



Special Council Meeting

AGENDA

Monday 28 June 2021

NOTICE OF MEETING
SPECIAL COUNCIL MEETING

Dear Councillors

Notice is hereby given that a Special Meeting of Council will be held in the Council Chambers, Administration Centre, 2 Railway Road, Kalamunda on **Monday 28 June 2021 at 7:00pm.**

A handwritten signature in blue ink, appearing to read 'RHONDA HARDY', is positioned above the typed name and title.

Rhonda Hardy
Chief Executive Officer
24 June 2021



Our Vision

Connected Communities, Valuing Nature and Creating our Future Together

Core Values

Service We deliver excellent service by actively engaging and listening to each other.

Respect We trust and respect each other by valuing our differences, communicating openly and showing integrity in all we do.

Diversity We challenge ourselves by keeping our minds open and looking for all possibilities and opportunities.

Ethics We provide honest, open, equitable and responsive leadership by demonstrating high standards of ethical behaviour.

Aspirational Values

Creativity We create and innovate to improve all we do.

Courage We make brave decisions and take calculated risks to lead us to a bold and bright future.

Prosperity We will ensure our District has a robust economy through a mixture of industrial, commercial, service and home based enterprises.

Harmony We will retain our natural assets in balance with our built environment.

Our simple guiding principle will be to ensure everything we do will make Kalamunda socially, environmentally and economically sustainable

kalamunda.wa.gov.au



INFORMATION FOR THE PUBLIC ATTENDING COUNCIL MEETINGS

Welcome to this evening's meeting. The following information is provided on the meeting and matters which may affect members of the public.

If you have any queries related to procedural matters, please contact a member of staff.

Special Council Meetings – Procedures

1. Council Meetings are open to the public, except for Confidential Items listed on the Agenda.
2. Members of the public who are unfamiliar with meeting proceedings are invited to seek advice prior to the meeting from a City Staff Member.
3. Members of the public are able to ask questions at a Special Council Meeting during Public Question Time on matters relating to the functions of this meeting.
4. To facilitate the smooth running of the meeting, silence is to be observed in the public gallery at all times except for Public Question Time.
5. All other arrangements are in general accordance with Council's Standing Orders, the Policies and decision of the City or Council.

Acknowledgement of Traditional Owners

We wish to acknowledge the traditional custodians of the land we are meeting on, the Whadjuk Noongar people. We wish to acknowledge their Elders' past, present and future and respect their continuing culture and the contribution they make to the life of this City and this Region.

Emergency Procedures

Please view the position of the Exits, Fire Extinguishers and Outdoor Assembly Area as displayed on the wall of Council Chambers.

In case of an emergency follow the instructions given by City Personnel.

We ask that you do not move your vehicle as this could potentially block access for emergency services vehicles.

Please remain at the assembly point until advised it is safe to leave.

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- 1. Official Opening**
- 2. Attendance, Apologies and Leave of Absence Previously Approved**
- 3. Public Question Time**

A period of not less than 15 minutes is provided to allow questions from the gallery on matters relating to the functions of this meeting. For the purposes of Minuting, these questions and answers will be summarised.

- 4. Petitions/Deputations**
- 5. Announcements by the Member Presiding Without Discussion**
- 6. Matters for Which the Meeting may be Closed**
- 7. Disclosure of Interest**

7.1. Disclosure of Financial and Proximity Interests

- a. Members must disclose the nature of their interest in matter to be discussed at the meeting. (Section 5.56 of the *Local Government Act 1995*.)
- b. Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Section 5.70 of the *Local Government Act 1995*.)

7.2. Disclosure of Interest Affecting Impartiality

- a. Members and staff must disclose their interest in matters to be discussed at the meeting in respect of which the member or employee had given or will give advice.

8. Reports to Council

8.1. Chief Executive Officer Reports

8.1.1. Kalamunda Achieving 2021 to 2025 - Corporate Business Plan

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

Previous Items SCM June 25 2018

Directorate Office of the CEO

Business Unit

File Reference

Applicant

Owner

Attachments 1. Kalamunda Achieving 2021 to 2025 [**8.1.1.1** - 94 pages]

TYPE OF REPORT

Advocacy When Council is advocating on behalf of the community to another level of government/body/agency



Executive When Council is undertaking its substantive role of direction setting and oversight (eg accepting tenders, adopting plans and budgets)

Information For Council to note

Legislative Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal

STRATEGIC PLANNING ALIGNMENT

Kalamunda Advancing Strategic Community Plan to 2027

Priority 4: Kalamunda Leads

Objective 4.1 - To provide leadership through transparent governance.

Strategy 4.1.1 - Provide good governance.

Strategy 4.1.2 - Build an effective and efficient service based organisation.

EXECUTIVE SUMMARY

1. The purpose of this report is to seek Council's endorsement of the Kalamunda Achieving – Corporate Business Plan 2021/2025.
2. The City has undertaken an extensive review of its Corporate Business Plan to ensure it aligns to the recently adopted Strategic Community Plan.
3. This report recommends Council adopt Kalamunda Achieving – Corporate Business Plan 2021/25.

BACKGROUND

4. In 2020/21 the City of Kalamunda worked extensively with the community to undertake the major 4 yearly review of its Strategic Community Plan – Kalamunda Advancing. The Corporate Business Plan serves to guide the allocation of resources and effort to achieve the vision and strategies adopted in Community Strategic Plan.
5. The Kalamunda Achieving – Corporate Business Plan 2021/25 is revised annually and provides the operating plan that guides the organisation.

DETAILS AND ANALYSIS

6. The Kalamunda Achieving – Corporate Business Plan 2021/25 supports the City to achieve the City of Kalamunda vision and the Community Strategic Plan 2021/31 objectives. The Plan demonstrates how the objectives and strategies outlined in KALAMUNDA ADVANCING 2031: Strategic Community Plan will be achieved.
7. The purpose of the Plan is to outline the major projects, including capital works and operational recurrent services. The Corporate Business Plan translates strategy into action by describing how the City will drive achievement over the next 4 years.
8. Many of which are derived from informing strategies and plans such as asset plans, environmental plans, social plans, workforce and economic plans. It also supports the City's annual planning and budgeting processes by setting out detailed actions over four years, which provide the starting point for the annual planning and the budget process.
9. A key focus of the actions outlined in the plan indicate how the city intends to direct effort into community engagement, social inclusion, community facilities improvement and environmental management.

10. The Community will remain involved in the development of plans, activities and strategies that are created from this plan.
11. The annual program of works is monitored, and progress is reported on a quarterly basis to Council and the Community through the Quarterly Progress Report and Monthly Financial Report.

The annual review process enables the City to frequently assess its progress, as well as provide flexibility to respond to the emergent issues or worthy opportunities that will continue to be a characteristic of the local government landscape.

APPLICABLE LAW

12. Section 5.56 of the *Local Government Act 1995* requires a local government to plan for the future of the district.

The Local Government (Administration) Regulations 1996 requires each local government to adopt a Strategic Community Plan and a Corporate Business Plan.

APPLICABLE POLICY

13. This Corporate Business Plan has been developed in accordance with the 'Integrated Planning and Reporting Framework and Guidelines' developed as part of the State Government's Local Government Report Program and the City's Governance & Policy Framework.

STAKEHOLDER ENGAGEMENT

14. This Corporate Business Plan operationalises the Community Strategic Plan 2021/31.
15. Ongoing community involvement will be facilitated as this plan is executed. Projects and activities that are community facing will be subject to community engagement in line with the City's Community Engagement Strategy.

FINANCIAL CONSIDERATIONS

16. The Corporate Business Plan actions are funded through the annual budget process and the Long-Term Financial Plan.

SUSTAINABILITY

17. The Corporate Business Plan provides guidance to deliver social, environmental, and economic outcomes for the City.

RISK MANAGEMENT

18.	Risk: Noncompliance with Local Government Act 1995 may result in action by the Department of Local Government.		
	Consequence	Likelihood	Rating
	Moderate	Unlikely	Low
	Action/Strategy		
	Ensure the City has a current adopted Corporate Business Plan		

CONCLUSION

19. The Corporate Business Plan has had extensive involvement of Business Unit leaders to ensure plans are realistic and achievable. Priority actions provide the community with clarity about the focus of what is to be delivered for the 2021-22 year.

The City will provide a quarterly report to Council, providing an update on progress against this plan.

The CEO and Directors will align individual employee performance plans to ensure the entire organisation is focused on the achievement of the Corporate Business Plan.

Voting Requirements: Simple Majority

RECOMMENDATION


That Council ADOPT Kalamunda Achieving Corporate Business Plan 2021/25 shown as Attachment 1 to this report.

8.1.2. Long Term Financial Plan 2021 to 2036

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

Previous Items	N/A
Directorate	Corporate Services
Business Unit	Finance & Risk Services
File Reference	
Applicant	
Owner	
Attachments	1. Long Term Financial Plan 2021 to 2036 [8.1.2.1 - 67 pages]

TYPE OF REPORT

Advocacy	When Council is advocating on behalf of the community to another level of government/body/agency
 Executive	When Council is undertaking its substantive role of direction setting and oversight (eg accepting tenders, adopting plans and budgets)
Information	For Council to note
Legislative	Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal

STRATEGIC PLANNING ALIGNMENT

Kalamunda Advancing Strategic Community Plan to 2027

Priority 4: Kalamunda Leads

Objective 4.1 - To provide leadership through transparent governance.

Strategy 4.1.1 - Provide good governance.

Strategy 4.1.2 - Build an effective and efficient service based organisation.

EXECUTIVE SUMMARY

1. The purpose of this report is for Council to consider the amended City of Kalamunda's (City) *Kalamunda Accountable: Long Term Financial Plan to 2035/36* (LTFP) (Attachment 1).
2. The LTFP presents financial analysis of key strategic goals and objectives outlined in the integrated planning framework over a fifteen-year period and is a core component of the City's strategic planning process.
3. All local governments are required to produce an LTFP for the Future under s5.56 (1) of the *Local Government Act 1995*. The *Local Government (Administration) Regulations 1996* stipulates the minimum requirements for an LTFP.
4. It is recommended the Council adopt the amended LTFP (Attachment 1).

BACKGROUND

5. The Department of Local Government, Sport and Cultural Industries defines the Integrated Planning and Reporting Framework for local governments as a framework for establishing local priorities and linking this information to operational functions. The LTFP enables the City to establish priorities aligning them with available resources to deliver short- and long-term priorities.
6. The Integrated Planning and Reporting Cycle is outlined below:



7. The Long-Term Financial Plan (LTFP) is the cornerstone of the Integrated Planning Framework enabling the City to establish priorities and align them with available resources to enable the delivery of short- and long-term priorities. The LTFP is a rolling fifteen-year plan informing the Corporate Business Plan to activate Strategic Community Plan priorities.
8. The purpose of the LTFP is to present a financial analysis of the strategic objectives outlined in the Integrated Planning Framework over a fifteen-year period. It is a core component of the Councils strategic planning process and it is aligned to other core planning documents, including the Strategic Community Plan, the City's Corporate Business Plan. Information contained in other strategic documents including the Asset Management and Workforce Plans have informed the LTFP which is the basis for preparation of the Annual Budget.
9. The LTFP illustrates the City's financial sustainability allowing early identification of financial challenges and their longer-term impact, showing linkages between specific plans and strategies and enhances transparency and accountability of the City to our community.
10. The LTFP has been expanded to represent a rolling fifteen-year plan. As the Annual Budget is adopted each year, a new year is added to the LTFP. The intention of the LTFP is to indicate the City's long term financial sustainability and to allow early identification of financial issues.
11. The City has chosen a fifteen-year planning horizon to enable infrastructure and service delivery in a financially sustainable fashion cognisant of the substantial reliance upon rate revenue for funding of capital works.

DETAILS AND ANALYSIS

12. The *Kalamunda Accountable: Long Term Financial Plan to 2035/36* was informed from Budget Workshop discussions with Councillors as part of the Budget 2021/2022 process. The budget process commenced early in 2021, with workshops held with Councillors, the City's Executive and the Senior Management Group.
13. The development of the LTFP was built around three scenarios:
 - a) Subdued
 - b) Growth
 - c) Aspirational

14. The LTFP has been informed by the:
- a) Capital Works Program – which incorporates the various strategies and planning document’s capital works projects.
 - b) Asset Management Plans - sets out the financial resource requirements for renewal of existing assets at expected service levels.
 - c) Workforce Plan - identifies the human resources required to deliver the City’s normal operations and proposed future actions and projects.
 - d) Budget 2021/22, which is tabled for the Special Council Meeting on 28 June 2021.
15. The LTFP has been developed based on a number of key assumptions, which are set out in the LTFP. For example, assumptions have been made about the interest rate for investments, the inflation rate and population growth. The annual review of the LTFP will ensure that the projections are reviewed in line with the current economic environment, ensuring they are as accurate and reasonable as possible. Some of the key assumptions include the following:
- a) Maintain the benchmark for the Financial Health Indicator.
 - b) Rates Revenue Growth to be contained and closely aligned with economic metrics, at 2.15% for the first year.
 - c) Investment income projected at 1.0% and remains low throughout the Plan.
 - d) Employment costs – slight growth in positions and aligned to inflation rates.
 - e) No significant new loan funding is considered.
 - f) Capital works program as per Councillor Workshops along with expected funding sources. For outer years significant projects are assumed to be predominantly grant funded thus not reliant on municipal funds.
16. The LTFP is underpinned by the following key principles:
- a) Strengthening operating results to ensure long term financial sustainability.
 - b) Strategic use of borrowings to fund intergenerational assets or those assets with the capacity to produce an income stream.
 - c) Maintaining tight control over expenditure growth.
 - d) Building cash reserves to meet future needs.
 - e) Maintaining a fair and equitable rating structure.
 - f) Undertaking regular reviews of the service levels to balance community needs and affordability.
 - g) Undertaking advocacy to generate Government funding support.
 - h) Focusing on continuous improvement to drive efficiencies.

- i) Strategic management of assets ensuring that underutilised assets are reviewed.
 - j) Revenue diversification.
17. Considering all the supporting documentation and key assumptions the LTFP for 2021/22 - 2035/36, has been developed, as documented in attachment 1 and consists of:
- a) Forecast Statement of Financial Position.
 - b) Forecast Statement of Comprehensive Income – by Nature and Type.
 - c) Forecast Statement of Comprehensive Income – by Program.
18. The LTFP includes 7 Key Financial Indicators. These indicators provide a measure of the City's sustainability and financial performance over the fifteen year span of the LTFP. Targets have been included to allow the projected ratios to be compared against a benchmark figure. The LTFP 2021/22 -2035/36 achieved an average Financial Health Indicator of 77 over the life of the plan and aligns to the key assumptions set while delivering the services and facilities in a sustainable way for the future.
19. The financial projections are reliant on a mix of funding sources including municipal funding, minimal loans, and grants for large strategic projects which in this case is to deliver several future master plans for community facilities.
20. The Integrated Planning Framework requires that the LTFP be reviewed in conjunction with reviews to the Strategic Community Plan.

APPLICABLE LAW

21. The Integrated Planning Framework requires that the LTFP be reviewed in conjunction with reviews to the Strategic Community Plan.

All local governments are required to produce an LTFP for the Future under s5.56 (1) of the *Local Government Act 1995*. The *Local Government (Administration) Regulations 1996* stipulates the minimum requirements for an LTFP.

APPLICABLE POLICY

22. Nil.

STAKEHOLDER ENGAGEMENT

23. The City has held several Budget workshops with Councillors to discuss components of the LTFP with a strong focus on the projected capital works programme.
24. No specific public consultation was carried out in relation to the LTFP given the nature of the document.
25. There is no requirement under State guidelines for the City to advertise or consult on the LTFP.

FINANCIAL CONSIDERATIONS

26. The LTFP is formulated on the basis of delivering a sustainable financial position while delivering the services and infrastructure needs of the community now and into the future. The City has a heavy focus on restraining growth in operational expenditure and is working hard to introduce a mix of innovations, cost savings measures and new agile technology for efficient and effective management of its operations.
27. The LTFP is a key component of the Integrated Planning Framework and is by its nature a forecasting document. The plan is based on a significant number of assumptions which drive future year projections. As such this plan is a moment in time look at the potential future outcomes for the City and future results may vary significantly from this plan. The City undertakes an annual review of the plan.

SUSTAINABILITY

Economic Implications

28. In 2020 COVID- 19 inflicted a significant blow on the State's economy, cutting domestic economic activity to levels last recorded in 2010. Whilst the economy has rebounded quickly, it remains, well below the levels pre COVID- 19.
29. Although economic conditions have improved, many of our businesses face great uncertainty. Ongoing border restrictions continue to impact the hospitality and tourism businesses. Similarly, many of the economic stimulus initiatives implemented by Government will cease in the coming months.
30. Western Australian Local Government Association (WALGA) has released its latest forecast Local Government Cost Index (LGCI) which is projected at 3.2% for the 2021/2022 financial year. The increase in the cost index is

likely to have a impact in terms of construction and infrastructure projects, potentially resulting in the delivery of a smaller number of projects within the same budget allocation.

Environmental Implications

- 31. The LTFP maintains an Environmental Reserve Fund and a direct annual Operational Budget throughout the length of the Plan.

RISK MANAGEMENT

- 32. An LTFP should allow the early identification of financial issues, so that they may be dealt with promptly.

33.	Risk: Funding budgeted for from State and Federal Government does not eventuate						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Consequence</th> <th style="width: 33%;">Likelihood</th> <th style="width: 33%;">Rating</th> </tr> </thead> <tbody> <tr> <td>Significant</td> <td>Possible</td> <td>High</td> </tr> </tbody> </table>	Consequence	Likelihood	Rating	Significant	Possible	High
Consequence	Likelihood	Rating					
Significant	Possible	High					
	Action/Strategy						
	Grant funded projects will only commence once written commitments are received. The City will continue to advocate strongly for grant support for significant projects.						

34.	Risk: The projected rise in the Local Government Cost Index results in costings for capital works projects being understated.						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Consequence</th> <th style="width: 33%;">Likelihood</th> <th style="width: 33%;">Rating</th> </tr> </thead> <tbody> <tr> <td>Significant</td> <td>Possible</td> <td>High</td> </tr> </tbody> </table>	Consequence	Likelihood	Rating	Significant	Possible	High
Consequence	Likelihood	Rating					
Significant	Possible	High					
	Action/Strategy						
	Improved Asset Management procedures to ensure that project designs are well costed prior to implementation. Closely manage projects and redirect savings through Budget Review process.						

35.	Risk: Non-compliance with Financial Regulations						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Likelihood</th> <th style="width: 33%;">Consequence</th> <th style="width: 33%;">Rating</th> </tr> </thead> <tbody> <tr> <td>Unlikely</td> <td>Significant</td> <td>Medium</td> </tr> </tbody> </table>	Likelihood	Consequence	Rating	Unlikely	Significant	Medium
Likelihood	Consequence	Rating					
Unlikely	Significant	Medium					
	Action/Strategy						
	The Long-Term Financial Plan reviews to be scheduled for future years to ensure compliance with the Financial Regulations.						

CONCLUSION

36. The Long-Term Financial Plan is formulated on the basis that the City is operating in a tight economic environment. In response, the City has maintained tight control over expenditure and has kept rate increases to a minimum.
37. The City will continue to review the Long-Term Financial Plan each year to reflect changes in economic circumstances.

Voting Requirements: Simple Majority

RECOMMENDATION


That Council ADOPT the amended Kalamunda Accountable: Long Term Financial Plan to 2035/36 (Attachment 1).

8.1.3. Differential Rating 2021/2022 Submissions

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

Previous Items	
Directorate	Corporate Services
Business Unit	Finance & Risk Services
File Reference	
Applicant	City of Kalamunda
Owner	City of Kalamunda
Attachments	1. Submission Table Differential Rates 2021/2022 [8.1.3.1 - 1 page]

TYPE OF REPORT

Advocacy	When Council is advocating on behalf of the community to another level of government/body/agency
 Executive	When Council is undertaking is substantive role of direction setting and oversight (e.g. accepting tenders, adopting plans and budgets)
Information	For Council to note
Legislative	Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal

STRATEGIC PLANNING ALIGNMENT

Kalamunda Advancing Strategic Community Plan to 2027

Priority 4: Kalamunda Leads

Objective 4.1 - To provide leadership through transparent governance.

Strategy 4.1.1 - Provide good governance.

EXECUTIVE SUMMARY

1. The purpose of this report is to present submissions with regards to the advertising of the Differential Rates for Budget 2021/2022.
2. A total of two (2) submissions were received during the advertising period details of which are contained in (Attachment 1).

3. It is recommended that Council receive and note the information contained in the submissions.

BACKGROUND

4. The *Local Government Act 1995* (the Act), section 6.33 allows Councils to adopt differential rates. The intent behind adopting differential rates is to take into account the levels of services provided to different types of properties, to reflect the cost of provision of services to those categories of properties as well as the need to encourage the specific types of activities within the City.
5. At the Ordinary Council Meeting of 25 May 2021, Council signified its intention to adopt differential rates for 2021/2022. The proposed differential rates for 2021/2022 and the corresponding "Objects and Reasons", in accordance with section 6.36 of the Act, were advertised inviting submissions by electors and ratepayers.
6. Advertisements were placed in The Echo newspaper on 28 May 2021 and copies of the documents were made available for public inspection at four public libraries within the City, the City's Administration Building, on the City's website, and engagement portal.
7. Submissions closed on 20 June 2021.

DETAILS AND ANALYSIS

8. The City received two (2) submissions in response to the advertising of its proposed intention to levy differential rates for the 2021/2022 Financial Year. The content of the submissions can be found in attachment 1.
9. In summary, the submissions expressed the view that the City should limit the increase in rates.
10. **Differential Rate in-the-Dollar**
The differential rate in-the-dollar is levied on all rateable land within the City according to the predominant purpose for which that land is being held or used, and whether or not the land has any improvements. Specifically, properties are categorised as either: 'General', covering all properties used for singular and multi-dwellings; 'Commercial', covering all properties used for business and commercial purposes; or 'Industrial', covering all properties engaged in light industrial and manufacturing activities. Properties are then further categorised as either "Unimproved or Vacant".

11. In Western Australia, the rating process is prescribed in Division 6 of the Local Government Act 1995 and the local Government (Financial Management) Regulations 1996. Rates Charges for properties are calculated by the following formula:

$$\text{VALUATION} \times \text{RATE-IN-THE-DOLLAR} = \text{RATE PAYBALE}$$

If any of the variables are changed this will change the rate levied on a property.

12. **Rate-in-the-Dollar Explained**

The rate-in-the-dollar is set by individual local governments and is determined by the level of the annual budget deficit. This deficit is established by subtracting all other predicted revenue sources from the total expenses required to operate the local government in the budget year.

This is formulated for example, if the total predicted revenue, (such as revenue from yearly fees, grants, subsidies, contributions), is \$1,000,000.00, and the total expenditure, (such as salary, materials, contracts, and capital expenses), is \$5,000,000.00, then the budget deficit will be \$4,000,000.00.

Therefore, the total rates to be levied on all properties must equate to \$4million.

The rate-in-the-dollar is then established by dividing the budget deficit by the total of all property valuations provided by the Valuer General.

For example, if all property valuations for a local government total \$40,000,000.00, and the budget deficit is \$4,000,000.00, then the rate-in-the-dollar will be \$0.10, (i.e.: \$4,000,000.00 ÷ \$40,000,000.00). Therefore, a property that has a GRV of \$15,600.000, (i.e. the property is reasonably expected to raise \$300.00 rent per week), will receive a Rates Charge of \$1,560.00, (i.e.: \$15,600.00 x \$0.10).

13. **The budget process for 2021/2022**

In developing the budget, the City closely monitors changing economic conditions and associated economic indicators. Some of the primary indicators that shape budget deliberations include the Consumer Price Index (CPI) and the WA Local Government Association (WALGA) Local Government Cost Index (LGCI). The LGCI takes into consideration typical costs borne by Local Governments, including:

- a) road and bridge construction costs;
- b) non-residential building costs;
- c) machinery and equipment costs;
- d) electricity and street lighting costs;

- e) employment costs
- f) materials and contracts costs

The most recent projected LGCI for the 2021/2022 financial year is 3.2%, whilst the average increase in street lighting is forecast at 3.0% for the 2021/2022 financial year.

The City held a strategic direction setting meeting with elected members in February 2021 which was subsequently followed by a series of Budget workshops during April and May discussing all aspects of the budget formulation.

14. **The proposed budget for 2021/2022**

The City has worked with elected members to closely review budget line items in the development of the Annual Budget 2021/2022.

The total of all the agreed budget line items resulted in the calculation of the budget deficit, which is to be covered by rates. This is detailed by the example in paragraph 12. The rate in the dollars were calculated to fund the shortfall in the budget and ensure the City can continue to deliver upon its strategic objectives and ensure that the City is financially sustainable.

The proposed increase in the rate in the dollars of 2.15% would equate to an annual increase of \$29.82 for a GRV general property with a Gross Rental Value of \$20,000 when compared to last year.

APPLICABLE LAW

15. Section 6.36(4) of the Act states that a local government is to consider any submissions received before imposing the proposed rate in the dollar or minimum payment.

APPLICABLE POLICY

16. Nil.

STAKEHOLDER ENGAGEMENT

17. The Advertising of Differential Rates was undertaken following a series of budget workshops with Council.
18. Advertising as required by the Act seeking submissions on the proposed differential rates was undertaken between 28 May and 20 June 2021.

FINANCIAL CONSIDERATIONS

19. The Budget is formulated on the basis of delivering a sustainable financial position while delivering the services and infrastructure needs of the community.
20. The proposed rating structure is a core element in ensuring ongoing financial sustainability. It is also vital in enabling the City to deliver its capital works program and provide the services required by the community.

SUSTAINABILITY

Social Implications

21. Nil.

Economic Implications

22. Nil.

Environmental Implications

23. Nil.

RISK MANAGEMENT

- 24.
- | | | |
|----------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------|
| Risk: Not adjusting the Rate in the Dollar for the 2020/21 financial year would create a significant budget deficit. | | |
| Consequence | Likelihood | Rating |
| Significant | Possible | High |
| Action/Strategy | | |
| Ensure the concepts and reasons for changing the rate in the dollar caused by changing valuations of properties are clearly explained. | | |
- 25.
- | | | |
|--------------------------------------------------------------------------------------------------------------------------|-------------------|---------------|
| Risk: The Community will find it difficult to understand why their rate charge may differ from the previous year. | | |
| Consequence | Likelihood | Rating |
| Significant | Likely | High |
| Action/Strategy | | |
| Ensure the concepts and reasons for changing the rate in the dollar are clearly explained. | | |

Develop clear communications explaining the causes and how the rating system in WA operates.

CONCLUSION

26. The City undertakes an extensive budget process before arriving at the advertisement of the Rate in the Dollar.
27. The feedback in submissions regarding the advertising of differential rates will be considered as part of the budget deliberation process.
28. Regarding the two submissions received during the public advertising period, it is to be noted the City will be providing written responses to each of the submitters addressing the matters they have raised following the adoption of the 2021/2022 Municipal Budget.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council


1. RECEIVE and NOTE the information contained in the submissions.
2. KEEP the Rate in the Dollars as advertised for the adoption of the budget 2021/2022

8.1.4. Adoption of Budget 2021/2022

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

Previous Items	
Directorate	Corporate Services
Business Unit	Financial Services
File Reference	
Applicant	N/A
Owner	N/A
Attachments	1. City of Kalamunda 2021/22 Statutory Budget [8.1.4.1 - 77 pages]

TYPE OF REPORT

Advocacy	When Council is advocating on behalf of the community to another level of government/body/agency
 Executive	When Council is undertaking its substantive role of direction setting and oversight (eg accepting tenders, adopting plans and budgets)
Information	For Council to note
Legislative	Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal

STRATEGIC PLANNING ALIGNMENT

Kalamunda Advancing Strategic Community Plan to 2027

Priority 4: Kalamunda Leads

Objective 4.1 - To provide leadership through transparent governance.

Strategy 4.1.1 - Provide good governance.

EXECUTIVE SUMMARY

1. The purpose of this report is to adopt the Municipal Fund Budget for the year ended 30 June 2022, representing the Financial Year 2021/2022, together with supporting schedules including striking of the Municipal Fund Rates, adoption of fees and charges and other consequential items arising from the Budget papers (Attachment 1).
2. The adoption of the Budget will enable the City to continue to deliver upon its strategic objectives and to ensure that the City is financially sustainable.
3. It is recommended Council adopts the Municipal Budget together with supporting schedules for the 2021/2022 Financial Year.

BACKGROUND

4. The Annual Budget is an important part of the City's Integrated Planning Framework, being the annual financial plan that facilitates the delivery of services and infrastructure to the community, as envisaged by the strategies set out in the City of Kalamunda Strategic Community Plan.
5. The budget process commenced early in 2021 with several workshops held with Elected Members, the City's Administration. During these workshops, the City undertook scenario analysis before arriving at the current budget position.
6. On 25 May 2021, Council resolved to advertise the Differential Rates for 2021/2022, with submissions closing on the 20 June 2021. The submissions received have been incorporated in a separate report for the June Special Council Meeting.

DETAILS AND ANALYSIS

7. In developing the budget, the City closely monitors changing economic conditions and associated economic indicators. Some of the primary indicators that shape budget deliberations, include the Consumer Price Index (CPI) and the WA Local Government Association (WALGA) Local Government Cost Index (LGCI). The LGCI takes into consideration typical costs borne by Local Governments, including:
 - a) road and bridge construction costs;
 - b) non-residential building costs;
 - c) machinery and equipment costs;
 - d) electricity and street lighting costs;
 - e) employment costs
 - f) materials and contracts costs

8. Furthermore, local government costs are heavily influenced by State Government fees and charges, which are often greater than the CPI rate. Such costs, for example, include street lighting and electricity.
9. The most recent projected LGCI for the 2021/2022 financial year is 3.2%, whilst the average increase in street lighting is forecast at 3.0% for the 2021/2022 financial year.
10. Cost estimates for infrastructure and construction have risen quicker than expected on the back of a resurgence in the state's housing market, impacted by stimulus spending.

Retirement Villages

11. During the budget workshops, guidance was sought from Council regarding the manner in which waste services and associated refuse rebates are applied to Retirement Villages. Council guidance was also sought regarding the Pensioner Rebate on waste charges applied to pensioners in residences, other than Retirement Villages. Council confirmed that they were not supportive of providing waste rebates for Retirement Villages.

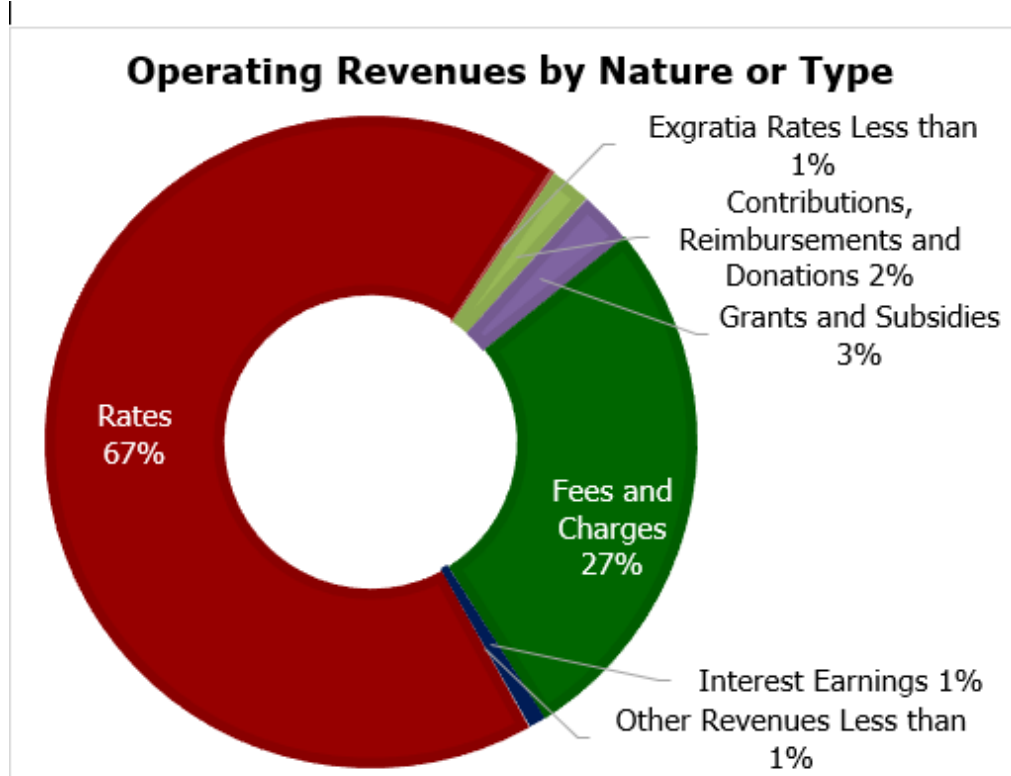
Waste Charges

12. With respect to pensioner rebates on waste charges, approximately 3,000 residences qualified in 2020/21 for Pensioner Discount on Waste Charges equating to a \$230 discount on the 2020/21 \$550 waste charge.
13. In effect, this means that the standard resident waste charge of \$550, is subsidising Pensioners, by an amount of approximately \$35. It is estimated that the discount borne by residents was approximately \$780K.
14. The City will undertake a review, including community consultation, of Pensioner Discounts on Waste Charges during the 2021/2022 financial year. The review will be incorporated into the budget 2022/2023 process.
15. Similarly, the City provides waste collection upon request for commercial businesses with prices set out in the schedule of fees and charges. With the impending changes to the overall waste management system once the City implements the third Food Organic and Garden Organic household bin, it may need to reconsider if it continues offering commercial businesses waste services which may compromise a streamlined three bin system. Accordingly, consultation on this matter and a review will be undertaken in 2021/2022.
16. Council at its meeting on 25 May 2021, resolved to advertise for public comment the proposed differential rates in line with the level of rate increase to be 2.15% for all categories. The level for minimum rates

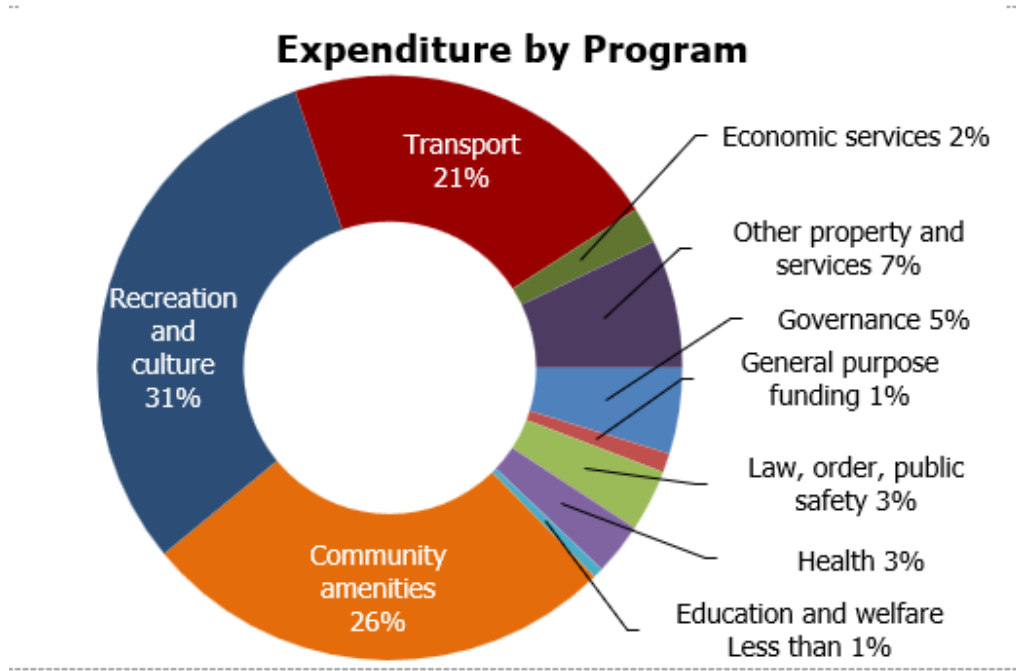
remained unchanged, with the exception of vacant land which reduced from \$767 to \$700. Pursuant to the *Local Government Act 1995* s6.35 the number of properties on minimum rates within a category cannot exceed 50% of the properties in that category. In order to comply with the act, the minimum rate for vacant land was reduced enabling more properties to be rated on the rate in the dollar rather than being charged the minimum rate.

- 17. The rate in the dollar was advertised in the local newspaper for a period of 21 days with submissions received covered in a separate report to Council on 28 June 2021.
- 18. The proposed increase in the rate in the dollar of 2.15% would equate to an annual increase of \$29.82 for a GRV general property with a Gross Rental Value of \$20,000 when compared to last year.
- 19. A breakdown of the revenue and expenditure for budget 2021/2022 depicted as follows:

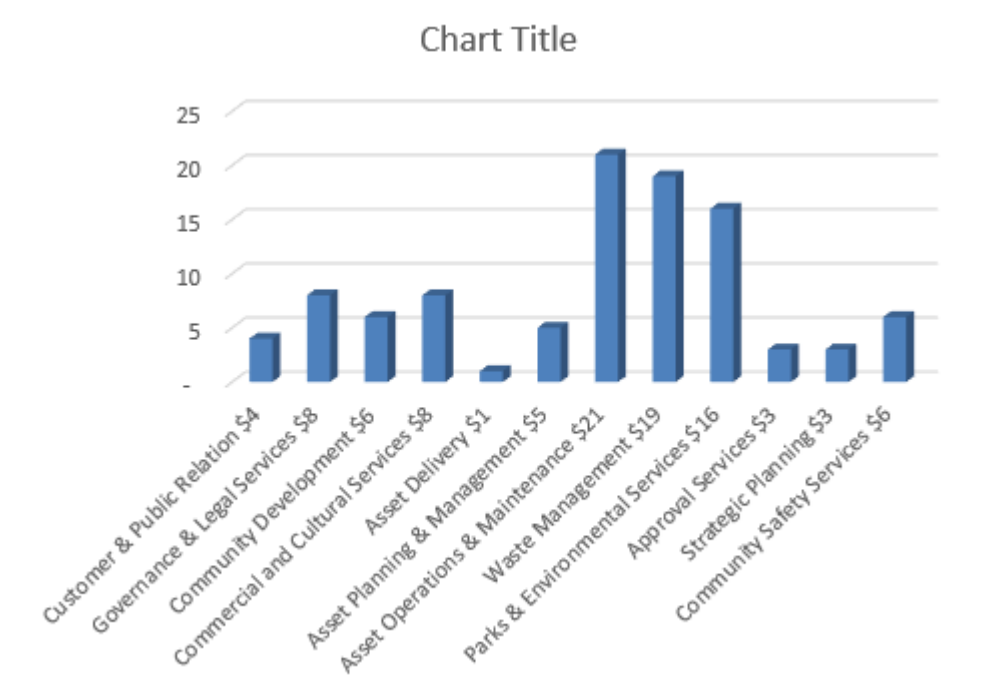
20.



21.



22. For every \$100 Council receives this is a breakdown of where the money is spent:



23. The budget has been prepared to include information required by the *Local Government Act 1995, Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards. The main features of the budget include:

- a) Adoption of a Percentage for Reporting 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 proposed for 2020/21 is 10% or \$50,000, whichever is the greater.
- b) Adoption of the following annual fees for the payment of Councillors in lieu of individual meeting attendance fees: -
 - i. Mayor \$31,149
 - ii. Councillors \$23,230
 - c) Adoption of the following annual allowances:-
 - i. Telecommunications, Communication and Technology Allowance (Where Councillors provide their own device) \$3,500
 - ii. Telecommunications, Communication and Technology Allowance (Where the City provides Councillors with a device) \$2,300
 - iv. Travel Allowance \$50
 - v. City Mayor annual allowance \$63,354
 - vi. Deputy City Mayor annual allowance \$15,839
 - d) The adopted budget for 2020/21 reflected operating revenue and expenditure reductions due to assumed COVID-19 lockdown periods. Additionally, last year Council financially supported ratepayers and community groups by way of the Crisis Relief Fund. Budget 2021/2022 will again see support to those Ratepayers who experience COVID-19 Financial Hardship with no additional fees and interest on their rates for the financial year. For variances mentioned in operating revenue and expenditure below refer to the comparison between budget 2020/21 and the proposed budget for 2021/2022.
 - e) Overall Operating Income has increased by \$3.3M, made up by the following key changes:
 - i. Rates revenue has increased by \$1.4M compared to budget 2020/2021. The Rate in the Dollars increased by 2.15% with the balance due to the increases in the number of properties rated from last year.
 - ii. Operating Grants Subsidies and Contributions have increased by \$798K, mainly due to increase in contributions for various projects.
 - iii. Fees and charges have increased by \$981K with Waste Charges adjusted by \$565K. It should be noted that several of the Fees and Charges are statutory fees and not set by the Council.
 - f) Overall Operating Expenditure has increased by \$9.1M, made up by the following increases: employment costs \$1.9M, Materials and Contracts \$5.2M, Depreciation \$872K, Other expenditure \$961K, with minor variances in the other categories.
Key increases as follows:

- i. Increased costs of \$222K due to the Superannuation guarantee rate increase to 10% from 1 July 2021.
 - ii. Increase in Workers Compensation Insurance of \$334K.
 - iii. Estimated increase due to Enterprise Bargaining Agreement of \$287K.
 - iv. Maintenance costs increases of \$4.9M as expenditure is back to pre-COVID-19 levels.
 - v. Waste costs increases of \$274K largely attributable to a combination of greater than CPI increase in landfill tipping fee and projected increases in total volume of waste being generated across all streams.
 - vi. Increase in election costs of \$162K as this is an election year.
 - vii. Developers Contribution funded land purchases of \$1M
 - g) A Capital Works program on pages 35 of the Attachment.
 - h) Reserves as per note 8 on page 23 of the Attachment.
 - i) Loans as per note 6 on page 20 of the Attachment. This includes new loans of \$200K.
24. In accordance with Section 6.2 of the *Local Government Act 1995*, a local government is required to adopt its budget prior to 31 August each year.
25. The early adoption of budget enables the City to commence its extensive Capital Works Program. It also ensures that the City maintains a positive cash flow which is crucial for the sustainable operations of the City.
26. The estimated unaudited year end (2020/21) position is a cash surplus of \$4,424,345 with a proposed 30 June 2022 forecast closing position surplus of \$66,535.
27. Rates are calculated as GRV or UV valuations multiplied by the rate in the dollar. The rate in the dollar outlined in this report for each rate category is as follows:

General GRV	0.070843
Industrial/Commercial GRV	0.074927
Vacant GRV	0.088164
General UV	0.003533
Commercial UV	0.004180
Waste Avoidance and Resource Recovery Levy (All Categories)	0.000418

APPLICABLE LAW

28. Section 6.2 of the *Local Government Act 1995* requires a local government to adopt its budget prior to 31 August each year.
29. Divisions 5 and 6 of Part 6 of the *Local Government Act 1995* refers to the setting of budgets and the raising of rates and fees and charges. The 2021/2022 Budget as presented is considered to meet these statutory obligations.

APPLICABLE POLICY

30. The 2021/2022 Budget has been developed on the principles contained within the Long-Term Financial Plan.

STAKEHOLDER ENGAGEMENT

31. The City has worked closely with elected members to review budget line items in the development of the Annual Budget 2021/2022.
32. The City held a strategic direction setting meeting with elected members in February 2021 which was subsequently followed by a series of Budget workshops during April and May discussing all aspects of the budget formulation.
33. The City has met its statutory obligations with respect to community consultation whereby a Notice of Intention to Levy Differential Rates was advertised in the local newspaper.
34. The Objects and Reasons for raising differential rates have been made available for inspection at the Administration Centre, City Libraries and on the City's Website.
35. A period of 21 days was provided for public comment concluding on 20 June 2021. The feedback received from the Public Advertising period is the subject of a separate Council report.

FINANCIAL CONSIDERATIONS

36. The Budget is formulated on the basis of delivering a sustainable financial position while delivering the services and infrastructure needs of the community.
37. During the 2020/2021 year, the City's rates were frozen due to COVID 19 and this has had a flow on effect to the City being able to ensure that it can fund the services that it provides to the community.

38. The City is focused on restraining growth in operational expenditures and is committed to introducing a mix of innovations, cost savings measures and new agile technology for efficient and effective management of its operations.
39. The proposed rating structure is a core element in ensuring ongoing financial sustainability. It is also vital in enabling the City to deliver its significant capital works program and provide the services required by the community.

SUSTAINABILITY

Social Implications

40. The Budget delivers social outcomes identified in various planning and community supporting strategies that have previously been adopted by the Council.

Economic Implications

41. The Budget has been developed based on sound financial management and accountability principals and is considered to deliver a sustainable economic outcome for the Council and community.
42. The economic outlook remains uncertain as a result of navigating the impact of COVID 19. Economic growth remains below the long-term average and will continue to be supported by Government spending in the near term. Sectors such as tourism, hospitality, transport and education continue to suffer from ongoing restrictions on borders and international travel.
43. It is expected that construction and infrastructure costs are likely to increase, on the back of a resurgence in the State's housing market, driven by stimulus spending. This is expected to result in:
- a) Increased workload in processing building approvals; monitoring and enforcement of building works
 - b) Increased charges where services are contracted out to building surveyors
 - c) Potentially higher labour costs and delays for Local Government infrastructure/building projects
44. The upward pressure on construction and infrastructure costs has been reflected in the latest LGCI forecast which projects an increase of 3.2% in 2021/2022.

Environmental Implications

45. The Budget has been developed to support key environmental strategies and initiatives adopted by the Council.

RISK MANAGEMENT

- 46.
- | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------|
| Risk: Declining economy adversely impacts capacity of Ratepayers to pay rates. | | |
| Consequence | Likelihood | Rating |
| Possible | Moderate | Medium |
| Action/Strategy | | |
| Monthly management reports are reviewed by the City assessing collection of Rates.
Instalment options are in place to assist ratepayers manage their debts to the City.
Cash flow forecasting is done regularly to match outgoings and investments | | |
- 47.
- | | | |
|------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------|
| Risk: Capital Works project cost estimates are insufficient to fully fund projects | | |
| Consequence | Likelihood | Rating |
| Possible | Moderate | Medium |
| Action/Strategy | | |
| Improved Project Management procedures to ensure that project designs are well costed prior to budget adoption and implementation. | | |
- 48.
- | | | |
|-------------------------------------------------------------------------------------------------------------------------|-------------------|---------------|
| Risk: Non-compliance with Financial Regulations | | |
| Consequence | Likelihood | Rating |
| Unlikely | Significant | Medium |
| Action/Strategy | | |
| The Budget report is scrutinized by the City's Governance department to ensure that all statutory requirements are met. | | |
- 49.
- | | | |
|--------------------------------------------------------------------|-------------------|---------------|
| Risk: Budget Adoption is delayed | | |
| Consequence | Likelihood | Rating |
| Unlikely | Critical | High |
| Action/Strategy | | |
| Emergency spending is approved by Council until Budget is adopted. | | |

All project and non-discretionary work is delayed until Budget is adopted.
Staff affected by the delays in projects are sent on forced annual leave.
Bank Overdraft facility is activated to supplement cash flows.
Payments to suppliers may need to be re-negotiated.

CONCLUSION

50. The City has undertaken a thorough analysis of its budget working proactively with Councillors to generate efficiencies and maintain control over operating expenses.
51. The 2021/2022 Budget provides a framework to deliver on the strategies adopted by the Council and maintains high levels of service across all programs while ensuring an increased focus on road and associated infrastructure as well as on renewal of assets at sustainable levels.
52. The 2021/2022 Budget is guided by the City's Long Term Financial Plan which is closely aligned to the Integrated Planning Framework.
53. The 2021/2022 Budget proposes a 2.15% increase in the rate in the dollar across all rateable properties within the City. In reviewing the rate in the dollar, the City considered a number of economic metrics, with a particular focus on the projections for 2021/2022 Local Government Cost Index (3.2%) and the Consumer Price Index (1.75%). Finally, the State Government has just confirmed that the tariffs for street lighting charges are scheduled to rise by 3%.
54. The City will continue to focus strongly on cash-flow management and on maintaining control over operating expenditure. The City will continue to manage its income and cash reserves to enable the City to continue to operate in a financially sustainable manner.

Voting Requirements: Absolute Majority

2021/2022 BUDGET RECOMMENDATIONS**Part 1 – Elected Members’ Fees and Allowances for 2021/2022**

That Council:

- a) ADOPT, pursuant to Section 5.99 of the *Local Government Act 1995* and Regulation 34 of the *Local Government (Administration) Regulations 1996* the following annual fees for the payment of Elected Members in lieu of individual meeting attendance fees:-
- | | |
|-------------------|----------|
| City Mayor - | \$31,149 |
| Elected Members - | \$23,230 |
- b) ADOPT, pursuant to Section 5.99A (b) of the *Local Government Act 1995* and Regulations 34A and 34AA of the *Local Government [Administration] Regulations 1996*, the following annual allowances:-
- | | |
|-----------------------------------------------------------------------------------------------------|---------|
| Telecommunications, Communication and Technology Allowance – (Councillors provide their own device) | \$3,500 |
| Telecommunications, Communication and Technology Allowance (City provide Councillors with a device) | \$2,300 |
| Travel Allowance - | \$50 |
- c) ADOPT, pursuant to Section 5.98 (5) (b) of the *Local Government Act 1995* and Regulation 33 of the *Local Government [Administration] Regulations 1996*, the following annual local government allowance to be paid in addition to the annual meeting allowance:-
- | | |
|--------------|----------|
| City Mayor - | \$63,354 |
|--------------|----------|
- d) ADOPT, pursuant to Section 5.98 (A) of the *Local Government Act 1995* and Regulation 33A of the *Local Government [Administration] Regulations 1996*, the following annual local government allowance to be paid in addition to the annual meeting allowance:-
- | | |
|---------------------|----------|
| City Deputy Mayor - | \$15,839 |
|---------------------|----------|

Moved:**Seconded:****Vote:**

Voting Requirements: Absolute Majority

Part 2 – Schedule of General Fees and Charges for 2021/2022

That Council:

1. ADOPT pursuant to Section 6.16 of the *Local Government Act 1995*, the Fees and Charges as per (Attachment 1).
2. Endorse the Rules applying to the Schedule of Charges For Community Facilities 2021/2022.
3. ADOPT, pursuant to Regulation 53 of the *Building Regulations 2012*, a swimming pool inspection fee of \$44.80.
4. ADOPT, pursuant to Section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, the following charges:-
 - a) Walliston Transfer Station
The deposit of rubbish at Walliston Transfer Station and Collection of specific items will be charged as follows:-

Walliston Transfer Station - (Non-commercial resident only)		
Collection of Whitegoods or Mattresses (resident)	Per item	34.00
Collection of Whitegoods or Mattresses (pensioner and/or concession card holder)	Per item	17.00
Car & Motor Cycle Tyre (max 5/entry)	Per tyre	8.50
Four Wheel Drive (max 5/entry)	Per tyre	15.00
Truck/Tractor Tyres (max 2/entry)	Per tyre	26.00
Compost Bin (Inc. Delivery)	Each	55.00
Worm Farm (Inc. Delivery)	Each	125.00
Additional Resident Entry Pass	Per Entry	51.50

Walliston Transfer Station - (Commercial Resident only)		
Clean Green waste	Per tonne	45.00
Mattress disposal fee (max 5/entry)	Each	22.00

Car & Motor Cycle Tyre (max 5/entry)	Per tyre	10.00
Four Wheel Drive (max 5/entry)	Per tyre	20.00
Truck/Tractor Tyres (max 2/entry)	Per tyre	31.00

The City charges commercial fees for any of the following situations:

Commercial/Trade Waste		
- Your vehicle or trailer is commercially signed or badged (unless you have a valid Vehicle Permit)		
- Your waste is from a work site		
- You are transporting waste for a fee or reward		
Charges that apply are		
Cars/ Station Wagons	Per Vehicle	36.50
Small Vans/Utes	Per Vehicle	61.00
Trailer (6X4)	Per Trailer	62.00
Trailer (7X5) with High Sides	Per Trailer	78.50
Small trucks up to 3.5 tonnes GVM	Per Vehicle	187.50

b) Waste Avoidance and Resources Recovery Levy

Adopt a levy of \$0.000418 against the Property's GRV valuation as provided by Landgate, with a minimum charge of \$20 on all properties.

Moved:

Seconded:

Vote:

Voting Requirements: Absolute Majority

Part 3 – Other Statutory Fees for 2021/2022

That Council:

1. ADOPTS, pursuant to Section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, the following charges for the removal and deposit of domestic and commercial waste: -

Bin		
Community Event Bin Hire - 240L General	Bin	188.00
Community Event Bin Hire - 240L Recycling	Bin	104.50
Community Event Bin - additional Fee for disposal of contaminated Recycling Bin	Bin	108.50
Waste Services		
Residential Full Service	Property	572.00
Residential Full Service Pensioner*	Property	342.00
Residential Others (excludes MGB)	Dwelling	255.00
Residential Multi Unit (excludes MGB)	Dwelling	255.00
Residential Multi Unit Pensioner (excludes MGB)	Dwelling	220.00
No Access to Skip Bins Reduced Charge	Property	500.00
Commercial & Industrial (general and recycling only)	Property	1000.00
Additional General Bin Residential (all properties)*	Bin	700.00
Additional General Bin Residential (all properties) Pensioners	Bin	700.00
Additional Recycling Bin Residential (all properties)*	Bin	250.00
Additional General or Recycling Bin Commercial / Industrial (all properties)*	Bin	1,500.00
Additional extra Skip Bin (General Waste)	Bin	111.50

Additional extra Skip Bin (Green Waste)	Bin	68.50
* Pensioner Discount applies to the Primary Owner Occupied Residential property only (excluding restricted sites) and must be valid Pensioner from 1 July of each financial year. No discount is applicable for additional services, commercial or industrial properties.		

Moved:

Seconded:

Vote:

Voting Requirements: Absolute Majority

Part 4- New Loans

That Council AUTHORISE the inclusion of the following new loans in the Municipal Fund Budget:

1. Forrestfield North Structure Plan \$200K over ten-years at an interest rate of 1.5%

Moved:

Seconded:

Vote:

Voting Requirements: Absolute Majority

Part 5 – Municipal Fund Budget for 2021/2022

That Council:

1. ADOPTS, pursuant to the provisions of Section 6.2 of the *Local Government Act 1995* and *Part 3 of the Local Government (Administration) Regulations 1996*, the City of Kalamunda Municipal Fund Budget for the 2021/2022 financial year as contained in Attachment 1, which includes the following:-
 - a) Statement of Comprehensive Income by Nature and Type showing a net result for the year of \$ 5,408,399
 - b) Statement of Comprehensive Income by Program showing a net result for the year of \$ 5,408,399
 - c) Statement of Cash Flow
 - d) Rate Setting Statement showing and the amount required to be raised from rates of \$ 38,981,101 and a net surplus current asset at the end of the financial year of \$ 66,535
 - e) Notes to and forming part of the Budget
 - f) Transfers to/from Reserve accounts
 - g) Capital Budget.

Moved:

Seconded:

Vote:

Voting Requirements: Absolute Majority

Part 6 – General and Minimum Rates, Instalment Payment Arrangements and Incentives for Early Payments for 2021/2022

That Council:

1. IMPOSE, pursuant to Sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995* the following differential general and minimum rates on Gross Rental and Unimproved Values adopted for the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at Part 7 above.
 - a) General Rates
 - i. General - Gross Rental Values (GRV) 0.070843 Rate in the dollar
 - ii. Industrial/Commercial Values – (GRV) 0.074927 Rate in the dollar
 - iii. Vacant Land Value (GRV) 0.088164 Rate in the dollar

- iv. General - Unimproved Values (UV) 0.003533 Rate in the dollar
- v. Commercial – UV 0.004180 Rate in the dollar

- b) Minimum Rates
 - i. General - Gross Rental Values (GRV) \$882
 - ii. Industrial/Commercial – GRV \$1102
 - iii. Vacant Land – GRV \$700
 - iv. General - Unimproved Values (UV) \$882
 - v. Commercial – UV \$1102

- c) Instalment Arrangements
 - i. NOMINATE, pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, the following due dates for the payment of rates in full and by instalments:-
 - A. Full payment 26 August 2021
 - B. Two Payment Option
 - i. First Payment 26 August 2021
 - ii. Second Payment 29 December 2021
 - C. Four Payment Option
 - i. First Payment 26 August 2021
 - ii. Second Payment 27 October 2021
 - iii. Third Payment 29 December 2021
 - iv. Fourth (Final) Payment 2 March 2022

- d) IMPOSE, Pursuant to Section 6.45(3) of the *Local Government Act 1995* and Regulation 67 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an instalment administration charge where the owner has elected to pay rates (and service charges) through and instalment option of \$8 for each instalment after the initial instalment paid.

- e) IMPOSE, Pursuant to modified Section 6.45(3) of the *Local Government Act 1995* and Regulation 67 of the *Local Government (Financial Management) Regulations 1996*, Council adopts a \$0 (zero) instalment administration charge for those with demonstrated COVID-19 financial hardship.

- f) IMPOSE, Pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 68 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an interest rate of 5.5% where the owner has elected to pay rates and services charges through an instalment option.

- g) IMPOSE, Pursuant to Section 6.51(1) and subject to Section 6.51(4) of the *Local Government Act 1995* and Regulation 70 of the *Local*

Government (Financial Management) Regulations 1996, Council adopts an interest rate of 7% for rates (and service charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable.

- h) IMPOSE, Pursuant to modified Section 6.51(1) of the *Local Government Act 1995* and Regulation 68 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an interest rate of 0% for those with demonstrated COVID-19 financial hardship.

Moved:

Seconded:

Vote:

Voting Requirements: Absolute Majority

Part 7 – Material Variance Reporting for 2021/2022

That Council:

1. SET the material variance level to be used in statements of financial activity in the year 2021/2022 for reporting variances at 10% or \$50,000, whichever is the greater. In accordance with Regulation 34(5) of the *Local Government (Financial Management) Regulations 1996*, and AAS 2018-7.

Moved:

Seconded:

Vote:

9. Meeting Closed to the Public

10. Closure