



CITY OF BAYSWATER

MINUTES

**OF THE
SPECIAL MEETING
OF COUNCIL**

Commencing at 7:00pm

3 July 2012

SPECIAL COUNCIL MEETING MINUTES

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CITY OF BAYSWATER

MINUTES of the Special Meeting of the Bayswater City Council which was held in the Council Chambers, City of Bayswater Civic Centre, 61 Broun Avenue, Morley on Tuesday, 3 July 2012.

MINUTES

1. OFFICIAL OPENING

The Chairperson, His Worship the Mayor, Cr Terry Kenyon, JP, welcomed those in attendance and declared the meeting open for the special business of Council at 7:00pm.

2. RECORD OF ATTENDANCE, APOLOGIES, ABSENCE AND LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

COUNCIL RESOLUTION

CR SONIA TURKINGTON MOVED, CR MARLENE ROBINSON SECONDED that the following Record of Attendance, Apologies, and Leave of Absence (Previously Approved) be accepted:

2.1 Attendance, Apologies and Absence

Present:

Members

West Ward

Cr Terry Kenyon, JP, Mayor
Cr Marlene Robinson
Cr Martin Toldo

Chairperson

Central Ward

Cr Barry McKenna, Deputy Mayor
Cr Michael Sabatino
Cr Chris Cornish

North Ward

Cr Mike Anderton, JP
Cr Alan Radford
Cr Graham Pittaway, OAM

South Ward

Cr Sonia Turkington

Officers

Ms Francesca Lefante	Chief Executive Officer
Mr Kelley Ambrose	Acting Director of Finance
Mr Des Abel	Director of Planning and Development Services
Mr Doug Pearson	Director of Technical Services
Mr Jeremy Edwards	Director of Administration and Community Services
Mr Peter Grocott	Accountant
Ms Carol Newport	Personal Assistant - Director of Finance

Observers

2 Public

Leave of Absence

Cr Sylvan Albert

Apologies

Nil.

2.2 Leave of Absence

Cr Barry McKenna	from 16 July to 20 July 2012 (inclusive); and from 24 August to 1 September 2012 (inclusive).
Cr Sonia Turkington	from 7 August to 28 August 2012 (inclusive).
Cr Sylvan Albert	from 2 July to 26 July 2012 (inclusive).
Cr Alan Radford	from 10 July to 16 July 2012 (inclusive); and from 23 July to 27 July 2012 (inclusive); and from 24 August to 2 September 2012 (inclusive).

CARRIED UNANIMOUSLY

3. PUBLIC QUESTION TIME

In accordance with Section 5.24 of the *Local Government Act 1995*, time is allocated for questions to be raised by members of the public.

Public Question Time commenced at 7:03pm.

The following questions were submitted both in writing and verbally:

Mr Tony Green - Bayswater City Residents Association (Inc) - PO Box 1639, Morley

Question 1:

Have funds been allocated in this Budget to address the totally inadequate stormwater road drainage at the Walter Road end of Salisbury Street, Bedford?

His Worship the Mayor referred the question to the Director of Technical Services who advised that funds have been allocated in the 2012/2013 budget for works to address a number of drainage issues within the City, including the subject area.

Question 2:

Have any funds been allocated in this budget to ream (clean out) road drains in the Salisbury Street area?

His Worship the Mayor referred the question to the Director of Technical Services who advised that the road drains in the Salisbury Street area will be included in the City's gully educting program.

A copy of Council's written response can be located at **Appendix 1**.

Public Question Time was closed at 7:08pm.

4. DEPUTATIONS

Nil.

5. APPLICATIONS FOR LEAVE OF ABSENCE

4.1 Applicant - Cr Mike Anderton, JP

Cr Mike Anderton, JP requested leave of absence from 24 August through to 1 September 2012 inclusive.

4.2 Applicant - Cr Martin Toldo

Cr Martin Toldo requested leave of absence from 4 August through to 19 August 2012 inclusive.

4.3 Applicant - Cr Barry McKenna

Cr Barry McKenna requested leave of absence from 4 July through to 6 July 2012 inclusive.

COUNCIL RESOLUTION

CR MARLENE ROBINSON MOVED, CR ALAN RADFORD SECONDED that Leaves of Absence be granted as follows:

Cr Mike Anderton, JP from 24 August through to 1 September 2012 inclusive.

Cr Martin Toldo from 4 August through to 19 August 2012 inclusive.

Cr Barry McKenna from 4 July though to 6 July 2012 inclusive.

CARRIED UNANIMOUSLY

6. DISCLOSURE OF INTEREST SUMMARY

In accordance with Section 5.60A and 5.65 of the *Local Government Act 1995* the following disclosures of financial interest were made at the meeting:

Nil.

In accordance with Section 5.60B and 5.65 of the *Local Government Act 1995* the following disclosures of proximity interest were made at the meeting:

Nil.

In accordance with Clause 34C of the *Local Government (Administration) Regulations 1996* the following disclosure of interests affecting impartiality were made at the meeting:

Nil.

7. PETITIONS

Nil.

8. GENERAL BUSINESS

8.1 Adoption of the 2011-2012 Budget

Attachment: 1. 2012-2013 Budget (under separate cover)
2. Taxation Ruling Amendment Regulation 2012 (No.2),
Proclaimed on 28 June 2012

Officer: Acting Director of Finance

Application

The 2012-2013 Budget, which has been circulated under separate cover, is presented for Council adoption.

Background

In accordance with Section 6.2 of the *Local Government Act 1995*, Council must adopt its budget before 31 August each year. The *Local Government (Financial Management) Regulations 1996* and the *Australian Accounting Standards* prescribe the reporting format and content, including cash flow and rate setting statements showing details of the revenue and expenditure that have been taken into account to determine the budget deficiency, total amount of the general rates to be imposed and any deficit or surplus remaining after the imposition of the general rates.

Municipal Fund

The Municipal Fund is essentially the trading account which funds the performance of the City's functions. The anticipated financial position of the fund is presented through the statements of income, cash flow, value of all assets and operating expenditure. These statements have been set out as per the prescribed format and have been prepared using the accrual accounting system where income and expenditure are treated in the financial year that they are incurred. Asset valuation is based on historical cost and does not take into account the current valuation of non-current assets.

The Statement of Comprehensive Income includes rates, grants, fees and charges, investment earnings and other forms of income and the net surplus or deficit after operating expenses which include salaries and wages, utility charges, materials and contract payments, insurance and other operating expenses.

Operating expenditure is made up of statutory obligations such as waste collection and discretionary services which include services for seniors and youth, aged care, libraries, recreation, community events and security services.

Capital expenditure is reported on separate statements and relates to major projects, acquisition of new assets and replacement or refurbishment of existing assets

Transfer to Reserves

Under Section 6.11 of the *Local Government Act 1995*, local governments can set aside surplus funds provided that they are for specific future purposes. This is a prudent financial alternative to borrowings and is reflected in Council's Debt Free Policy FS-P04. These cash-backed reserves are reviewed periodically to ensure that they will meet future requirements.

Trust Fund

Under Section 6.9 of the *Local Government Act 1995*, local governments are required to hold certain monies in trust. The budgeted balance of the trust funds on 30 June 2013 will be \$4,403,600.

Planning for the Future

Section 5.56 of the *Local Government Act 1995* requires that the budget process consider the Plan for the Future of the district, and this budget was prepared in accordance with the City's Plan for the Future which covers the 2008-2012 period and the City's Strategic Plan - The Future of Our City 2011-2015. These Plans are effectively transitional documents as the City sets a new strategic planning direction in accordance with the recent amendments to the *Local Government (Administration) Regulations 1996*. Future annual budget development will be informed through corporate business plans based on ten-year community engagement and financial planning when the Integrated Planning Framework is implemented on 30 June 2013.

Modelling of the Rate in the Dollar

The rate in the dollar is simply the factor which is applied to the GRV for the City to calculate the rates income. The objective of rates modelling is to determine the optimal rate in the dollar which will yield the amount required to fund the shortfall between the anticipated expenditure and the other forms of income.

The GRV has not changed since 2011-2012, other than for some interim rates properties, and the rate in the dollar has been set at 0.0558 to achieve the required rates income, and equates to a 3.75 percent increase from last financial year. As required under the Regulations, the methodology for calculating the rate is disclosed as per the table in the budget summary.

The minimum rate has increased from \$681 to \$707.

Rating Methodology

Section 6.32 of the *Local Government Act* allows local governments to apply either uniform or differential rating methodology, and the most equitable method for any particular local government is generally based on consideration of the ratio of vacant and developed land. At a special meeting held on 7 June 2006 Council resolved to adopt the uniform method and this has been applied since then.

As in previous years, the '*Morley Shopping Centre Redevelopment Agreement Act 1992*' has had a significant effect on modelling rate income. Essentially the Act exempts the Centro Galleria shopping centre from the normal methodology of calculating rates for 19 years following the completion of the centre, which limits the rates income. The Act expires in 2014-2015 and the future rating position is currently unknown.

Levying of 2012-2013 Refuse Collection Charges

Local governments have a statutory obligation under the *Waste Avoidance and Resource Recovery Act 2007* to collect domestic waste, and the Act permits recovery of the cost of providing this service through a separate charge. For practical purposes this charge is added to the rates but identified separately.

The City's collection service comprises a weekly general waste bin and recycling and greenwaste bins which are collected on alternating weeks. The service is performed under contract and the Eastern Metropolitan Regional Council processes the greenwaste. The budget sets the charge for the provision of this service at \$314.48 which includes the Landfill Levy. Provision of tip passes and bulk bins has been factored into this charge.

Collection of commercial waste is not a statutory requirement for local governments, however the City provides this service to the community and the charge for 2012-2013 has been set at \$417.48.

In keeping with past practice, the budget provides for additional collection services at the following charges. The Australian Taxation Office has advised that the provision of additional rubbish bins and other sundry 'user pays' charges will attract GST, and the charges reflect this.

Additional Domestic Refuse Service Charges, inclusive of Landfill Levy:

Rubbish Service Charge	\$242.85 inc GST
Recycling Service Charge	\$106.35 inc GST
Greenwaste Service Charge	\$114.60 inc GST

Additional Commercial Refuse Service Charges (inclusive of State Government Landfill Levy):

Rubbish Service Charge	\$337.40 inc GST
Recycling Service Charge	\$138.35 inc GST
Greenwaste Service Charge	\$148.00 inc GST

Swimming Pool Levy

In accordance with Regulation 53 of the *Buildings Regulations 2012*, local governments may fix the charge to be imposed on each owner or occupier of land on which there is a swimming pool, to meet the costs of carrying out inspections. The Schedule of Fees and Charges includes a \$13.75 charge per pool to meet the costs of continuing this program.

Entrance Fees and Facility Fees

In accordance with Section 6.16 of the *Local Government Act 1995*, local governments may impose fees or charges for the use of its facilities. All facility fees are reviewed annually and minimal increases have been included in the budget.

Some fees are exempt from GST. The schedules in the Budget clearly show where GST applies.

Materiality threshold for Budget variations

Regulation 34(5) of the *Local Government (Financial Management) Regulation 1996* and *Australian Accounting Standard AASB1031 Materiality*, require local governments to adopt a reporting methodology for variances in financial activity of 10 percent or \$10,000, whichever is the greater. It is proposed that the current practice of reporting such variances be continued.

Comment

The 2012-2013 Budget will maintain the financial sustainability required to provide services and new projects whilst keeping the increase in the rate in the dollar to the minimum practicable level.

Strategic Implications

In accordance with the City of Bayswater's Strategic Plan - The Future of Our City 2011-2015, the following applies:

"Key Result Area 5: Leadership & Governance

- 5.1 *We ensure compliance with all legislative and statutory requirements.*
- 5.3 *We plan for the future to meet community needs, taking into account the social, economic and cultural wellbeing of our residents.*
- 5.4 *We ensure policies, procedures and practices are effective, open and transparent.*
- 5.5 *We ensure Council is accountable to its community.*
- 5.8 *We ensure prudent financial management practices."*

Policy Implications

Council has several financial policies which have been taken into consideration in the budget process, including its policies on investments, assets, treatment of income and expenditure and rates arrears.

The 2012-2013 Budget does not provide for borrowings in accordance with Council's Debt-Free Policy.

Financial Implications

Specific financial implications are as outlined in the details of this report and itemised in the 2012-2013 Budget ***attached*** for adoption.

Voting Requirements

ABSOLUTE MAJORITY REQUIRED.

Officer's Recommendation

That:

1. In accordance with Section 6.2(1) of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management Regulations) 1996*, Council adopt the Municipal, Reserve and Trust Fund budgets within the Statutory Budget for the City of Bayswater for the 2012-2013 financial year which includes the following:
 - Statement of Comprehensive Income by Programme on Page 4 showing a net result for the year of \$3,061,503.
 - Statement of Comprehensive Income by Nature and Type on Page 5 showing a net result of \$3,420,077.
 - Statement of Cash Flows on Page 6.
 - Rate Setting Statement on Page 7 showing an amount required to be raised from rates of \$32,889,958 (including interim rates of \$316,000).
 - Notes To and Forming Part of the Budget on pages 9 to 31.
 - Budget Programme Schedules as detailed in pages 4-7.
 - Transfers to and from Reserve Accounts as detailed in pages 34-35.

2. In accordance with Section 6.32(1)(a)(i) of the *Local Government Act 1995*, a uniform general rate of 5.58 cents in the dollar be applicable on all rateable properties within the district, with the minimum rate being \$707.
3. In accordance with Section 67 of the *Waste Avoidance and Resource Recovery Act 2007* Council adopt the following charges for the removal and deposit of domestic and commercial waste :
 - Domestic service (GST not applicable) \$314.50 per annum
(service includes 240 litre waste bin collected weekly;
240 litre recycling bin collected fortnightly; and
240 litre Green waste bin collected fortnightly)
and additional sanitation charges for single residential properties being \$242.85 (including GST)
\$114.60 (including GST) for additional Greenwaste services
\$106.35 (including GST) for additional recycling services.
 - Commercial service (including GST) \$449.25 per annum
(service includes 240 litre waste bin collected weekly;
240 litre recycling bin collected fortnightly; and
240 litre Greenwaste bin collected fortnightly.
and additional sanitation charges for single commercial service being \$337.40 (including GST)
\$148.00 (including GST) for additional Greenwaste services
\$138.35 (including GST) for additional recycling services.
4. In accordance with Regulation 53 of the *Building Regulations 2012*, a swimming pool inspection levy of \$13.75 (including GST) be imposed on each owner or occupier of land on which there is a swimming pool, for the 2012-2013 financial year.
5. In accordance with Regulation 34(5) of the *Local Government (Financial Management) Regulation 1996* and *AASB1031 Materiality*, the level to be used in statements of financial activity in 2012-2013 for reporting material variances shall be 10% or \$10,000, whichever is the greater.
6. In accordance with Section 6.16 of the *Local Government Act 1995*, the entrance and facilities fees, and planning fees and charges, as per the 2012-2013 Budget *attached*, be adopted for the 2012-2013 financial year.

ADDENDUM - SPECIAL MEETING OF COUNCIL 3 JULY 2012

- 8.1 *Adoption of the 2012-2013 Budget*
Attachment: 2. Taxation Ruling Amendment Regulation 2012 (No.2), Proclaimed on 28 June 2012

Amendment to page numbers in Point 1 as follows :

- *Notes To and Forming Part of the Budget on pages 9 to 32.*
- *Transfers to and from Reserve Accounts as detailed in pages 21-22.*

The Australian Taxation office has previously advised that the provision of additional rubbish bins and other sundry 'user pays' charges will attract GST and the fees and charges shown in the budget reflect that advice.

The City has just received advice from the Australian Taxation Office of the taxation ruling amendment Regulation 2012 (No.2), proclaimed on 28 June 2012 (Attachment 2). Essentially this change means that all waste collection services provided by the City will not be subject to GST. As the budget has already been distributed, the Fees and Charges schedule will be amended to remove the GST-inclusive charges and show only the GST exclusive charges as below:

Recommendation Implications

Point 1 be amended as follows :

- Notes To and Forming Part of the Budget on pages 9 to 32(a).
- Transfers to and from Reserve Accounts as detailed in pages 21-22.

Point 3 be amended as follows :

3. In accordance with Section 67 of the Waste Avoidance and Resource Recovery Act 2007 Council adopt the following charges for the removal and deposit of domestic and commercial waste :

- Domestic service (GST not applicable) \$314.50 per annum
(service includes 240 litre waste bin collected weekly;
240 litre recycling bin collected fortnightly; and
240 litre Green waste bin collected fortnightly)

and additional sanitation charges for single residential properties being \$220.80

\$104.20 for additional Greenwaste services

\$96.70 for additional recycling services.

- Commercial service (GST not applicable) \$417.50 per annum
(service includes 240 litre waste bin collected weekly;
240 litre recycling bin collected fortnightly; and
240 litre Greenwaste bin collected fortnightly)

and additional sanitation charges for single commercial service being \$306.75

\$134.55 for additional Greenwaste services

\$125.80 for additional recycling services.

The addition of a further point to the recommendation, as follows :

7. The Fees and Charges schedule be amended to show the GST-exclusive charges for all waste collection services as per the Australian Taxation Office amendment Regulation 2012 (No. 2).

COUNCIL RESOLUTION

That:

- 1. In accordance with Section 6.2(1) of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management Regulations) 1996*, Council adopt the Municipal, Reserve and Trust Fund budgets within the Statutory Budget for the City of Bayswater for the 2012-2013 financial year which includes the following:**
 - **Statement of Comprehensive Income by Programme on Page 4 showing a net result for the year of \$3,061,503.**
 - **Statement of Comprehensive Income by Nature and Type on Page 5 showing a net result of \$3,420,077.**
 - **Statement of Cash Flows on Page 6.**
 - **Rate Setting Statement on Page 7 showing an amount required to be raised from rates of \$32,889,958 (including interim rates of \$316,000).**
 - **Notes To and Forming Part of the Budget on pages 9 to 32(a).**
 - **Budget Programme Schedules as detailed in pages 4-7.**
 - **Transfers to and from Reserve Accounts as detailed in pages 21-22.**
- 2. In accordance with Section 6.32(1)(a)(i) of the *Local Government Act 1995*, a uniform general rate of 5.58 cents in the dollar be applicable on all rateable properties within the district, with the minimum rate being \$707.**
- 3. In accordance with Section 67 of the *Waste Avoidance and Resource Recovery Act 2007* Council adopt the following charges for the removal and deposit of domestic and commercial waste :**
 - **Domestic service (GST not applicable) \$314.50 per annum
(service includes 240 litre waste bin collected weekly;
240 litre recycling bin collected fortnightly; and
240 litre Green waste bin collected fortnightly)**

and additional sanitation charges for single residential properties being \$220.80
\$104.20 for additional Greenwaste services
\$96.70 for additional recycling services.
 - **Commercial service (GST not applicable) \$417.50 per annum
(service includes 240 litre waste bin collected weekly;
240 litre recycling bin collected fortnightly; and
240 litre Greenwaste bin collected fortnightly)**

and additional sanitation charges for single commercial service being \$306.75
\$134.55 for additional Greenwaste services
\$125.80 for additional recycling services.
- 4. In accordance with Regulation 53 of the *Building Regulations 2012*, a swimming pool inspection levy of \$13.75 (including GST) be imposed on each owner or occupier of land on which there is a swimming pool, for the 2012-2013 financial year.**

5. In accordance with Regulation 34(5) of the *Local Government (Financial Management) Regulation 1996* and *AASB1031 Materiality*, the level to be used in statements of financial activity in 2012-2013 for reporting material variances shall be 10% or \$10,000, whichever is the greater.
6. In accordance with Section 6.16 of the *Local Government Act 1995*, the entrance and facilities fees, and planning fees and charges, as per the 2012-2013 Budget attached be adopted for the 2012-2013 financial year.
7. The Fees and Charges schedule be amended to show the GST-exclusive charges for all waste collection services as per the Australian Taxation Office amendment Regulation 2012 (No. 2).

CR BARRY MCKENNA MOVED, CR SONIA TURKINGTON SECONDED

CARRIED WITH AN ABSOLUTE MAJORITY : 9/1

<p><i>FOR VOTE - Cr Terry Kenyon JP, Cr Barry McKenna, Cr Marlene Robinson, Cr Graham Pittaway, Cr Sonia Turkington, Cr Mike Anderton JP, Cr Alan Radford, Cr Chris Cornish and Cr Martin Toldo.</i></p> <p><i>AGAINST VOTE - Cr Michael Sabatino.</i></p>
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Attachment 2

Amendments

Schedule 1

[3] Regulation 81-10.01*insert*

- (2) Despite subregulation (1), a fee or charge, the payment of which is covered by subsection 9-17 (3) or (4) of the Act, is not a prescribed fee or charge.

[4] After regulation 81-10.01*insert***81-15.01 Fees and charges which do not constitute consideration**

- (1) For section 81-15 of the Act, the following kinds of Australian fees and charges are prescribed:
- (a) a fee or charge for:
 - (i) the kerbside collection of waste; or
 - (ii) the supply, exchange or removal of bins or crates used in connection with kerbside collection of waste;
 - (b) royalties charged in relation to natural resources;
 - (c) a fee or charge imposed on an industry to finance regulatory or other government activities connected with the industry;
 - (d) a fee or charge to compensate an Australian government agency for costs incurred by the agency in undertaking regulatory activities;
 - (e) a fee or charge imposed in relation to a court, tribunal, commission of inquiry or Sheriff's office;
 - (f) a fee or charge for a supply of a regulatory nature made by an Australian government agency;
 - (g) a fee or charge for entry to a national park;
 - (h) any other fee or charge:

8.2 Rates - Instalment Charges, Interest Charges and Rates Incentive Scheme for 2012-2013

Officer: Acting Director of Finance

Application

In accordance with sections 6.45 – 6.51 the *Local Government Act 1995* (as amended), Council is required to resolve each of the following matters before the rates are issued:

1. Instalment options for payment of rates.
2. Administration charge on instalments
3. Interest rate on instalments.
4. Interest rate on overdue rates and service charges.
5. Incentives for early payment of rates.

Background

To offset the administrative costs of providing the instalment options, Council may impose an administration charge and interest charges.

The 2012-2013 rates instalment options include the Ashfield/Bayswater Underground Power Project. At its meeting of 13 December 2011, Council resolved to participate in this project and offer a four-year loan option. The project predominantly covers properties in the Town of Bassendean, with 38 properties in Moojebing, Pearson and Jacqueline Streets Bayswater. This is the first time that the City of Bayswater has levied underground service charges through the rating system. A small project in Mount Lawley several years ago was levied through the sundry debtors system.

Pursuant to Section 6.51(1) and subject to Section 6.51(4) of the *Local Government Act 1995* and Regulation 70 19A of the *Local Government (Financial Management) Regulations 1996*, local governments may charge late payment interest up to a maximum of 11 percent for service charges that remain unpaid after becoming due and payable. The budget figure of 6 percent reflects the anticipated costs of administering the project.

The budget also includes an interest rate of 3.75 percent where property owners select to pay the underground service charge via the four-year long option. This is based on the State Treasury borrowing rate and is in accordance with the above legislation provided that any additional charges do not result in the total interest exceeding the 5.5 percent limit.

Payment of Rates by Instalment – Instalment Options and Administration Charge – Sections 6.45(3) and 6.50 of the Local Government Act 1995 and Regulations 64(2) and 67 of the Local Government (Financial Management) Regulations 1996.

The administration charge is intended to cover the costs incurred by the City including additional notices and postage. It does not allow for a profit to be made as per Regulation 67 of the *Local Government (Financial Management) Regulations 1996*. The administration charge for the last few years has been \$5.00 per instalment and it is proposed that this remain the same for 2012-2013.

The proposed payment structure is:

Incentive Draw - Payment in full by 3 August 2012

- No discount. No fees. No interest. Entry in prize draw.

Option One - Payment in full by 17 August 2012

- No discount. No fees. No interest.

Option Two - 50% payment by 17 August 2012. 50% payment by 17 October 2012

- Administration charge. Interest on instalments fee.

Option Three - 4 instalments by 17 August 2012, 17 October 2012, 19 December 2012 and 20 February 2013.

- Administration charge. Interest on instalments fee.

Interest on Rate Instalments

Under the *Local Government Act 1995*, Section 6.45, Council may adopt an interest rate for payment of rates by instalments up to a maximum rate of 5.5%. The maximum rate is set by Regulation 68 of the *Local Government (Financial Management) Regulations 1996*. In line with other local governments, it is proposed to charge this rate in 2012-2013.

The interest charge for the loan options for underground power applies separately to the instalment charge. To avoid the potential issue of exceeding the statutory limit of 5.5%, it is proposed that the instalment charge be waived for those ratepayers that take up this loan option. This will have minimal cost impact due to the limited number of properties likely to take up these options.

Overdue Interest Charged – Section 6.51(1) of the Local Government Act 1995 and Regulation 70 of the Local Government (Financial Management) Regulations 1996

Council may elect to set an overall penalty interest rate to apply to all overdue rates, with the exception of those of eligible pensioners and seniors. The maximum interest rate charged on overdue rates is 11% as set by Regulation 70 of the *Local Government (Financial Management) Regulations 1996*. In accordance with regulations, Council must take into consideration the late payment interest charges of government agencies when determining an interest rate.

Last year Council maintained the overdue interest rate at 11% per annum, which is the same as that charged by FESA. It is proposed therefore, that an overdue interest rate of 11% per annum be set for 2011-2012.

Council Contribution to the Rates Incentive Scheme

Subject to the requirements of the *Rates and Charges (Rebates and Deferments) Act 1992*, Council may grant a discount or other incentive for early payment of rates. Section 6.46 of the *Local Government Act 1995* requires an Absolute Majority.

Prizes for the scheme are summarised below:

<i>Sponsor</i>		<i>Prize</i>	<i>Value</i>	<i>COB Contribution</i>	<i>Sponsor Contribution</i>
Metro Motors Holden/City of Bayswater	1	Holden Barina valued at \$19,185 (including all on road costs)	\$19,185	\$10,000	\$9,185
Jetset Morley/City of Bayswater	2	Holiday for two to the destination of your choice to the value of \$5,000 (must to be taken prior to 1/7/2013)	\$5,000	\$4,000	\$1,000
Westpac Banking Corporation	3	\$2,000 cash	\$2,000		\$2,000
Stewarts Pest Control	4	Termite Inspection Service consisting of Initial Service, plus two visual inspections for the following two years	\$1,200		\$1,200
Westpac Banking Corporation	5	\$1,000 cash	\$1,000		\$1,000
City of Bayswater	6-10	5 x \$1,000 cash	\$5,000	\$5,000	
City of Bayswater	11-20	10 x \$500 cash	\$5,000	\$5,000	
* City of Bayswater	21-22	Two x six month gym membership to the City of Bayswater new gym facility at The RISE, Maylands	\$450 each	\$900	
* YMCA	23-25	Three x prize packs including a 1-month free membership to Morley Sport & Recreation Centre	\$220 each		\$660
West Australian Ballet	26-27	2 x Double pass to Ivan Cavallari's <i>The Nutcracker</i>	\$212 each		\$424
West Australian Symphony Orchestra	28-29	Two x double pass to the West Australian Symphony Orchestra's <i>Mozart & Strauss</i> concert	\$180 each		\$360
* City of Bayswater	30-33	Four x one month membership pass to Bayswater Waves Aquatic Centre	\$107 each	\$428	
Black Swan State Theatre Company	34-35	Black Swan State Theatre Company 2 double passes to see a preview performance of <i>Managing Carmen</i> by David Williamson in the Heath Ledger Theatre at the State Theatre Centre of WA.	\$105 each		\$210
AMF Morley	36-39	Four x Family Pass for 2 adults and 2 children for 2 games of ten pin bowling.	\$75 each		\$300
* City of Bayswater	40-42	Three x One Round of golf for two people at either Embleton or Maylands Golf Course	\$24 each	\$72	
Total prize pool:			\$41,739	\$25,400	\$16,339

City of Bayswater's contribution towards this scheme will be \$25,000.

- * The prizes offered by the Morley Sport and Recreation Centre, Bayswater Waves, The RISE or a municipal golf course will not be derived from a direct Municipal Fund cash contribution, however they have a total face value of up to \$2,060.

Strategic Implications

In accordance with the City of Bayswater's Strategic Plan - The Future of Our City 2011-2015, the following applies :

"Key Result Area 5: Leadership & Governance

- 5.1 *We ensure compliance with all legislative and statutory requirements.*
- 5.3 *We plan for the future to meet community needs, taking into account the social, economic and cultural wellbeing of our residents.*
- 5.4 *We ensure policies, procedures and practices are effective, open and transparent.*
- 5.5 *We ensure Council is accountable to its community.*
- 5.8 *We ensure prudent financial management practices."*

Policy Implications

The 2012-2013 Budget is based on the principles contained in the Strategic Plan 2011-2015 incorporating future directions for the City.

Financial Implications

Specific financial implications are as outlined in the details of this report and itemised in the 2012-2013 Budget *attached* for adoption.

Voting Requirements

ABSOLUTE MAJORITY REQUIRED.

Officer's Recommendation

That :

1. Pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, Council nominates the following due dates for the payment of rates and service charges (including underground power service charges) by instalments:
 - o Full payment and 1st instalment due date 17 August 2012
 - o 2nd half instalment due date 17 October 2012
 - o 2nd quarterly instalment due date 17 October 2012
 - o 3rd quarterly instalment due date 19 December 2012
 - o 4th and final quarterly instalment due date 20 February 2013.
2. Pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 67 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an administration charge of \$5.00 where the owner has elected to pay rates and charges by an instalment option.
3. 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 charge of 5.5% on general rates where the owner has elected to pay rates and charges by an instalment option, but this shall not apply to underground power service charges.
4. 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 11% for general rates that remain unpaid after becoming due and payable.
5. 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 6% for underground power service charges that remain unpaid after becoming due and payable.
6. Pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 68 of the *Local Government (Financial Management) Regulations 1996* Council impose an underground power loan interest rate of 3.75% (based on State Treasury borrowing rates) on underground power service charges where property owners elect to pay the underground power service charge by the four-year loan option.
7. Council approves the funding of the cash prizes totalling \$14,000 in the Rates Incentive Scheme in accordance with Section 6.46 of the *Local Government Act 1995*.

ADDENDUM - SPECIAL COUNCIL MEETING 3 JULY 2012**Recommendation Implications**

Point 7 be amended to reflect a cash prize total of \$25,400 as follows :

7. Council approves the funding of the cash prizes totalling \$25,400 in the Rates Incentive Scheme in accordance with Section 6.46 of the *Local Government Act 1995*.

COUNCIL RESOLUTION

That :

1. Pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, Council nominates the following due dates for the payment of rates and service charges (including underground power service charges) by instalments:
 - Full payment and 1st instalment due date 17 August 2012
 - 2nd half instalment due date 17 October 2012
 - 2nd quarterly instalment due date 17 October 2012
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 - 4th and final quarterly instalment due date 20 February 2013.
2. Pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 67 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an administration charge of \$5.00 where the owner has elected to pay rates and charges by an instalment option.
3. 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 charge of 5.5% on general rates where the owner has elected to pay rates and charges by an instalment option, but this shall not apply to underground power service charges.
4. 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 11% for general rates that remain unpaid after becoming due and payable.
5. 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 6% for underground power service charges that remain unpaid after becoming due and payable.
6. Pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 68 of the *Local Government (Financial Management) Regulations 1996* Council impose an underground power loan interest rate of 3.75% (based on State Treasury borrowing rates) on underground power service charges where property owners elect to pay the underground power service charge by the four-year loan option.
7. Council approves the funding of the cash prizes totalling \$25,400 in the Rates Incentive Scheme in accordance with Section 6.46 of the *Local Government Act 1995*.

**CR BARRY MCKENNA MOVED, CR MIKE ANDERTON, JP SECONDED
CARRIED UNANIMOUSLY WITH AN ABSOLUTE MAJORITY**

8.3 Banking Operations - Delegated Authority

Officer: Acting Director of Finance

Application

To advise Council on the operations of the City's bank accounts and electronic banking facilities and change the authorisation for payments and transfers as part of the budget process.

Background

Pursuant to Section 6.10 of the *Local Government Act 1995* and Regulation 8 of the *Local Government (Financial Management) Regulations (amended)*:

"A local government is to maintain a separate account with a bank or other financial institution for each of the following purposes -

- (a) money required to be held in the municipal fund*
- (b) money required to be held in the trust fund; and*
- (c) money required to be held in reserve accounts."*

The Municipal Fund, Trust Fund, Aged Persons Homes and Reserve Fund accounts were approved by Council at its meeting of 5 July 2011 and no changes are proposed to these.

SIGNATORIES TO THE ACCOUNTS

The *Local Government (Financial Management) Regulations 1996* require delegation to the Chief Executive Officer for payments made from the Municipal Fund or Trust Fund, and such delegation requires a list of the payments being presented to Council each month.

Other accounts such as the Reserve Fund are subject to financial controls under the *Australian Accounting Standards* but there is no legislative requirement for delegation.

Delegation to the Chief Executive Officer ensures the efficient and effective operation of Council business. It is suggested that the signatories to the four accounts be as follows:

- ***Municipal Fund Account***
The Chief Executive Officer, and either the Director of Finance or the City Accountant.
- ***Trust Fund, Aged Persons Homes and Reserve Fund Accounts***
The Chief Executive Officer, and either the Director of Finance or the City Accountant.

ELECTRONIC BANKING

Council resolved to accept the City's electronic security controls for authorisation at its meeting of 5 July 2011 and no changes to these are proposed.

Strategic Implications

In accordance with the City of Bayswater's Strategic Plan - The Future of Our City 2011-2015, the following applies :

"Key Result Area 5: Leadership & Governance

- 5.1 *We ensure compliance with all legislative and statutory requirements.*
- 5.3 *We plan for the future to meet community needs, taking into account the social, economic and cultural wellbeing of our residents.*
- 5.4 *We ensure policies, procedures and practices are effective, open and transparent.*
- 5.5 *We ensure Council is accountable to its community.*
- 5.8 *We ensure prudent financial management practices."*

Policy Implications

Nil.

Financial Implications

Nil.

Voting Requirements

ABSOLUTE MAJORITY REQUIRED.

COUNCIL RESOLUTION
(OFFICER'S RECOMMENDATION)

That :

1. The following be authorised as signatories for payments and transfers:

- a) ***Municipal Fund Account:***
Chief Executive Officer and either the Director of Finance or the City Accountant.
- b)
 - i) ***Trust Fund Account:***
Chief Executive Officer and either the Director of Finance or the City Accountant.
 - ii) ***Reserve Fund Account:***
Chief Executive Officer and either the Director of Finance or the City Accountant.
 - iii) ***Aged Persons Homes Account:***
Chief Executive Officer and either the Director of Finance or the City Accountant.

CR GRAHAM PITTAWAY MOVED, CR ALAN RADFORD SECONDED
CARRIED UNANIMOUSLY WITH AN ABSOLUTE MAJORITY

CLOSURE

**THERE BEING NO FURTHER BUSINESS TO DISCUSS THE CHAIRPERSON,
CR TERRY KENYON, JP, MAYOR DECLARED THE MEETING CLOSED AT 7:47PM.**



Cr Terry Kenyon JP
Mayor

Appendix 1
Special Meeting of Council
3 July 2012

9 July 2012

Mr Tony Green
Bayswater City Residents Association
PO Box 1639
MORLEY WA 6943

Dear Mr Green

PUBLIC QUESTION TIME - SPECIAL COUNCIL MEETING 3 JULY 2012

Reference is made to your questions raised during Public Question Time at the Special Council Meeting held on Tuesday, 3 July 2012 and I offer the following in response:

Question 1:

Have funds been allocated in this Budget to address the totally inadequate stormwater road drainage at the Walter Road end of Salisbury Street, Bedford

Answer 1:

Funds have been allocated in the 2012/2013 budget to address a number of drainage issues within the City. Works are proposed for the subject section of Salisbury Street utilising this funding.

Question 2:

Have any funds been allocated in this budget to ream (clean out) road drains in the Salisbury Street area?

Answer 2:

The City will be increasing its gully educting program throughout the City and the subject area will be included.

Should you wish to discuss this matter further, please contact the City's Director of Technical Services, Doug Pearson, on 9272 0654.

Yours sincerely

Terence G Kenyon
TERENCE G KENYON, JP
MAYOR

The Garden City - Quality Lifestyle



Civic Centre

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