prius C Hybrid 5 door hatch to the value of \$27,408 (including on-road costs);**

6.1.2 Naming Rights Prize Package Sponsors (valued at over \$5,000 each):

- **Westpac;**
- **Viva Photography;**
- **Solahart;**
- **Bendigo Bank; and**
- **Blue Juice Charters;**

6.1.3 Other Prize Sponsors:

- **West Perth Falcons Football Club;**
- **Joondalup Resort;**
- **The Good Guys, Joondalup;**
- **Balneaire Seaside Resort, Albany;**
- **City of Joondalup Leisure Centres, Craigie;**
- **WA Symphony Orchestra;**
- **White Salt, Sorrento;**
- **Pavilion Restaurant, West Coast Institute of Training;**
- **Clarion Suites Mullaloo Beach;**
- **Quality Resort Sorrento Beach;**
- **Venues West Arena Joondalup;**
- **St George Bank;**
- **Rottnest Fast Ferries;**
- **Grand Cinemas; and**
- **Jetty's Restaurant;**

7 Payment Options:

7.1 In accordance with the provisions of Section 6.45 of the *Local Government Act 1995*, OFFERS the following payment options for the payment of rates (including specified area rates), emergency services levy, domestic refuse charge and private swimming pool inspection fees (inclusive of GST):

7.1.1 One Instalment:

7.1.1.1 Payment in full (including all arrears) within 28 days of the issue date of the annual rate notice to be eligible to enter the rates incentive scheme for prizes;

7.1.1.2 Payment in full within 35 days of the issue date of the annual rate notice and no entitlement to enter the rates incentive scheme for prizes;

7.1.2 Two Instalments:

7.1.2.1 The first instalment of 50% of the total current rates (including specified area rates), emergency services levy, domestic refuse charge, private swimming pool inspection fees (inclusive of GST) and instalment charge, plus the total outstanding arrears payable within 35 days of date of issue of the annual rate notice;

7.1.2.2 The second instalment of 50% of the total current rates (including specified area rates), emergency services levy, domestic refuse charge, private swimming pool inspection fees (inclusive of GST) and instalment charge, payable 63 days after the due date of first instalment;

7.1.3 Four Instalments:

7.1.3.1 The first instalment of 25% of the total current rates (including specified area rate), emergency services levy, domestic refuse charge, private swimming pool inspection fees (inclusive of GST) and instalment charge, plus the total outstanding arrears payable within 35 days of date of issue of the annual rate notice;

7.1.3.2 The second, third and fourth instalments, each of 25% of the total current rates (including specified area rates), emergency services levy, domestic refuse charge, private swimming pool inspection fees (inclusive of GST) and instalment charge, payable as follows:

- The second instalment 63 days after due date of first instalment;**
- The third instalment 63 days after due date of second instalment;**
- The fourth instalment 63 days after due date of third instalment;**

7.2 Commencing in the 2012/13 Financial Year the City offers AdvancePay as a further alternative option for the payment of rates whereby following the payment of the 2012/13 rates and charges ratepayers can, if they wish, commence paying the 2013/14 rates in advance in weekly, fortnightly or monthly payments, by direct debit, with no fees or interest charges for any payments received by the City prior to the due date in August 2013;

8 Late Payment Interest:

In accordance with the provisions of Section 6.13 and 6.51 of the *Local Government Act 1995*, IMPOSES interest on all current and arrears of rates (including Specified Area rates), current and arrears of domestic refuse charges, current and arrears of private swimming pool inspection fees (including GST) at a rate of 11% per annum, calculated on a simple interest basis on arrears amounts which remain unpaid and current amounts which remain unpaid after 35 days from the issue date of the original rate notice, or the due date of the instalment as the case may be and continues until the instalment is fully paid. Excluded are deferred rates, instalment current amounts not yet due under the two or four-payment instalment option, registered pensioner portions and current government pensioner rebate amounts. Interest is calculated daily on the outstanding balance and is debited to the account monthly in arrears;

9 Emergency Services Levy Interest Charge:

In accordance with the provisions of Section 36S of the *Fire and Emergency Services Authority of Western Australia Act 1998*, IMPOSES interest on all current and arrears amounts of emergency services levy at the rate of 11% per annum, calculated on a simple interest basis on amounts which remain unpaid after 35 days from the issue date of the original rate notice, or the due date of an instalment and continues until the arrears is fully paid. Excluded are instalment current amounts not yet due under the two or four-payment instalment option, registered pensioner portions and current government pensioner rebate amounts. Interest is calculated daily on the outstanding balance and is debited to the account monthly in arrears;

10 Instalment and Payment Arrangement Administration Fees and Interest Charges:

10.1 In accordance with the provisions of Section 6.45 of the *Local Government Act 1995*, for the 2012/13 financial year, IMPOSES the following administration fees and interest charges for payment of rates (including specified area rates), domestic refuse charge and private swimming pool inspection fees (inclusive of GST):

10.1.1 Two Instalment Option:

An administration fee of \$12 (inclusive of GST) for instalment two, together with an interest charge of 5.5% per annum, calculated on a simple interest basis on 50% of the total current general rate, specified area rate (where applicable), emergency services levy, domestic refuse charge and private swimming pool inspection fees (inclusive of GST) calculated 35 days from the date of issue of the annual rate notice to 63 days after the due date of the first instalment;

10.1.2 Four Instalment Option:

An administration fee of \$12 (inclusive of GST) for each of the second, third and fourth instalments, together with an interest charge of 5.5% per annum, calculated on a simple interest basis on:

75% of the total current general rate, specified area rate (where applicable), emergency service levy, domestic refuse charge and private swimming pool inspection fees (inclusive of GST) calculated 35 days from the date of issue of the annual rate notice to 63 days after the due date of the first instalment;

50% of the total current general rate, specified area rate (where applicable), emergency service levy, domestic refuse charge and private swimming pool inspection fees (inclusive of GST) calculated from the due date of the second instalment to the due date of the third instalment;

25% of the total current general rate, specified area rate (where applicable), emergency service levy, domestic refuse charge and private swimming pool inspection fees (inclusive of GST) calculated from the due date of the third instalment to the due date of the fourth instalment;

10.1.3 Special Payment Arrangements:

Special fortnightly, monthly or bi-monthly payment arrangements can be made with the City for those ratepayers who may be unable to pay in full or according to the instalment plans offered. An administration fee of \$34 if paid by Direct Debit (bank account only) or \$52 if paid by another method is charged on each special payment arrangement and penalty interest of 11% per annum, from and including the thirty sixth day from the issue of the rates notice, is applied to the outstanding balance until the account is paid in full;

10.2 In accordance with the provisions of Section 6.49 of the *Local Government Act 1995*, AUTHORISES the Chief Executive Officer to enter into special payment arrangements with ratepayers for the payment of general rates, specified area rates (where applicable), emergency services levy, domestic refuse charges (inclusive of GST where applicable) and private swimming pool inspection fees (inclusive of GST) during the 2012/13 financial year;

11 ADOPTS the Five Year Capital Works Program with the 2012/13 program incorporated into the 2012/13 Budget as set out in the budget papers in Attachment 6 (yellow attachment);

- 12 **AUTHORISES** as part of the 2012/13 Budget the following transfers from Reserves:

Reserve	Amount	Purpose
Waste Management	\$ 785,848	To lessen the impact of increasing refuse disposal costs
Ocean Reef Marina	\$1,386,603	To fund the continuation of the Marina Project
Joondalup Performing Arts and Cultural Facility	\$ 406,850	To fund the continuation of this project
Parking Facility	\$ 276,000	To partly fund the operations of the Cat Bus service for 2012/13 and for the acquisition of parking equipment
Cash in Lieu of Public Open Space	\$ 230,000	To partly fund the Mirror Park skate park facility
Currambine/Kinross Community Centre	\$1,100,000	To partly fund the Currambine Community Centre project
Vehicle, Plant and Equipment	\$ 940,900	To partly fund the replacement of vehicles, plant and equipment
Strategic Asset Management	\$3,081,696	To partly fund the Currambine Community Centre project, to fund the CBD Office Development, the Cafes/Kiosks/Restaurants and the Craigie Leisure Centre Roof projects
Capital Works Carried Forward	\$8,082,087	2011/12 uncompleted works to be undertaken in 2012/13

- 13 **AUTHORISES** as part of the 2012/13 Budget the following transfers to Reserves:

Reserve	Amount	Purpose
Parking Facility	\$1,689,809	Surplus paid parking funds to provide for future parking and other Joondalup City Centre works and services
All reserves	\$1,937,998	Interest earned on the investment of reserve funds

- 14 **ADOPTS** as part of the 2012/13 Budget, the Fees and Charges, as set out in Attachment 8 (white attachment) to the Budget, with those fees and charges being applicable from Wednesday, 11 July 2012 unless indicated otherwise in Attachment 8 (white attachment) to the Budget;

- 15 **ADOPTS** for the financial year ended 30 June 2013 a variance amount of \$50,000 or 5% of the appropriate base, whichever is the higher, to be a material variance for the purposes of reporting under Regulation 34 (5) of the *Local Government (Financial Management) Regulations 1996*;

- 16 REQUESTS the Chief Executive Officer to investigate and report to Council on the balances held in the Cash in Lieu Public Open Space, Cash in Lieu Parking and Section 20A Land Reserve Funds and the potential for which the funds can be applied; and**
- 17 APPROVES the creation of a Public Art Reserve for the purpose of providing for the commissioning and purchase of public art works.**

Appendix 1 refers

To access this attachment on electronic document, click here: [Attach1agn100712.pdf](#)