



**BRIEFING PAPERS  
FOR ELECTED MEMBERS'  
BRIEFING SESSION**

Draft Only

to be held at  
the Council Chambers, Civic Centre, 23 Dundobar Road, Wanneroo  
on 09 October, 2018 commencing at 6.00PM



# City of Wanneroo

## Briefing Papers for Tuesday 9 October, 2018

### CONTENTS

<b><u>ITEM 5</u></b>	<b><u>LATE REPORTS</u></b>	<b><u>1</u></b>
5.1	TENDER NO. 18197 KINGSWAY OLYMPIC SPORTS CLUBROOMS NEW CHANGEROOMS FACILITIES	1
5.2	PETITION PT01-09/18 - OBJECTION TO RATES INCREASE FROM RESIDENTS OF HARBOURSIDE VILLAGE MINDARIE	1

# L A T E I T E M S A G E N D A

## Item 5 Late Reports

### 5.1 Tender No. 18197 Kingsway Olympic Sports Clubrooms New Changerooms Facilities

---

To be circulated under separate cover.

### 5.2 Petition PT01-09/18 - Objection to Rates Increase from Residents of Harbourside Village Mindarie

---

File Ref: 32361 – 18/417153  
Responsible Officer: Director Corporate Strategy & Performance  
Disclosure of Interest: Nil  
Attachments: Nil

#### Issue

To consider Petition PT01-09/18 submitted by the residents of Harbourside Village Mindarie objecting to the increase in Rates and the separation of Waste Service Fee from Rates as set out in the 2018/19 Rates Notices.

#### Background

Council received petition PT01-09/18 at its meeting of 18 September 2018 containing 98 signatures objecting to the increase in Rates and the separation of Waste Service Fee from Rates. This report addresses the issues raised in this petition.

The 2018/19 Annual Budget was adopted by the Council on 26 June 2018.

#### Detail

During the 2018/19 Budget process, the Mindarie Regional Council (MRC) informed the City of gate fees increase effective 1 July 2018. This is calculated at approximately \$2.2m (13.89%) increase in Waste Management Costs including approximately 7% increase in Landfill Levy as imposed by the State Government. It is preferable to ensure Waste Management Costs are fully recovered eliminating the need to subsidise this service through reduction in other projects or programs within the City.

The City investigated options to deal with this increase in Waste Management Costs and held 5 Budget Workshops with the Elected Members to seek guidance and advice.

As a consequence of the escalating Waste Management Costs for 2018/19 Waste Service Fees have been separated from Rates which will provide a number of benefits including greater transparency in costs and in the long run the ability to influence consumer behaviour that will lead to reduced landfill.

Guided by the Strategic Budget Policy the separation of Waste Service Fee from Rates will help the City meet the following principles:

- Transparency: Adequately disclosing charges;
- Equity: Pricing model is equitable and fair;

- Intergenerational: Financial Stewardship for future needs; and
- User Pays: Setting fair and equitable Rates will endorse the User Pays principle.

The City engaged PricewaterhouseCoopers (PWC) to review and update their 2009 report titled "Best Practices in Funding Rapidly Growing Local Governments". The 2009 report has been used by the City in its Rate setting decisions. The 2017 PWC report titled "Review of City of Wanneroo Key Financial Performance Indicators (20 October 2017)", has provided Council with guidance in Rate setting.

Findings from the 2017 report confirmed the need for the City to more closely consider its Rate Setting. PWC specifically noted that for the City to maintain financial sustainability Rates needed to increase above CPI. In addition PWC also noted the City needed to more closely consider Fee Setting policies. This resulted in Council altering its Strategic Budget Policy in March 2018 noting Rates increase should be a minimum of CPI +2% each year.

With the Waste Service Fee split from Rates in 2018/19, the total State Government Rebate (**Rebate**) claimable by pensioners in some instances has been reduced as the Rebate only applies to General Rates and the Emergency Services Levy and does not apply to the Waste Service Fee.

To lessen the impact of the Rebate not applying to the Waste Service Fee, the City determined to provide discounts to the Waste Service Fees for certain pensioner groups based on the Rates payable for their properties.

The discounts are applied as follows and included in the 2018/19 Fees and Charges Schedule:

- Pensioner Owned Residential Properties - up to minimum Rates of \$971; the discount on the Waste Service Fee is \$98; (\$312 Vs \$410); and
- Pensioner Owned Residential Properties - Above Minimum Rates \$971 to \$1,382; the discount on the Waste Service Fee is \$45; (\$365 Vs \$410).

No discount has been provided to pensioners for Pensioner Owned Residential Properties - Above Rates of \$1,382 and the full Waste Service Fee of \$410 is charged.

On 2 August 2018, the Rates notices were issued to the City residents. Rates (excluding Emergency Services Levy and the Waste Service Fee) increased by an average of 2.0% for the residential category with the overall average increase across the City of 2.49%. For the Harbourside Village the average increase is 2.45%.

Harbourside Village has 149 Rateable Properties with 6 non pensioner residents. The non-pensioner residents are not eligible for the Rebate.

A full analysis of the impact for the Harbourside Village residents is summarised as follows:

- One resident experienced loss of Rebate of \$905 as the property did not qualify for Rebates in 2018/19 (Deceased Estate);
- 55 Residents experienced on average \$128 reduction in the Rebate;
- 53 Residents experienced on average \$76 reduction in the Rebate;
- 30 Residents experienced on average \$4 increase in the Rebate;
- Six residents experienced on average \$14 reduction in the Rebate;

- Two residents experienced on average \$775 increase in the Rebate; and
- Two residents experienced on average \$741 increase in the Rebate.

In addition to the impact of the Waste Service Fee and Rebate, the Emergency Services Levy which is imposed by the State Government increased by 9.25% on average across the City.

A meeting was held on 22 August 2018 with the Harbourside Village residents attended by the Mayor, Deputy Mayor, Operations Manager Business & Finance and Manager Waste Services. Subsequent to the meeting the Mayor has written to the Valuer General on behalf of the residents of Harbourside Village with a specific request to ensure equity and parity in relation to the property valuation undertaken by the Valuer General.

## **Consultation**

The City's proposed differential Rates for 2018/19 were advertised on the 8 May 2018 and submissions in respect of the proposed differential Rates and any related matters were invited from Electors or Ratepayers. This was open from the 8 May 2018 until 4pm on the 30 May 2018.

Three submissions were received by the closing date with concerns surrounding the question of Rates increase and the level of community services. The City has responded to these residents and provided explanation.

## **Comment**

During the Budget process, it was also noted that most of the neighbouring Local Governments have a separate Waste Service Fee in order to ensure equity and transparency of this service.

At Harbourside Village 108 pensioner owned properties received a discount on the Waste Service Fee for 2018/19 of \$45. The total discount for 2018/19 for this village is \$4,860.

## **Statutory Compliance**

Petition PT01-09/18 received from the residents of the Harbourside Village does not meet grounds for objecting to Rates under the Section 6.76 of the Local Government Act 1995 as the land is Rateable land and both the Rates records and the differential Rating category is correct are correct.

The Rates have been levied on Harbourside Village under the Section 6.33 of the Local Government Act 1995. The Waste Service Fee has been charged in accordance with Section 6.16 of the Local Government Act 1995 and Section 67 of the Waste Avoidance and Resource Recovery Act 2007. The Emergency Service Levy has been levied under the Section 36J of the Fire and Emergency Services Act 1998.

## **Strategic Implications**

The proposal aligns with the following objective within the Strategic Community Plan 2017 – 2027:

“4 *Civic Leadership*

4.2 *Good Governance*

4.2.1 *Provide transparent and accountable governance and leadership”*

## Risk Management Considerations

Risk Title	Risk Rating
CO-C07 Financial Management	Moderate
Accountability	Action Planning Option
Director Corporate Strategy and Performance	Manage

Risk Title	Risk Rating
ST-G09 Long Term Financial Planning	Low
Accountability	Action Planning Option
Director Corporate Strategy and Performance	Manage

*“The above risk/s relating to the issue contained within this report have been identified and considered within the City’s Corporate risk register. Action plans have been developed to manage this risk to support existing management systems.”*

## Policy Implications

Strategic Budget Policy

## Financial Implications

Nil

## Voting Requirements

Simple Majority

## Recommendation

That Council:-

1. **NOTES** that the Mayor has written to the Valuer General on behalf of the residents of Harbourside Village, Mindarie, with a specific request to ensure equity and parity in relation to the valuation of their properties, which is used for levying Council Rates;
2. **REJECTS** petition PT01-09/18 received from the residents of Harbourside Village as it does not meet the criteria for objection under the Section 6.76 of the Local Government Act 1995; and
3. **REQUESTS** that Administration thanks the residents for raising their concerns and informs the residents of the decision.

*Attachments: Nil*