

**AGENDA**

**Special Council Meeting**

**Monday 19 August 2024**

**Notice of Meeting**

Mayor & Councillors

A Special Council Meeting Agenda Forum of the City of Nedlands is to be held on Monday 19 August 2024 in the Council chambers at 71 Stirling Highway Nedlands commencing at 6pm.

This meeting will be livestreamed [Livestreaming Council & Committee Meetings » City of Nedlands](https://www.nedlands.wa.gov.au/council/council-meetings/livestreaming-council-committee-meetings.aspx)

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**Keri Shannon | Chief Executive Officer**

**19 August 2024**

**Information**

Special Council Meetings are run in accordance with the City of Nedlands Standing Orders Local Law. If you have any questions in relation to items on the agenda, procedural matters, public question time, addressing Council or attending meetings please contact the Executive Officer on 9273 3500 or [council@nedlands.wa.gov.au](mailto:council@nedlands.wa.gov.au)

**Public Question Time**

Public question time at a Special Council Meeting is available for members of the public to ask a question about items on the agenda. Questions asked by members of the public are not to be accompanied by any statement reflecting adversely upon any Council Member or Employee.

Questions should be submitted as early as possible via the online form available on the City’s website: [Public question time | City of Nedlands](https://www.nedlands.wa.gov.au/public-question-time)

Questions may be taken on notice to allow adequate time to prepare a response and all answers will be published in the minutes of the meeting.

**Addresses by Members of the Public**

Members of the public wishing to address Council in relation to an item on the agenda must complete the online registration form available on the City’s website: [Public Address Registration Form | City of Nedlands](https://www.nedlands.wa.gov.au/public-address-registration-form)

The Presiding Member will determine the order of speakers to address the Council and the number of speakers is to be limited to 2 in support and 2 against any particular item on a Special Council Meeting Agenda. The Public address session will be restricted to 15 minutes unless the Council, by resolution decides otherwise.

**Disclaimer**

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

Any plans or documents in agendas and minutes may be subject to copyright. The express permission of the copyright owner must be obtained before copying any copyright material.

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# **Declaration of Opening**

The Presiding Member will declare the meeting open at 6.00pm and will draw attention to the disclaimer on page 2 and will advise that the meeting is being livestreamed and recorded.

# **Present and Apologies and Leave of Absence (Previously Approved)**

**Leave of Absence**

**(Previously Approved)**

**Apologies** None as at distribution of this agenda.

# **Public Question Time**

Public questions submitted to be read at this point.

# **Address by Members of the Public**

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

# **Disclosures** **of** **Financial** **Interest**

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

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

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

# **Disclosures of Interest Affecting Impartiality**

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

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

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

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

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

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

# **Declaration by Members That They Have Not Given Due Consideration to Papers**

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

# **CPS40.08.24 Adoption of the City of Nedlands 2024/25 Annual Budget**

|  |  |
| --- | --- |
| **Meeting & Date** | Special Council Meeting – 19 August 2024 |
| **Applicant** | City of Nedlands |
| **Employee Disclosure under section 5.70 *Local Government Act 1995*** | Nil. |
| **Report Author** | Keri Shannon – Chief Executive Officer |
| **Director/CEO** | Keri Shannon – Chief Executive Officer |
| **Attachments** | 1. City of Nedlands Draft 2024/25 Statutory Annual Budget. 2. City of Nedlands Draft 2024/25 Fees and Charges. 3. City of Nedlands Draft 2024/25 Capital Works Program and Acquisitions. |

**Purpose**

To seek Council consideration of adopting the City of Nedlands 2024/25 Annual Budget. In line with the Council’s adopted Long Term Financial plan, the proposed budget includes a 3.6% rate increase for all properties to fund a modest capital works program.

**Recommendation**

**That Council:**

1. **adopts the statutory Annual Budget for 2024/25, pursuant to the provisions of s*ection 6.2 of the Local Government Act 1995,* and *Part 3 of the Local Government (Financial Management) Regulations 1996,* for the City of Nedlands, as contained in Attachment 1, inclusive of the following:**
   1. **Statement of Comprehensive Income (by Nature & Type)**
   2. **Statement of Cash Flows**
   3. **Statement of Financial Activity (by Nature & Type)**
   4. **Capital Expenditure Program**
   5. **Transfers to and from Reserves**
   6. **Notes to and forming part of the 2024/25 Statutory Annual Budget**
2. **adopts the following Rates in the Dollar:**
   1. **Residential (GRV)** **6.0550 cents in the dollar**
   2. **Non-Residential (GRV)** **7.4712 cents in the dollar**
   3. **Residential Vacant Land (GRV)** **8.0114 cents in the dollar**

1. **adopts, pursuant to *Section 6.35 of the Local Government Act 1995* minimum rates payments to be imposed as follows:**
   1. **Residential (GRV)** **$1,576**
   2. **Non-Residential (GRV)** **$2,078**
   3. **Residential Vacant Land (GRV)** **$1,916**
2. **approves the options of one or four instalments for the payment of rates, with interest and administration fees applicable as follows:** 
   1. **An amount of 5.5% per annum interest to be charged if a four-instalment option is selected;**
   2. **An administration charge of $48 (3 instalments at $16 each, 1st instalment no charge) is to be applied to four instalment options if selected; and**
   3. **Nominates the following due dates for rate payment in full and by instalments, pursuant to *Section 6.45 of the Local Government Act 1995 and Regulation 64(2) of the Local Government (Financial Management) Regulations 1996:***
      1. **Full payment and first instalment - 04 October 2024**
      2. **Second quarterly instalment - 06 December 2024**
      3. **Third quarterly instalment - 14 February 2025**
      4. **Fourth quarterly instalment - 18 April 2025**
3. **approves late payment interest rate of 11% for rates and costs of proceedings to recover charges that remain unpaid after becoming due and payable;**
4. **adopts, pursuant to the provisions of *Section 6.16 of the Local* Government *Act 1995, Section 67 of the Waste Avoidance and Resources Recovery Act 2007, and Regulation 53(2) of the Building Regulations 2012,* the 2024/25 Fees and Charges, as per Attachment 2;**
5. **adopts the following annual fees for payment of Elected Members in lieu of individual meeting attendance fees, pursuant to *Section 5.98 of the Local Government Act 1995* and Regulation 30 of the *Local Government (Administration) Regulations 1996*:**
   1. **Mayor**  **$33,706**
   2. **Councillors**  **$25,137**
6. **adopts the annual local government allowance of $68,552 to be paid to the Mayor in addition to the annual meeting allowance, pursuant to Section 5.98(5) of the *Local Government Act 1995*;**
7. **adopts the annual local government allowance of $17,138 to be paid to the Deputy Mayor in addition to the annual meeting allowance, pursuant to Section 5.98A(1) of *the Local Government Act 1995;***
8. **adopts the Information and Communication Technology (ICT) allowance of $3,500 for Elected Members, pursuant to Section 5.99A(a) of the *Local Government Act 1995 and Regulations 31(1)(a) and 32(1) of the Local Government (Administration) Regulations 1996;***
9. **adopts the annual travel and accommodation allowance of $100 for Elected Members, pursuant to Section 5.99A(a) of *the Local Government Act* 1995 *and Regulation 32(1)* of the *Local Government (Administration) Regulations 1996;***
10. **approves the proposed transfers to and from Reserves as detailed in the 2024/25 Annual Budget;**
11. **receives the Forward Capital Works Program 2024/25;**
12. **adopts pursuant to Regulation 34(5) of the *Local Government (Financial* Management*) Regulations 1996*, and Australian Accountings Standard AASB 1031 Materiality, the following thresholds for the reporting of material financial variances in the monthly statement of financial activity reports:**
    1. **Operating items – Greater than 10% and a value greater than $20,000**
    2. **Capital items – Greater than 10% and a value greater than $50,000.**

**Voting Requirement**

Absolute Majority required.

**Background**

Council is required to adopt the Annual Budget by 31 August each year. The City of Nedlands 2024/25 Draft Annual Budget as presented in this report and the various attachments proposes a modest 3.6% increase in rates.

**Discussion**

**Basis for the development of the Draft Annual Budget**

The draft 2024/25 City of Nedlands Annual Budget has been developed to reflect the principles of prudence, sound financial management and consideration of the prevailing economic environment.

In Western Australia, local governments have experienced a challenging period with costs rising at a rapid rate, cost of living rises and the inflation rate continuing at high levels. This budget is focused on the delivery of core services in an effective and efficient manner, and the selective renewal and maintenance of City assets according to priority.

Additionally, feedback from the various Council briefings held from March to July 2024 have been considered in the budget preparations and are reflected in the statements presented. The Council has reduced operational spending and will focus on the successful delivery of the capital works program and the underground power project Nedlands North (Floreat) and Nedlands West (Mt Claremont).

The Annual Budget for 2024/25 is a statutory document to be adopted by Council pursuant to the provisions of *Section 6.2 of the Local Government Act 1995*, and *Part 3 of the Local Government (Financial Management) Regulations 1996*, for the City of Nedlands.

**Differential Rates, minimum payments and instalment payment arrangements**

Each year where the City of Nedlands seeks to impose differential rates, it is required under section 6.36 of the Local Government Act 1995 to advertise the proposed differential rates by local public notice for a period of at least 21 days, seeking submissions. Any submissions received are to be considered by Council.

Rates are calculated by the Gross Rental Value (GRV) of a property and the rate in the dollar. GRVs are provided by the Office of the Valuer General and the Council determines the rate in the dollar and minimums.

In addition to the 3.6% rate increase, the City also expects to raise an additional 1.7% from interim rates issued for the completion of new dwellings and additions to existing homes. These increases are in line with the adopted Long Term Financial Plan adopted by Council in March 2023.

A number of submissions were received during the advertising period. In summary the submissions asked the Council to consider imposing as little an increase this year given the significant increases to the cost of living. The submissions noted a 9.5% was proposed and was much higher than the CPI. Therefore, rates are proposed to not increase by the amount advertised.

For residential properties on the minimum rate, this represents an annual increase of $55 or $1.06 per week. For average residential properties, this amounts to an annual increase of $92.51 or $1.78 per week.

**Residential Bin Services**

The City has maintained one of the lowest residential bin services in the metropolitan area for nearly 10 years. There has been considerable changes in the waste industry with the introduction of Food Organics and Garden Organics services, increases to fuel costs, single use plastic bans, and the adoption of a container deposit scheme, ‘Containers for Change’. Additionally new offerings such as participation in Nedlands residents accessing the Western Metropolitan Regional Council’s Brockway Facility has brought forth additional costs to the community.

These have all increased costs to the City and were previously absorbed by deductions of the waste reserve. This waste reserve was the beneficiary of better practice contract management and waste management efficiencies which cannot be repeated once realised. Financial modelling indicates that this cannot be sustained with the waste reserve approaching a zero figure in the coming year if fees are not adjusted to reflect the true financial cost to the community.

The domestic standard residential waste service charge is $408 per annum. This is an annual increase of $80 or $1.54 per week.

**Other Fees and Charges**

Other fees and charges within the City’s control have been increased by CPI to reflect increasing costs of providing these services.

**Elected Members’ fees and allowances**

Elected Members fees and allowances are determined by the Salaries and Allowances Tribunal (SAT).

In accordance with the Workforce Plan the City has been reducing staffing with FTEs planned to reduce to 149 over the life of the Workforce Plan. The City expects to maintain this level of staffing this year with additional new employees to assist with IT, Finance and underground power projects.

**Borrowings**

Additional proposed borrowings have been included in the 2024/25 budget to fund the Nedlands North (Floreat) project.

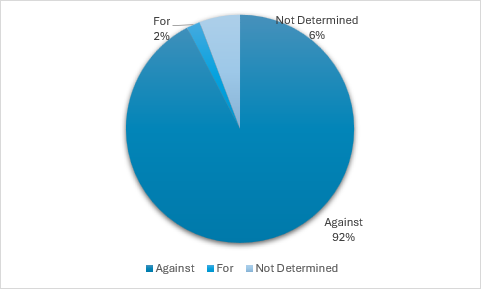
**Underground Power**

In May 2024 the Council made a final decision to proceed with the three underground power projects in Nedlands North (Floreat) and Nedlands West (Mt Claremont). Funding has been included in the 2024/25 Draft Annual Budget. Funds will also be transferred into the Underground Power Reserve.

**Consultation**

As required by the *Local Government Act 1995*, the City advertised the proposed differential rates on 26 June 2024 to 26 July 2024, inviting comments over a period of 21 days. Fifty two submissions were received following this public consultation.

The City received a total of 52 responses from a total of 9,240 rateable properties, being 0.56% of those invited to provide feedback. Of the 52 responses, 48 (92.31%) were against, 1 was for and 3 were not determined.



In addition to the statutory requirements listed above, the development of the Draft 2024/25 Annual Budget is a collaborative effort involving the whole management team and their staff and the Executive. Elected Members of Council were presented with the Draft 2024/25 Budget and rates information at a series of Councillor Briefings held during April, May, and June 2024.

**Strategic Implications**

This item relates to the following elements from the City’s Strategic Community Plan.

**Vision** Our City will be an environmentally-sensitive, beautiful and inclusive place.

**Values** **High standard of services**

We have local services delivered to a high standard that take the needs of our diverse community into account.

**Great Natural and Built Environment**

We protect our enhanced, engaging community spaces, heritage, the natural environment and our biodiversity through well-planned and managed development.

**High standard of services**

We have local services delivered to a high standard that take the needs of our diverse community into account.

**Great Governance and Civic Leadership**

We value our Council’s quality decision-making, effective and innovative leadership, transparency, accountability, equity, integrity and wise stewardship of the community’s assets and resources. We have an involved community and collaborate with others, valuing respectful debate and deliberation.

**Priority Area**

* Renewal of community infrastructure such as roads, footpaths, community and sports facilities
* Underground power

**Budget/Financial Implications**

The Draft Annual Budget for 2024/25 includes a modest increase in rates of 3.6%. Last year it was noted that the City is currently facing a significant backlog of required asset renewal, with many assets coming to an abrupt end of life, requiring them to be removed from service or closed. In response to asset renewal backlog, the Council has decided to increase its reserves for the renewal and maintenance of buildings and drainage, and undertake further investigation and design for capital projects in 25/26.

Key features of the 2024/25 Annual Budget are:

1. Total operating revenue $27.8m and fees and charges of $9.28 million with an estimated capital grants contribution of $3 million.
2. Total operating expenditure $42m with $14 million towards capital works projects.
3. Major capital works for the year include:
   1. Minor building works $427,660
   2. Drainage works $960,558
   3. Parks works $844,267
   4. Monash Ave – renewal (Smyth Road to East of Clifton St)
   5. Victoria Ave – renewal (Waratah Ave to Watkins Road)
   6. Waratah Ave – renewal (Robert St to Alexander Road)
   7. The Avenue – traffic calming – Blackspot
   8. Webster Street – renewal (Stirling Hwy to Edward Street)
   9. Investigation and design of projects for 2025/26 of $234,012 including $59,918 to undertake design of Kennedia Lane for Proposed Renewal.

**Legislative and Policy Implications**

*[Local Government Act 1995](https://www.austlii.edu.au/cgi-bin/viewdoc/au/legis/wa/consol_act/lga1995182/)*

*[Local Government (Financial Management) Regulations 1996](https://www.austlii.edu.au/cgi-bin/viewdoc/au/legis/wa/consol_reg/lgmr1996434/)*

[*Integrated Planning and Reporting Framework*](https://www.dlgsc.wa.gov.au/local-government/strengthening-local-government/integrated-planning-and-reporting)

[*City of Nedlands - Corporate Business Plan*](https://www.nedlands.wa.gov.au/documents/422/nedlands-2023)

[*City of Nedlands - Community Strategic Plan*](https://www.nedlands.wa.gov.au/documents/426/strategic-community-plan-nedlands-2028)

[*City of Nedlands - Long Term Financial Plan*](https://www.nedlands.wa.gov.au/documents/427/long-term-financial-plan)

[*City of Nedlands - Workforce Plan*](https://www.nedlands.wa.gov.au/documents/725/city-of-nedlands-workforce-plan-2022)

[*City of Nedlands - Asset Management Plans*](https://www.nedlands.wa.gov.au/council-meetings/ordinary-council-meeting/ordinary-council-meeting-26-july-2022/472/documents/2022-council-meeting-minutes-26-july.pdf)

**Decision Implications**

If Council endorses the above recommendation this will ensure the City of Nedlands achieves statutory compliance with the Annual Budget required to be adopted before 31 August each year.

If Council does not endorse the above recommendations, then another Council Meeting would need to be held before 31 August 2024 to adopt the Annual Budget, failure to adopt the budget before 31 August would lead to statutory non-compliance with the *Local Government Act 1995* and associated Regulations. Postponement in adoption of the Budget may create delays in delivery of operations services and infrastructure projects. Ministerial approval required to adopt the budget after 31 August.

**Conclusion**

Council’s adoption of the 2024/25 Annual Budget will allow the City to deliver its services and infrastructure to the Community in 2024/25.

**Further Information**

Nil.

# **Declaration of Closure**

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