

CHIEF EXECUTIVE OFFICER'S REPORT

10 JUNE 2019

INDEX

1. REPORTS

1.1	ACTING CEO & SENIOR STAFF ARRANGEMENTS.....	2
1.2	PROPOSED DIFFERENTIAL RATES 2019/20 BUDGET YEAR.....	4
1.3	COUNCILLORS INFORMATION BULLETIN - ISSUE NO 9/2019	11
	ATTACHMENTS	13

CITY OF ARMADALE
Chief Executive Officer's Report

Mayor and Councillors
City of Armadale

Following is my Report for the period
ended 10 June 2019

1.1 - ACTING CEO & SENIOR STAFF ARRANGEMENTS

WARD : ALL
FILE No. : M/374/19
DATE : 5 June 2019
REF : SD
RESPONSIBLE : Chief Executive Officer
MANAGER

In Brief:

- It is proposed that Council appoint an interim CEO until selection of a new CEO is finalized and the successful applicant is able to take up the appointment.
- Confidential Report attached to this agenda for consideration.

Tabled Items

Nil

Officer Interest Declaration

Nil

Strategic Implications

4.1.2 Make decisions that are sound, transparent and strategic.

4.1.3 Support the role of the elected body

4.2.1 Recruit and develop a skilled and competent workforce

Legislation Implications

Sections 5.36, and 5.41 of *Local Government Act 1995*.

Council Policy/Local Law Implications

Council Policy and Management Practice ADM 12 "Acting Senior Positions".

Budget/Financial Implications

The salary component of this appointment can be accommodated within the adopted Annual Budget.

Consultation

Manex & Mayor

A confidential report is attached to this Agenda for consideration.

ATTACHMENTS

1. Acting CEO & Senior Staff Arrangements - Confidential Report - *This matter is considered to be confidential under Section 5.23(2) (a) (c) of the Local Government Act, as it deals with the matter affects an employee of Council; AND the matter relates to a contract entered into or which may be entered into by the City of Armadale*

RECOMMEND

That Council adopt the recommendation contained in the CEO's Confidential Report.

1.2 - PROPOSED DIFFERENTIAL RATES 2019/20 BUDGET YEAR

WARD : ALL
FILE No. : M/379/19
DATE : 6 June 2019
REF : JL
RESPONSIBLE : Executive Director
MANAGER : Corporate Services

In Brief:

This Report:

- is being presented via the CEO's Report consistent with the agreed 2019/20 Budget Adoption Timetable due to time imperatives.
- presents for Council's consideration, details of the public submissions received in response to the advertised proposed differential rates for the 2019/20 budget year;
- seeks Council's determination of the proposed differential rates; and
- requests the required approval of the Minister for Local Government to impose the proposed differential Vacant Rate Category minimum payment of \$1,181 given it is proposed to apply to more than 50% of the properties in this rate category.

Tabled Items

Nil

Officer Interest Declaration

Nil

Strategic Implications

- 4.1.2 Make decisions that are sound, transparent and strategic
- 4.3.1 Prepare and implement short to long term financial plans

Legislation Implications

Section 6.35 of the *Local Government Act 1995* (more specifically sub section (5)), i.e.

6.35. Minimum payment

- (1) *Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.*
- (2) *A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.*
- (3) *In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —*
 - (a) *50% of the total number of separately rated properties in the district; or*
 - (b) *50% of the number of properties in each category referred to in subsection (6),*
on which a minimum payment is imposed.

- (4) A minimum payment is not to be imposed on more than the prescribed percentage of—
- (a) the number of separately rated properties in the district; or
 - (b) the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.
- (5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.
- (6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories—
- (a) to land rated on gross rental value; and
 - (b) to land rated on unimproved value; and
 - (c) to each differential rating category where a differential general rate is imposed.

Section 6.36 of the *Local Government Act 1995*

6.36. Local government to give notice of certain rates

- (1) Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so.
- (2) A local government is required to ensure that a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).
- (3) A notice referred to in subsection (1)—
- (a) may be published within the period of 2 months preceding the commencement of the financial year to which the proposed rates are to apply on the basis of the local government's estimate of the budget deficiency; and
 - (b) is to contain—
 - (i) details of each rate or minimum payment the local government intends to impose; and
 - (ii) an invitation for submissions to be made by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters within 21 days (or such longer period as is specified in the notice) of the notice; and
 - (iii) any further information in relation to the matters specified in subparagraphs (i) and (ii) which may be prescribed;and
 - (c) is to advise electors and ratepayers of the time and place where a document describing the objects of, and reasons for, each proposed rate and minimum payment may be inspected.
- (4) The local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.
- (5) Where a local government—
- (a) in an emergency, proposes to impose a supplementary general rate or specified area rate under section 6.32(3)(a); or

(b) proposes to modify the proposed rates or minimum payments after considering any submissions under subsection (4), it is not required to give local public notice of that proposed supplementary general rate, specified area rate, modified rate or minimum payment.

If Council is of the view to impose the proposed rates **with modifications**, the *Local Government (Financial Management) Regulations 1996* require the reasons for the difference between what was advertised and what was adopted to be included in the Annual Budget and accompany the rate notice.

23. Rates information required

The annual budget is to include —

- (b) if a differential general rate or minimum payment differs from the proposed rate or payment set forth in the local public notice given under section 6.36 —*
- (i) details of the rate or payment set forth in the public notice; and*
 - (ii) reasons for the difference;*

56. Rate notice, content of etc. (Act s. 6.41)

- (4) The following information is to accompany or be included in the rate notice —*
- (b) if a differential general rate or minimum payment differs from the proposed rate or payment set forth in the local public notice given under section 6.36, reasons for the difference;*

Council Policy/Local Law Implications

Nil

Budget/Financial Implications

In accordance with the agreed 2019/20 Budget Adoption Timetable, this Report makes recommendation to Council on the proposed differential rates for the 2019/20 year.

Consultation

- Ratepayers/residents of the City of Armadale;
- Department of Local Government

BACKGROUND

At the Council Meeting held on 13 May 2019 Council resolved as follows:

That Council, pursuant to section 6.36 of the *Local Government Act 1995*, agrees to give local public notice of its intention to impose differential rates in the gross rental value area of the district for the 2019/20 year, in accordance with the attached *Statement of Rating Objects and Reasons* (which will be available for public inspection during the notice period at the City's Administration Centre, libraries and web page) wherein the proposed differential rates and minimum payments are detailed as follows:

Rate Category	Proposed Rates
---------------	----------------

	Rate in the \$ (cents)	Minimum Payment \$
<i>Gross Rental Value Land</i>		
Vacant	14.677	1,181
Residential Improved	8.633	1,181
Business Improved	9.137	1,374
<i>Unimproved Value Land</i>		
General Rural	0.4517	1,414

The above Council decision was informed by:

- Council's adopted 2019-2024 Corporate Business Plan (CBP) which is underpinned by the Long Term Financial Plan (LTFP); and
- Outcomes and matters arising from the Councillor 2019/20 Annual Budget Workshops to review and update the Corporate Business Plan and Long Term Financial Plan.

Public Notice inviting public submissions on the proposed differential rates for 2019/20 as explained in the *Statement of Rating Objects and Reasons* (a copy of this Statement is presented as an Attachment) was given in:

- the West Australian newspaper on Wednesday 15 May 2019;
- the local Examiner newspaper on Thursday 16 May 2019.

The close date for receipt of public submissions is close of business (4.45pm) Thursday 6 June 2019.

DETAILS OF PROPOSAL

The purpose of this Report is to:

1. provide Council with details of any public submissions received on the advertised proposed differential rates;
2. consider the public submissions received before deciding to impose the proposed differential rates and minimum payments, with or without modification, noting that the proposed minimum payment for the Vacant Rate category, requires the prior approval of the Minister before it can be imposed; and
3. request the Minister's approval to impose the proposed Vacant Rate category minimum payment of \$1,181.

COMMENT AND ANALYSIS

As at the date of this Report (6 June 2019) there was one public submission received, which is presented as an attachment. However, the City has been made aware of a petition seeking the same, which will be made to the Council, subject to a Councillor agreeing to submit the petition on the resident's behalf.

The individual submission received proposes that:

- Council identify other sources of income other than rates;
- Council control its spending;
- The Gross Rental Values is based on peak rates (2015); and
- The Council should freeze rates.

Over the past two years the City has received five (5) individual submissions and 2 petitions regarding the affordability of rates and requesting Council to reduce or freeze the rates.

Rate revenue is used to supplement the City's other funding sources, including grants and user pays fees, which make up around 35% of the City's total operating revenue (approximately \$110M). The main application of rate revenue is to works and services that do not generate a significant revenue source, such as parks, roads and footpaths, community facilities, and regulatory services. If the Council were to entertain a rates freeze, it will need to contemplate a reduction in the City's service delivery or levels of service.

The Council has proposed a rate in the dollar and minimum rate that reflects a 1.75% increase. This is after taking into account service delivery requirements, including a forecast increase in the cost of providing local government services of 1.8% (source: WALGA Local Government Economic Update 3 April 2019). This is necessary to maintain the City's financial position and current level of service.

The average residential rate in the City (excluding the waste charge and State Government Emergency Services Levy) is \$1,500 or \$29.00 per week. The proposed increase in the differential rate equates to approximately 50 cents per week.

The City has been cognisant of the current economic climate and during the year a budgetary review of the City's services identified net savings of \$2M. The savings were applied to reduce the required rates and also to fund the expansion of important services, including environmental initiatives and works to improve public safety.

A final comment is offered with respect to the system of rating in Western Australia and the use of a property's Gross Rental Value. In the urban areas of metropolitan Perth, rates are generally calculated based on a property's Gross Rental Valuation (GRV).

A Rate in the Dollar (RID) set by the Council is applied to a properties GRV and the result is the rates applicable to that property.

Rate in the Dollar	0.08335
Multiplied by Gross Rental Valuation	\$18,000*
Equals Rates	\$1,500

*average residential GRV for Armadale

GRVs differ between properties, based on their size, features and type; and between suburbs and districts, based on the market value. What this means is that rates will differ between neighbours based on housing type, between suburbs based on a suburb's market value, between property types based on uses such as residential or commercial, and between Local Government Districts based on the characteristics (e.g. urban intense, homogenous, size and features).

For example in FY18, the average GRV in the City of Armadale (for residential and commercial properties) is \$20,000, whilst the average GRV across the medium to large metropolitan local governments in Perth is \$27,000. To compensate for the differences in GRVs between local government districts, Local Governments adjust their Rate in the Dollar (RID). The higher the overall GRV, the lower the RID. In the case of Armadale, it has a relatively low GRV and thus has a higher RID, to yield the same amount of rates to provide the equivalent range of local government services.

CONCLUSION

It is recommended that the proposed rates as advertised be imposed without modification, on the basis that:

1. The City is proactively sourcing other sources of revenue to supplement rates, which will have future benefit (e.g. capital grants and developer contributions);
2. The City continues to review and benchmark its service delivery and cost of services;
3. Through a reallocation of existing budget funds, the Council has reduced the required rate increase for the forthcoming year and is also proposing to expand important services, without affecting rates.
4. A freeze on rates will require the Council to prioritise a reduction in service delivery or service levels, or adopt a deficit budget. City services are considered annually through the review of the Corporate Business Plan and Long Term Financial Plan.
5. The proposed rate increase of 1.75% is in accord with the anticipated increase in the cost of providing local government services.

ATTACHMENTS

1. [2019-20 Statement of Rating Objects and Reasons](#)
2. [Public Submission_Redacted](#)

RECOMMEND

That Council:

1. **having duly considered the public submission (as attached to this Report) on the proposed differential rates as advertised, and subject to receiving the Minister's approval of the proposed vacant rate category minimum payment of \$1,181, agrees to impose without modification, the following proposed rates and minimum payments as advertised;**

Rate Group	Proposed Rates			
	No. of Properties	Rate in the \$ (cents)	No. of Properties	Minimum Payment \$
<i>Gross Rental Value Land</i>				
Vacant	858	14.677	1,584	1,181
Residential Improved	30,294	8.633	2,757	1,181
Business Improved	734	9.137	368	1,374
<i>Unimproved Value</i>				

<i>Land</i> General Rural	131	0.4517	15	1,414
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2. in accordance with section 6.35(5) of the *Local Government Act 1995*, seek the Minister for Local Government's approval to impose a minimum payment of \$1,181 for the 2019/20 rating year on properties in the *Gross Rental Value Vacant Rate Category* given the minimum payment will apply to more than 50% of the properties in the Category.

1.3 - COUNCILLORS INFORMATION BULLETIN - ISSUE NO 9/2019

WARD : ALL
FILE No. : M/378/19
DATE : 6 June 2019
REF : MC
RESPONSIBLE : Chief Executive Officer
MANAGER

In Brief:

- Councillor's Information Bulletin – Councillor's are advised to take note of the information submitted in Issue No. 9/2019 to be received by Council

Strategic Implications

The following general information and memorandums were circulated in Issue No 9/2019 on 6 June 2019.

COMMENT

Correspondence & Papers

WA Local Government Association (WALGA) News
Australian Local Government Association (ALGA) News

Information from Human Resources

Employee Movements

Information from Technical Services

Nil

Information from Community Services

Nil

Information from City Strategy

Progress Report

Progress Report on Contingency, Operational & Strategic Project

Outstanding Matters & Information Items

Economic Development

Tourism & Visitor Centre Report

Accounting Reports

Rates Report

Report of the Common Seal

Information from Development Services

Outstanding Matters & Information Items

Report on Outstanding Matters - Development Services Committee
Review before the State Administrative Tribunal (SAT)

Health

Health Services Manager's Report – May 2019

Planning

Planning Applications Report – May 2019

Town Planning Scheme No.4 - Amendment Action Table
Subdivision Applications - WAPC Approvals/Refusals - May 2019
Subdivision Applications - Report on Lots Registered for 2018/2019
PAW Closure Report - Significant Actions during May 2019
Compliance Officer's Report – May 2019

Building

Building Services Manager's Report – May 2019
Building Health/Compliance Officer's Report – May 2019
Building Applications Monthly Statistics – May 2019

ATTACHMENTS

There are no attachments for this report.

RECOMMEND

That Council acknowledge receipt of Issue 9/2019 of the Information Bulletin

CHIEF EXECUTIVE OFFICER'S REPORT		
ATTACHMENTS		
10 JUNE 2019		
ATT NO.	SUBJECT	PAGE
1.2 PROPOSED DIFFERENTIAL RATES 2019/20 BUDGET YEAR		
1.2.1	2019-20 Statement of Rating Objects and Reasons	14
1.2.2	Public Submission_Redacted	51



Statement of Rating Objects and Reasons 2019/20

Statement of Rating Objects & Reasons

Table of Contents

Draft Statement of Rating Objects & Reasons	3
Introduction.....	3
Proposed 2019/20 Rates	4
Differential Rates – Gross Rental Value Land.....	6
Objects	7
Reasons	8
Minimum Payments	9
Special Area Rates (SARs)	9
The Rating Legislative Framework.....	12
Appendix A - Armadale Town Centre Specified Area Plan	17
Appendix B - Kelmscott Town Centre Specified Area Plan	18
Appendix C - Kelmscott Industrial Specified Area Plan.....	19
Appendix D - South Armadale Industrial Specified Area Plan.....	20
Appendix E - Champion Lakes Specified Area Plan	21
Appendix F - North Forrestdale Specified Area Plan	22
City Services Review	23
1.0 Introduction.....	23
2.0 Formulation of the 2019/20 Annual Budget.....	25
3.0 Major Services	26
4.0 Decisions having a direct impact on estimated costs and therefore the rates required:-	27
5.0 Decisions taken having an Indirect impact on the rates required:-.....	32
6.0 Rates Required.....	34
7.0 Household Rates.....	35
8.0 Annual Rubbish Charge	35
9.0 Benchmarking of Council Performance	36

Statement of Rating Objects & Reasons

Statement of Rating Objects & Reasons

Introduction

This Statement is provided:

- in accordance with section 6.36 of the *Local Government Act 1995*;
- to inform residents of the City of the objects and reasons for the differential rates being proposed for the 2019/20 financial year; and
- to invite submissions from residents on the proposed differential rates and minimum payments.

Residents wishing to make written submission are invited to lodge their submission with the City **by no later than close of business, 4.45pm, on Thursday 6 June 2019.**

Written Submission can be forwarded to:

**Chief Executive Officer
City of Armadale
7 Orchard Avenue
Armadale WA 6112**

Submissions will also be accepted by email: info@armadale.wa.gov.au or lodged in person at the City's Administration Centre at 7 Orchard Avenue, Armadale.

Should you have any queries in respect to this Statement, please contact our Rates Department on 9394 5664.

Statement of Rating Objects & Reasons

Proposed 2019/20 Rates

The population of the City of Armadale has been growing for a number of years. Last year, an estimated 3,000 people moved into the district, representing the second highest population growth rate for a local government district in Western Australia.

Likewise, the City's services, amenities and infrastructure are expanding in conjunction with the population growth to meet the needs of the community and in response to changes in community priorities and State Government policy. To meet the cost of these services, the Council has been careful strike a balance between the level of rates and the services provided.

This year, the growth in City services will be funded by a redistribution of City funds, following a review of the overall cost of City services. This has enabled the City to expand services with no impact on rates. These expanded services include libraries services, environmental initiatives, public safety improvements (to public access ways), streetscape/verge amenity, dealing with abandoned buildings and strategic land use (urban development) planning.

The Local Government Cost Index (LGCI) measures the increase in the cost of providing local government services and facilities using economic data from the Australian Bureau of Statistics. This year, the forecast index is 2.0%, however the City has decided to set the rates based on an increase in costs of 1.75% and absorb the difference in costs. Further details are provided in Appendix G "City Services review".

Table 1 provides details, including:

- the Gross Rental Value (GRV) and Unimproved Value (UV) of all rateable property in the local government district of Armadale, used as the basis to calculate the proposed rates revenue for 2019/20;
- the proposed rate in the dollar proposed to be applied to the GRV and UV rateable properties;
- the minimum payment established under s6.25 of the Local Government Act; and
- the proposed rate revenues for 2019/20.

Statement of Rating Objects & Reasons

Table 1 – Proposed Rates 2019/20

Particulars	Rate in the Dollar (cents)	Property Numbers	Rateable Value \$	General Rates \$	Interim Rates \$	Total Rate Revenue \$
Differential Rates						
<i>Gross Rental Value Lands</i>						
- Vacant	14.677	858	19,525,140	2,817,000		2,866,000
- Residential Improved	8.633	30,294	581,919,715	49,373,000	450,000	50,687,000
- Business Improved	9.137	734	100,048,989	8,984,000	100,000	9,241,000
		31,886	701,493,844	61,174,000	550,000	62,794,000
General Rates						
<i>Unimproved Value Lands</i>						
- General Rural Rate	0.4517	131	162,317,000	720,000		733,000
		32,017	863,810,844	61,894,000	550,000	63,527,000
Minimum Payments						
<i>Gross Rental Value Lands</i>						
- Vacant \$1,181		1,584	8,865,403	1,839,000	849,000	2,720,000
- Residential Improved \$1,181		2,757	34,238,875	3,200,000		3,256,000
- Business Improved \$1,374		368	4,122,787	497,000		506,000
		4,709	47,227,065	5,536,000	849,000	6,482,000
<i>Unimproved Value Lands</i>						
- General Rural Minimum \$1,414		15	3,379,492	21,000		21,000
		15	3,379,492	21,000		21,000
Grand Total		36,741	914,417,401	67,451,000	1,399,000	70,030,000

Statement of Rating Objects & Reasons

Differential Rates – Gross Rental Value Land

The City of Armadale proposes applying differential rates pursuant to section 6.33(1)(a) and (c) of the *Local Government Act 1995*, i.e. according to whether land is vacant and according to the purpose for which land is zoned under the (3) planning schemes in use within the district.

The differential rates are levied on all non-rural rateable land within the City according to:

1. Whether or not the land is vacant land (section 6.33(1)(c) of the Act refers), and
2. The purpose for land is zoned under the planning schemes in use within the district (section 6.33(1)(a) of the Act refers).

The City is again proposing (3) differential rate categories for non-rural land valued on its gross rental value, namely:

Category 1 all vacant land

Category 2 all improved land that is NOT zoned for business purposes (primarily residential type land); and

Category 3 all improved land that is zoned for business purposes.

The zonings (under the City of Armadale Town Planning Scheme No. 4, the Armadale Redevelopment Scheme 2004 and the Wungong Urban Water Redevelopment Scheme 2007) that are included in Category 3 – *Business Purposes* include:

City of Armadale Town Planning Scheme No.4

- District Centre
- General Industry
- Industrial Business
- Industrial Development
- Local Centre
- Strategic Regional Centre

Statement of Rating Objects & Reasons

MRA - Armadale Redevelopment Scheme 2004:

- MRA – Armadale City Centre – West of Railway Precinct
- MRA – Forrestdale Business Park Precinct
- MRA – Forrestdale (West) Special Development Precinct
- MRA – Champion Lakes Commercial Precinct
- MRA – Kelmscott Town Centre Precinct

MRA - Wungong Urban Water Redevelopment Scheme 2007

- MRA – Commercial Place Code
- MRA – Town Activity Centre Place Code
- MRA – Neighbourhood Activity Centre Place Code

The proposed rates for 2019/20 are set at differential levels that provide, as far as is practically possible, a fair and equitable distribution of the rates to each rate category having regard to its demands on the City's services.

None of the proposed differential rates are more than twice the lowest differential rate proposed.

The objects and reasons for the imposition of each proposed differential rate are:

Objects

The rates in the dollar and minimum payments are calculated to provide the shortfall in revenue required to enable the City to provide necessary works and services in the 2019/20 Budget year after taking into account all non-rate sources of revenue and are consistent with the City's Strategic Community Plan, Corporate Business Plan and Long Term Financial Plan.

Presented at Appendix G in this Statement, is an overview of the steps and measures Council has taken in determining the required total rates, i.e. expenditure and revenue reviews; benchmarking of service expenses; etc.

The objective of these steps and measures is to keep the required rates to a minimum whilst at the same time ensuring service standards are maintained at levels that are responsive to resident needs.

Statement of Rating Objects & Reasons

Reasons

GRV Residential Improved Land

The proposed rate in the dollar has been set to ensure that the proportion of total rate revenue derived from residential improved land remains consistent with previous years.

GRV Vacant Land

The proposed rate in the dollar has been set to ensure that the proportion of total rate revenue derived from vacant land remains consistent with previous years. It is higher than residential improved land in an effort to promote the development of all properties to their full potential, thereby stimulating economic growth and development in all areas of the community.

GRV Business Improved Land

The proposed rate in the dollar has been set to ensure that the proportion of total rate revenue derived from business improved land remains consistent with previous years and is higher than the residential land rate to recognise the higher demand on the City's infrastructure and services occasioned by matters such as:

- the Economic Development function which is largely directed at the encouragement of commercial and industrial businesses to locate and relocate to the City of Armadale, as well as to provide support for the industrial and commercial community;
- The improvements to, the upgrade of and renewal of the street network in the CBD;
- Increased maintenance and operational costs in and around shopping precincts including verge mowing, litter removal, street trees and weed control spraying;
- Increased maintenance and operational costs in industrial areas, particularly related to drainage; and
- Increased costs related to the general improvement to the road streetscapes of the entry roads into Armadale, including landscaping, tree plantings and the provision of pedestrian and cycle paths.

Statement of Rating Objects & Reasons

UV Rates

The proposed rate in the dollar has been set to ensure that the proportion of total rate revenue derived from unimproved valued (UV) land remains consistent with previous years.

Minimum Payments

A minimum payment is applied to each rate group in recognition that every property receives a minimum level of benefit from works and services provided by the City.

The minimum payments for each rate group have been set at a level that is consistent with previous years and relative to the rate in the dollar for each differential rate group. For example, the minimum payment for the business improved rate group is higher to reflect the higher rate in the dollar to recognise the higher demand on the City's infrastructure and services as explained above.

The proposed minimum payment of \$1,181 on the vacant land group will (consistent with prior years) apply to more than 50 percent of the properties, and will therefore require approval from the Minister pursuant to section 6.35(5) of the *Local Government Act 1995*.

Special Area Rates (SARs)

The City imposes Special Area Rates (SARs) on certain locations in the district. SARs enable the enhancement of the general amenity of an area by way of increased service levels for the benefit of ratepayers/residents who live or work in the area.

The authority to impose specified area rates is set out in section 6.37 of the *Local Government Act 1995*. This section requires that the money raised from a SAR be used for the purpose for which the rate was imposed, with any residual amount remaining being placed in a reserve for that same purpose. If an amount is not used, a refund or credit must be made.

Statement of Rating Objects & Reasons

Townscape SARs

The purpose of the Townscape Amenity Services SAR is to enhance the general amenity of the area by way of increased service levels in ways like litter control, verge and streetscape maintenance, verge mowing etc.

The Townscape Amenity Service is focused on the following four (4) business/commercial areas:

- Specified Area A – Armadale Town Centre
- Specified Area B – Kelmscott Town Centre
- Specified Area C – Kelmscott Industrial Area
- Specified Area D – South Armadale Industrial Area

The Townscape Amenity SAR is calculated by:

- i. Dividing the cost of the additional servicing provided within the specified area by the total valuations of rateable properties within the area, to arrive at a SAR Rate in the Dollar; and
- ii. Multiplying the specified area rate in the dollar by the respective property valuation for each property.

Presented below is a summary of the four Townscape SARs proposed for 2019/20.

Specified Area	Rate in \$ (Cents)	No of Properties	Rateable Value (\$GRV)	Proposed Specified Area Rates to be Levied
A - Armadale Town Centre	0.377	86	31,606,372	119,100
B - Kelmscott Town Centre	0.880	145	9,023,343	79,400
C - Kelmscott Industrial Area	0.166	341	11,962,346	19,900
D - South Armadale Industrial Area	0.353	137	6,431,478	22,700
Total		709	59,023,539	241,100

Statement of Rating Objects & Reasons

Residential SARs

The purpose of the Residential Amenity Services SAR is to maintain the higher standard of public open space amenity in newer residential areas, which was originally provided by the estate developer.

The Residential Amenity SAR calculation is a little more complex than the Townscape SARs. Essentially the calculation is:

- i. The additional cost per hectare (i.e. the cost per ha for maintenance and operating within the specified area versus the remainder of the City); multiplied by
- ii. the number of hectares of POS in the specified area managed by the City; divided by
- iii. the total valuations of rateable properties within the area, providing the specified area rate in the dollar; then
- iv. Multiplying the specified area rate in the dollar by the respective property valuation for each property.

The Harrisdale/Piara Waters SAR was first introduced in 2009/2010 and the Champion Lakes SAR was introduced in 2012/13.

Presented below is a summary of the two proposed Residential SARs for 2019/20

Specified Area	Rate in \$ (Cents)	No of Properties	Rateable Value (\$GRV)	Proposed Specified Area Rates to be Levied
F - Harrisdale/Piara Waters	0.212	4787	107,015,050	226,980
G - Champion Lakes	0.212	302	5,483,540	11,607
Total		5,089	112,498,590	238,587

Statement of Rating Objects & Reasons

The Rating Legislative Framework

For information purposes, the rating provisions of the Local Government Act 1995 relevant to this Statement are as follows, i.e.

6.28. Basis of rates

- (1) The Minister is to —
 - (a) determine the method of valuation of land to be used by a local government as the basis for a rate; and
 - (b) publish a notice of the determination in the Government Gazette.
- (2) In determining the method of valuation of land to be used by a local government the Minister is to have regard to the general principle that the basis for a rate on any land is to be —
 - (a) where the land is used predominantly for rural purposes, the unimproved value of the land; and
 - (b) where the land is used predominantly for non-rural purposes, the gross rental value of the land.
- (3) The unimproved value or gross rental value, as the case requires, of rateable land in the district of a local government is to be recorded in the rate record of that local government.
- (4) Subject to subsection (5), for the purposes of this section the valuation to be used by a local government is to be the valuation in force under the *Valuation of Land Act 1978* as at 1 July in each financial year.
- (5) Where during a financial year —
 - (a) an interim valuation is made under the *Valuation of Land Act 1978*; or
 - (b) a valuation comes into force under the *Valuation of Land Act 1978* as a result of the amendment of a valuation under that Act; or
 - (c) a new valuation is made under the *Valuation of Land Act 1978* in the course of completing a general valuation that has previously come into force,

the interim valuation, amended valuation or new valuation, as the case requires, is to be used by a local government for the purposes of this section.

Statement of Rating Objects & Reasons

6.32. Rates and service charges

- (1) When adopting the annual budget, a local government —
 - (a) in order to make up the budget deficiency, is to impose* a general rate on rateable land within its district, which rate may be imposed either —
 - (i) uniformly; or
 - (ii) differentially; and
 - (b) may impose* on rateable land within its district —
 - (i) a specified area rate; or
 - (ii) a minimum payment; and
 - (c) may impose* a service charge on land within its district.

* Absolute majority required.

- (2) Where a local government resolves to impose a rate it is required to —
 - (a) set a rate which is expressed as a rate in the dollar of the gross rental value of rateable land within its district to be rated on gross rental value; and
 - (b) set a rate which is expressed as a rate in the dollar of the unimproved value of rateable land within its district to be rated on unimproved value.
- (3) A local government —
 - (a) may, at any time after the imposition of rates in a financial year, in an emergency, impose* a supplementary general rate or specified area rate for the unexpired portion of the current financial year; and
 - (b) is to, after a court or the State Administrative Tribunal has quashed a general valuation, rate or service charge, impose* a new general rate, specified area rate or service charge.

* Absolute majority required.

6.33. Differential general rates

- (1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —
 - (a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the *Planning and Development Act 2005*; or
 - (b) a purpose for which the land is held or used as determined by the local government; or
 - (c) whether or not the land is vacant land; or
 - (d) any other characteristic or combination of characteristics prescribed.

Statement of Rating Objects & Reasons

- (2) Regulations may —
 - (a) specify the characteristics under subsection (1) which a local government is to use; or
 - (b) limit the characteristics under subsection (1) which a local government is permitted to use.
- (3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.
- (4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.

6.35. Minimum payment

- (1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.
- (2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.
- (3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —
 - (a) 50% of the total number of separately rated properties in the district; or
 - (b) 50% of the number of properties in each category referred to in subsection (6),

on which a minimum payment is imposed.

- (4) A minimum payment is not to be imposed on more than the prescribed percentage of —
 - (a) the number of separately rated properties in the district; or
 - (b) the number of properties in each category referred to in subsection (6),

unless the general minimum does not exceed the prescribed amount.

- (5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.

Statement of Rating Objects & Reasons

- (6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —
 - (a) to land rated on gross rental value; and
 - (b) to land rated on unimproved value; and
 - (c) to each differential rating category where a differential general rate is imposed.

6.36. Local government to give notice of certain rates

- (1) Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so.
- (2) A local government is required to ensure that a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).
- (3) A notice referred to in subsection (1) —
 - (a) may be published within the period of 2 months preceding the commencement of the financial year to which the proposed rates are to apply on the basis of the local government's estimate of the budget deficiency; and
 - (b) is to contain —
 - (i) details of each rate or minimum payment the local government intends to impose; and
 - (ii) an invitation for submissions to be made by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters within 21 days (or such longer period as is specified in the notice) of the notice; and
 - (iii) any further information in relation to the matters specified in subparagraphs (i) and (ii) which may be prescribed; and
 - (c) is to advise electors and ratepayers of the time and place where a document describing the objects of, and reasons for, each proposed rate and minimum payment may be inspected.
- (4) The local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.
- (5) Where a local government —
 - (a) in an emergency, proposes to impose a supplementary general rate or specified area rate under section 6.32(3)(a); or
 - (b) proposes to modify the proposed rates or minimum payments after considering any submissions under subsection (4),

it is not required to give local public notice of that proposed supplementary general rate, specified area rate, modified rate or minimum payment.

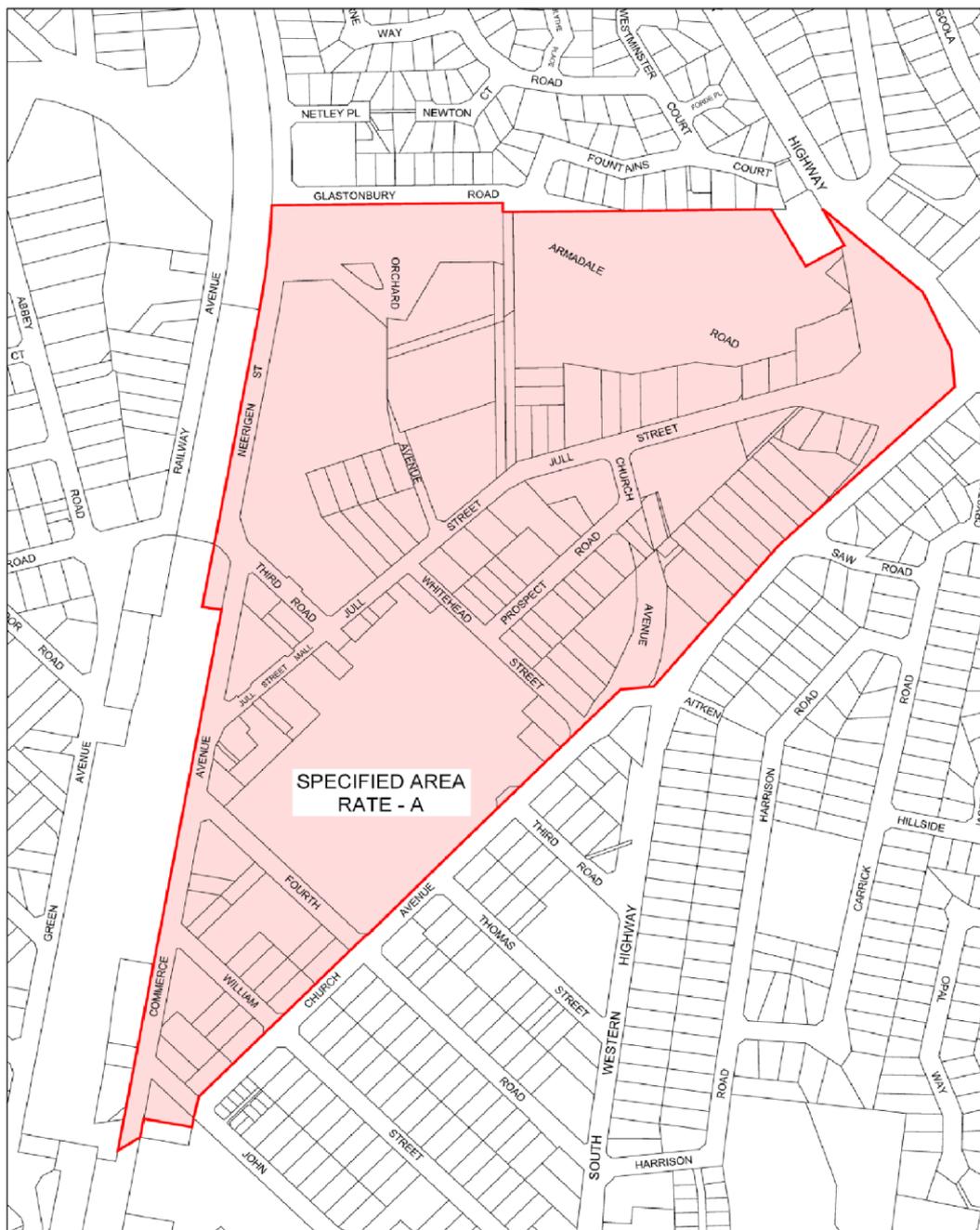
Statement of Rating Objects & Reasons

6.37. Specified area rates

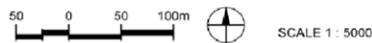
- (1) A local government may impose a specified area rate on rateable land within a portion of its district for the purpose of meeting the cost of the provision by it of a specific work, service or facility if the local government considers that the ratepayers or residents within that area —
 - (a) have benefited or will benefit from; or
 - (b) have access to or will have access to; or
 - (c) have contributed or will contribute to the need for,that work, service or facility.
- (2) A local government is required to —
 - (a) use the money from a specified area rate for the purpose for which the rate is imposed in the financial year in which the rate is imposed; or
 - (b) to place it in a reserve account established under section 6.11 for that purpose.
- (3) Where money has been placed in a reserve account under subsection (2)(b), the local government is not to —
 - (a) change the purpose of the reserve account; or
 - (b) use the money in the reserve account for a purpose other than the service for which the specified area rate was imposed,and section 6.11(2), (3) and (4) do not apply to such a reserve account.
- (4) A local government may only use the money raised from a specified area rate —
 - (a) to meet the cost of providing the specific work, service or facility for which the rate was imposed; or
 - (b) to repay money borrowed for anything referred to in paragraph (a) and interest on that money.
- (5) If a local government receives more money than it requires from a specified area rate on any land or if the money received from the rate is no longer required for the work, service or facility the local government —
 - (a) may, and if so requested by the owner of the land is required to, make a refund to that owner which is proportionate to the contributions received by the local government; or
 - (b) is required to allow a credit of an amount proportionate to the contribution received by the local government in relation to the land on which the rate was imposed against future liabilities for rates or service charges in respect of that land.

R S Tame
Chief Executive Officer

Armada Town Centre Specified Area Plan



SPECIFIED RATE AREA A
Armada Town Centre



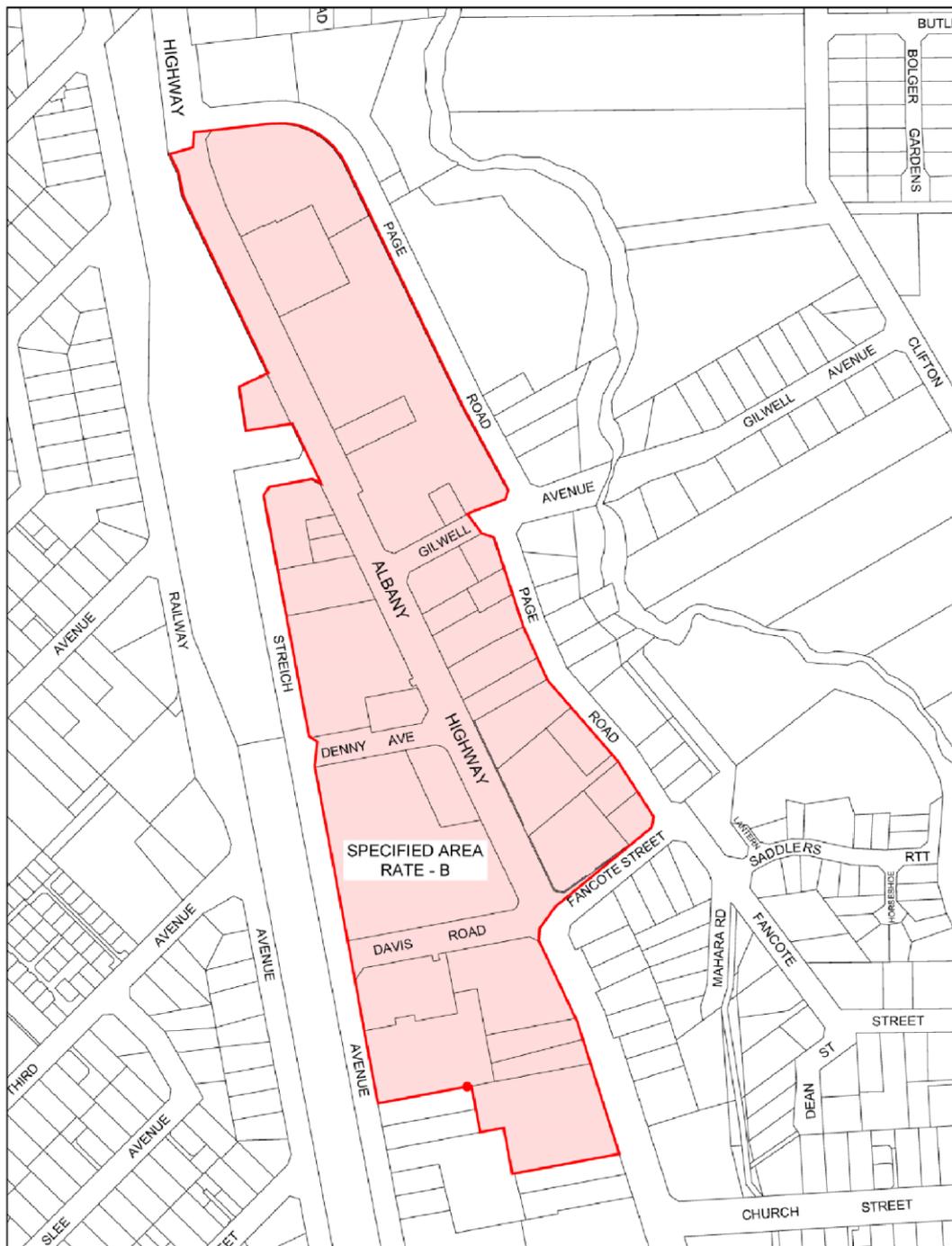
DATE 9 June 2010 - REVISION 1601

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Western Australian Land Information Authority (Landscape 2010).
Aerial photographs supplied by Landsat. Photos by GeoEye.

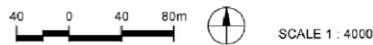


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Kelmscott Town Centre Specified Area Plan



SPECIFIED RATE AREA B
Kelmscott Town Centre



Based on information provided by and with the permission of the
Western Australian Land Information Authority trading as Landgate (2012).
Aerial photograph supplied by Landgate. Photographs by ViewMap.



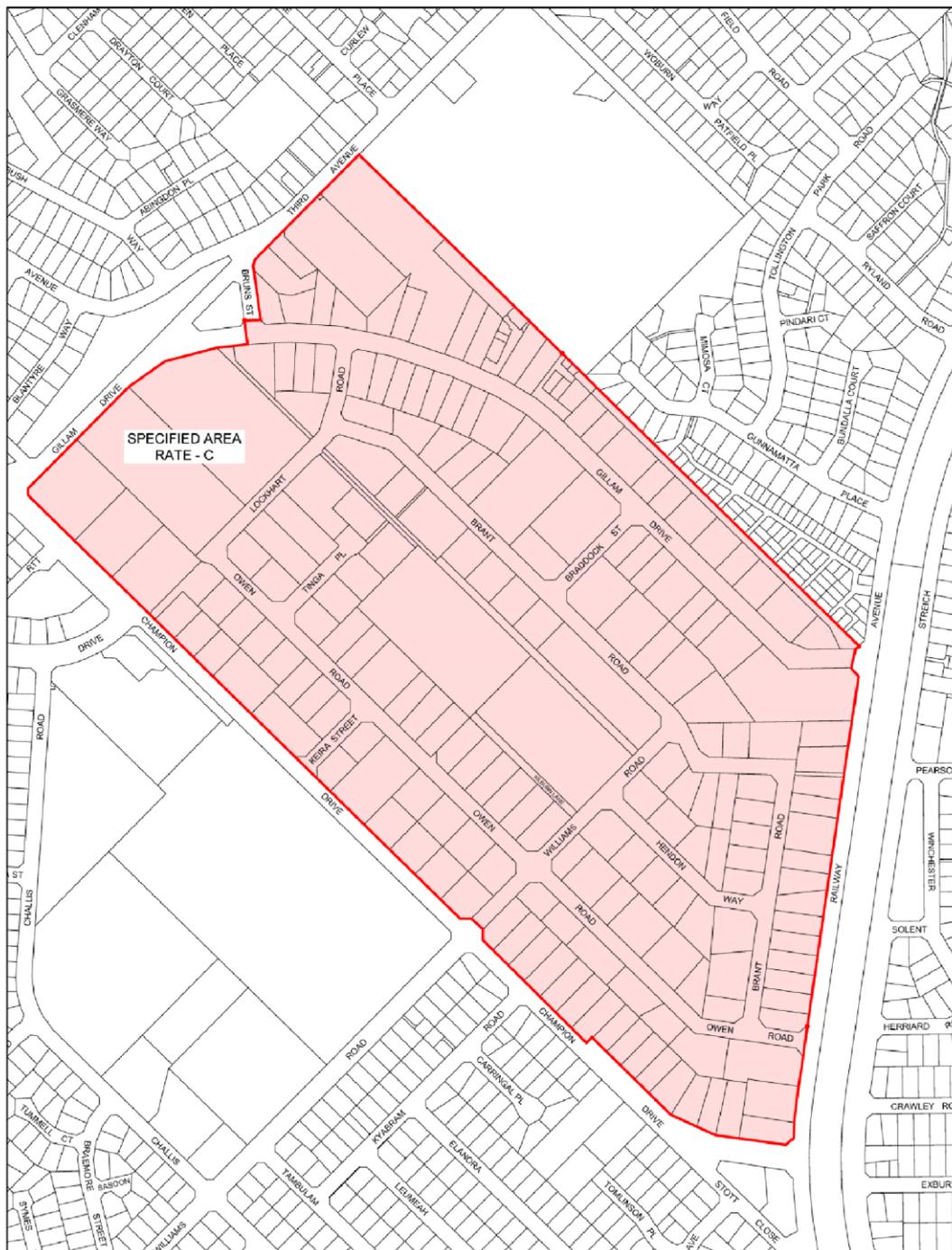
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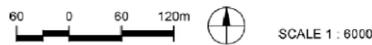
Appendix C

Statement of Rating Objects & Reasons

Kelmscott Industrial Specified Area Plan



SPECIFIED RATE AREA C
Kelmscott Industrial Area



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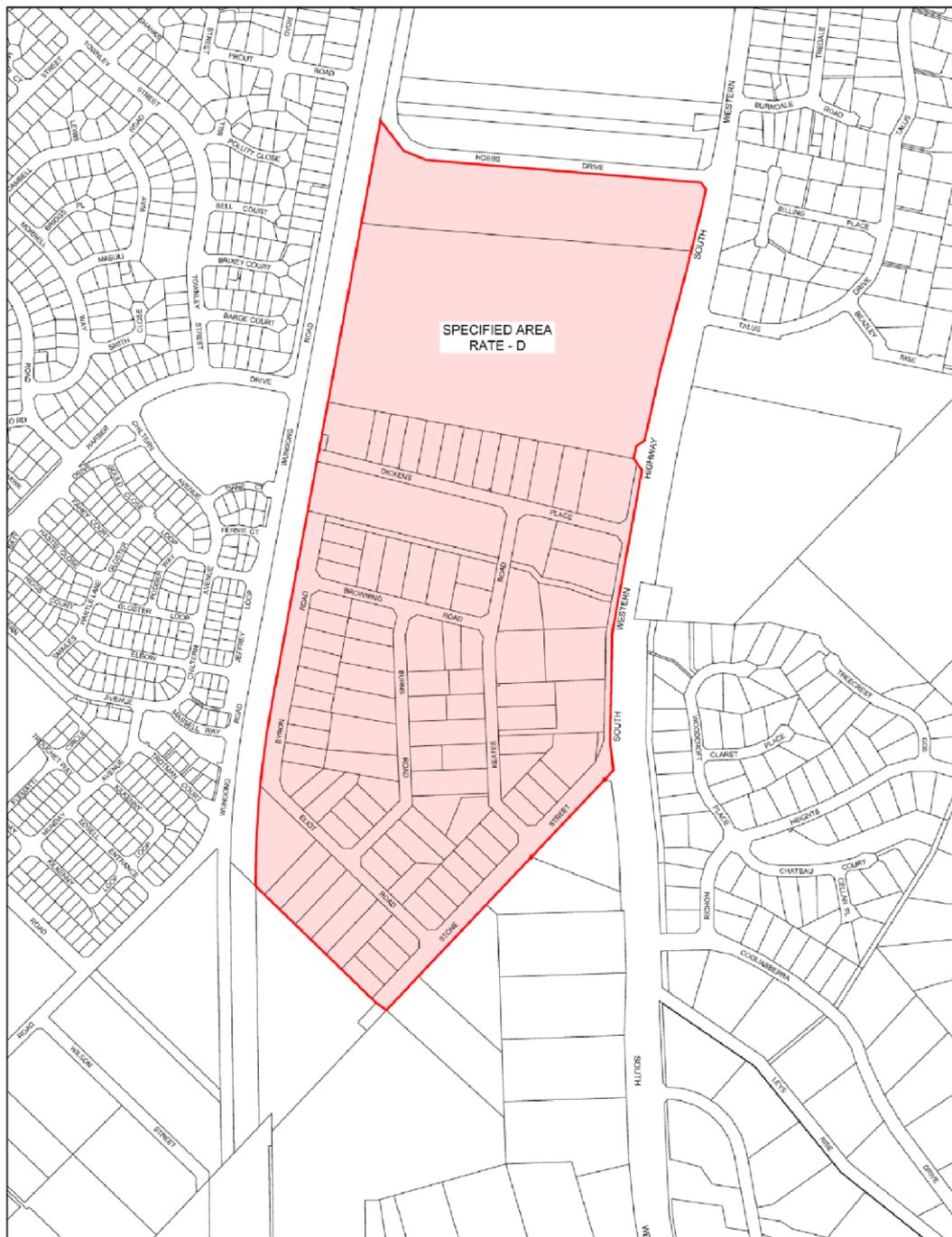
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Appendix D

Statement of Rating Objects & Reasons

South Armadale Industrial Specified Area Plan



SPECIFIED RATE AREA D
South Armadale Industrial Area



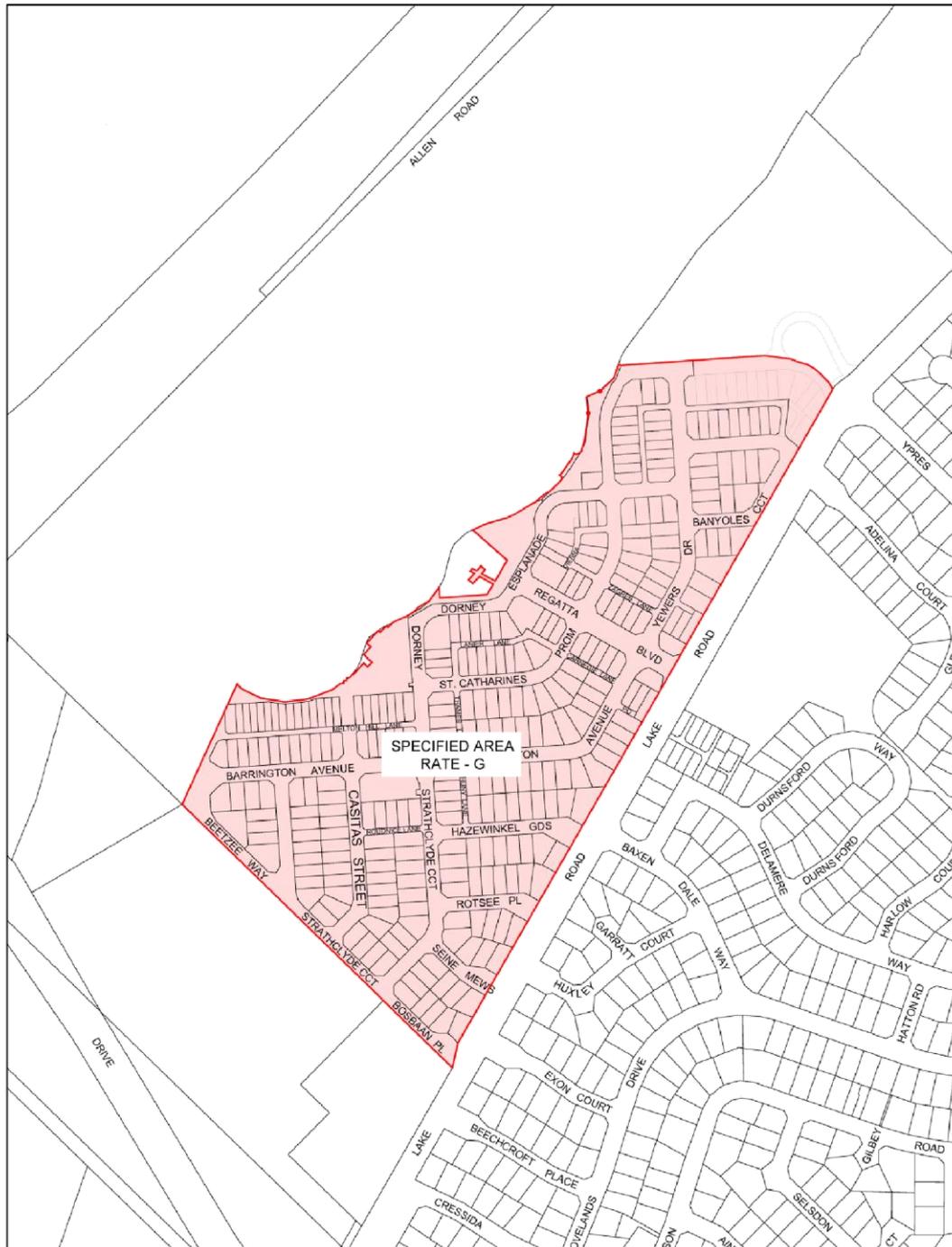
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Aerial photograph supplied by Landgate. Photograph by TrueMap.



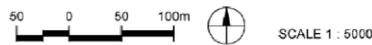
DATE 9 June 2016 - REVISION 1502

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Champion Lakes Specified Area Plan



SPECIFIED RATE AREA G
Champion Lakes



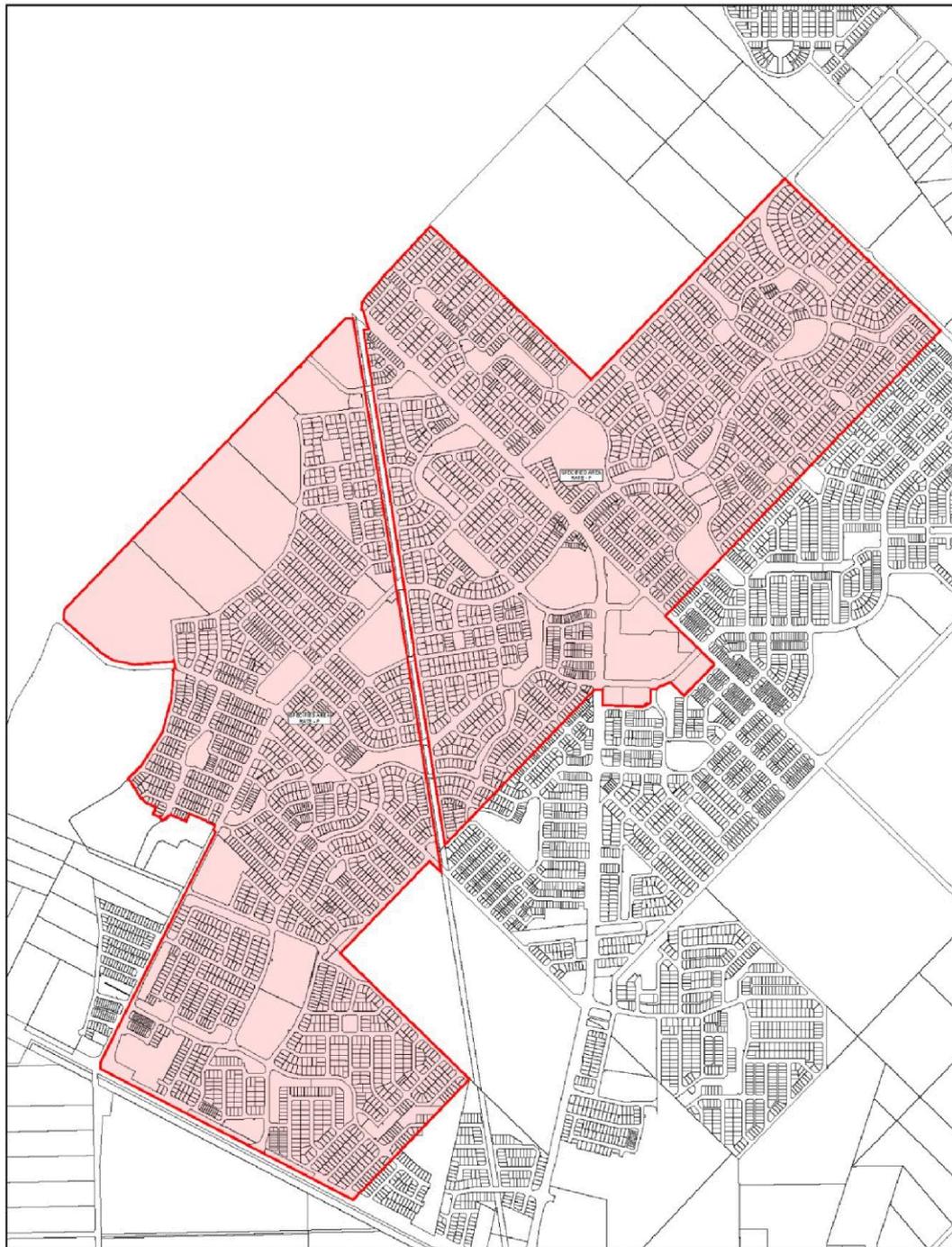
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Aerial photograph supplied by Landgate. Photographs by ViewMap.



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North Forrestdale Specified Area Plan



SPECIFIED RATE AREA F
Piara Waters / Harrisdale



DATE 23 April 2019 - REVISION 1901

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Western Australian Land Information Authority (Landspace 2019).
Aerial photograph supplied by Landspace. PhotoMap by ViewMap.



City Services Review

An overview of the steps, measures and processes taken by Council in determining the required rates.

1.0 Introduction

In 2018, the City levied \$66.5M in annual rates to supplement the delivery of services and the provision of assets. This resulted in an average residential rate of \$1,581 and an average commercial rate of \$8,651.

Rates are used to supplement other sources of funds (fees, charges, grants and interest) to meet the cost of providing City's services, expenditure on assets, debt repayment and planned savings (transfer to cash reserves). Typically, Local Government rates are a function of:

- The characteristics of the Local Government area such as size, asset base, homogenous or diversified localities, undeveloped, developing or largely developed suburbs etc ;
- The services provided by the Local Government;
- The level of service provided by the Local Government;
- The user pays policies of the Council.

Armadale is characterised by its high growth areas, its Strategic Metropolitan Centre and a mix of old and new. It does not necessarily have an intense commercial or industrial centre, however the Forrestdale Business Park and South Forrestdale – Rowley Road Precinct will establish this characteristic in the future. As a result, this has placed a greater reliance on residential rates presently, to contribute to the total rates required.

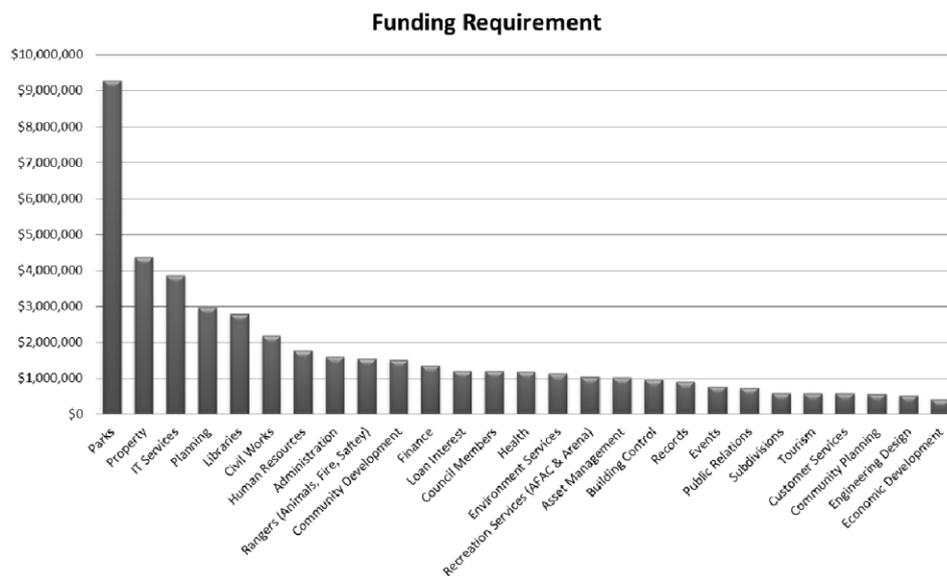
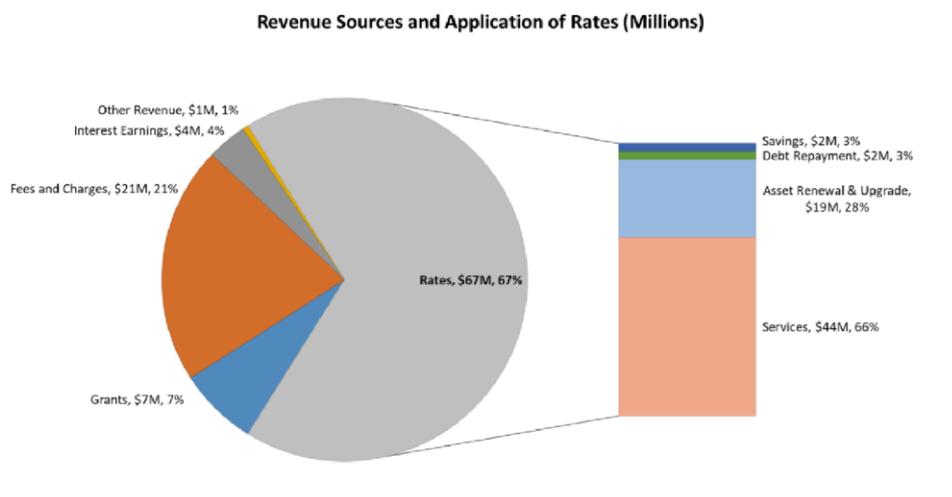
Council has recognised that the level of service provided does vary between localities, particularly amenities provided and maintained in the newly developed suburbs. To address the difference in service levels, the City has adopted a strategy of Special Area Rating (SAR) to fund the higher service level directly from those who benefit.

Appendix G

Statement of Rating Objects & Reasons

The capacity of a service to fund its operations is a reflection of the nature of the service and the ability to charge user pays fees or obtain grants. The net result is a funding requirement from rates. Parks services are funded almost entirely of rates, whilst civil works (roads etc) are supplemented by road grants, but still require a significant apportionment of rates. Development services charge statutory fees, and whilst this is premised on a user pays basis, the reality is that the fees do not cover the full cost of the service.

Taking the above into account, the allocation of rates to services and assets is illustrated by the following charts:



2.0 Formulation of the 2019/20 Annual Budget

Local Governments provide a range of community services and facilities funded wholly or in part by revenue raised from rates. The amount of rates required is determined after deducting other sources of revenue from the cost of providing City services and maintaining City assets. Other funding sources include user pays fees, statutory charges, lease revenue, grants, and loan funds for capital projects.

In setting the required rates, the Council must have due regard to the requirements of Section 3.18 of the Local Government Act 1995, with respect to providing services and facilities. This section stipulates that:

3.18. *Performing executive functions*

- (1) *A local government is to administer its local laws and may do all other things that are necessary or convenient to be done for, or in connection with, performing its functions under this Act.*
- (2) *In performing its executive functions, a local government may provide services and facilities.*
- (3) *A local government is to satisfy itself that services and facilities that it provides —*
 - (a) *integrate and coordinate, so far as practicable, with any provided by the Commonwealth, the State or any public body; and*
 - (b) *do not duplicate, to an extent that the local government considers inappropriate, services or facilities provided by the Commonwealth, the State or any other body or person, whether public or private; and*
 - (c) *are managed efficiently and effectively.*

3.0 Major Services

The City provides many services for residents, property owners, business and visitors to the district. Major services provided by the City and funded wholly or in part by rates include:

- Maintaining and servicing essential infrastructure :-
 - 792 kms of sealed roads with an estimated replacement value of \$664m;
 - 154 public buildings with an estimated replacement value of \$140m;
 - 1,890 hectares of parks and reserves with an estimated replacement value of \$57m;
 - 494 kms of footpaths and cycle ways with an estimated replacement value of \$76m;
 - 1,176 street light lamps throughout the City that cost \$2.3m annually;
- Operating three (3) public libraries with a membership of 27,000 and annual visits and borrowings of 329,000 and 309,000 respectively;
- Operating the Armadale Fitness and Aquatic Centre and Armadale Arena with a membership base of +5,000 and approximately 1,800 swim school enrolments.
- Managing the City's reserves, halls and pavilions, with bookings now exceeding 21,000;
- Facilitating major community events including the Armadale Arts Festival, the Highland Gathering, NAIDOC celebrations, Australia Day and Carols By Candlelight which collectively attracted approximately 90,000 people.
- Ranger and Emergency services responding to 8,000 requests for service annually;
- Strategically planning for communities and urban development, catering for an additional 45,000 people over the next 15 years;
- Providing City Governance, supporting fourteen Councillors across seven wards (with an average representation of 3,600 electors per Councillor).

For further details of the City's services and activities, visit the City of Armadale website and download a copy of the 2018 Annual Report.

4.0 Decisions having a direct impact on estimated costs and therefore the rates required:-

This section provides an brief overview of some of the decisions Council has taken during the year which directly impact the cost of services and required funding by rates.

Investigation into a lower cost Corporate Business Plan

During the year, the City undertook a comprehensive budgetary review In response to a Council decision to:

..submit a report to the City Strategy Committee on the organisation preparing an alternative "lower total expenditure" Budget and Corporate Business Plan for consideration by Council.

The review focused on inputs to service delivery, changes in the economic climate and to the City's future direction. Whilst the review also considered City programs, an assessment of the commitment to those programs was set aside for a more holistic review by Council at a later date.

The headline number is that an amount of \$2.0M was identified as a net reduction to the Long Term Financial Plan cost base. This is summarised as:

(Reduction) in Revenue	(\$0.7M)
Reduction in Expenditure	\$1.3M
Write back depreciation	\$1.4M
Net Reduction	\$2.0M

Appendix G

Statement of Rating Objects & Reasons

Summary of proposed changes by Nature & Type	2019 Budget (\$)	New Budget (\$)	Proposed Adjustments (Reduction)/Increase (\$)
Revenue			
Fees and Charges	6,857,300	6,167,200	(690,100)
Earnings from Interest	2,559,000	1,769,000	(790,000)
Interim Rate Revenue	1,020,800	1,543,800	523,000
Grants/Contributions	383,500	615,000	231,500
Other Revenue	2,600	10,000	7,400
Revenue Total	10,823,200	10,105,000	(718,200)
Operating Expense			
Employment	2,027,500	2,181,800	(154,300)
Office	1,069,700	878,600	191,100
Other Expense	3,637,100	3,304,200	332,900
Professional Services	803,000	700,350	102,650
Vehicles	393,200	456,200	(63,000)
Facilities	2,476,400	2,165,400	311,000
Parks & Civil Works	8,290,940	7,983,340	307,600
Accounting	(10,410,200)	(10,119,600)	290,600
Operating Expense Total	8,287,640	7,550,290	1,318,550
Total	19,110,840	17,655,290	600,350
Depreciation Write Back	0	1,400,000	1,400,000
Grand Total	19,110,840	19,055,290	2,000,350

Note: The table above summarises only those items proposed to be amended. It is not representative of the City's entire budget.

The net reduction does not necessarily prevent undertakings in any of the areas identified. However, there will inevitably be some limitations on the ability to respond to unplanned requests and opportunities, particularly in the civic, advocacy, economic development, community events and tourism functions of the City.

Importantly, whilst there have been a number of reductions across City services, the changes will not affect the overall levels of service that the City currently provides. Likewise, the majority of the proposed changes do not adversely impact on the City's Strategic Community Plan and Corporate Business Plan.

The Local Government Cost Index

The Local Government Cost Index (LGCI) is local government's equivalent of the Consumer Price Index. It is calculated and provided by the West Australian Local Government Association (WALGA).

The City uses the 'forecast' LGCI as part of its budget processes to guide the setting of rates, charges and general operational costs.

WALGA's latest Economic Briefing publication provides the following table showing comparative LGCI for the 12 months ending June.

	5 Year Average	2017-18 %	2018-19 %	2019-20 %	2020-21 %
Wages (WA Wage Price Index)	1.9	1.5	1.75	2.75	3.0
Road and Bridge Construction	0.6	1.7	2.7	1.25	1.5
Non-residential Building	-0.3	-0.6	1.4	1.4	1.4
Other Costs (Perth CPI)	1.5	0.9	1.5	2.0	2.5
Machinery and Equipment	1.1	1.9	0.3	1.0	1.2
Electricity and Street Lighting	1.1	0.0	7.4	6.0	5.1
Local Government Cost Index	1.3	1.5	1.7	2.0	2.8

The forecast LGCI for 2019/20 is **+2%**. This year however, the Council is proposing to adopt **1.75%** as the cost index, taking a conservative approach to cost increases.

Strategic Growth in Services

In addition to the LGCI, the Council has taken a policy position that a growth factor is also required to be built into the rates to deliver expanded services and facilities to the City's growing community. This year, Council has applied the \$2.0M reduction in costs to manage growing services, thus having a nil impact on the ratepayer.

The next section provides a brief overview of the expanded services.

Service Growth

Local Government services are provided where there is a community need or support. This year the following services were:

Library Services

A report to the Community Services Committee in April presented revised projections for Library stock, based on:

Appendix G

Statement of Rating Objects & Reasons

- A proposed level of service (LOS) of 1.4 stock items per capita, topped up to 1.7 with State Government funds. The current level is 0.9;
- A LOS of 1.7 representing the basic LOS as prescribed by the Guidelines, Standards and Outcome Measures for Australian Public Libraries;
- Incorporating one off injections for the Harrisdale and Hilbert libraries; and

Adjusting for Council's previous decision to retain the Seville Grove library service

Environmental Management

The City has undertaken a number of initiatives to preserve habitats and manage dieback in three important bushland areas:

- Forrestdale Lake Nature Reserve
- Bungendore Park
- Armadale Settlers Common Reserve

As a result of a recent report, the Council has allocated further funding for:

- Feral Animal Control
- Salvage of Habitat Trees
- Maintenance of Habitat boxes
- Unauthorised Access Strategy and Infrastructure
- Mapping of Habitat Trees in Bungendore Park
- Additional Dieback Allocation
- Armadale Settlers Common (ASC) – Habitat Tree re-mapping
- ASC – Reptile Fauna Survey, Small mammal, feral animal and avian fauna
- Bungendore – Small Mammal Monitoring

City Planning

The City has expanded its City Planning resourcing to focus on five key elements of the Centre Activity Centre Structure Plans for Armadale Regional Centre and the proposed Kelmscott District Centre Plan. The City will also be partnering with State Government on strategic planning projects such as the Perth and Peel \$3.5 million and catalysing projects "Metronet" and the Byford metro rail extension. This will involve planning for land use change, urban development and densification, with particular focussing on new initiatives in developer-landowner-liaison and community consultation.

The City is also engaging with State Government transfers of planning-development approval functions for currently excised Re-Development Areas (MRA) in outer metro locations back to Local Governments, a process called "normalisation". The City has six (6) Re-Development Areas excised from its Planning Scheme with the first normalisation (Wungong Urban Water Project) to occur by 30 June 2020.

Public Access Ways (PAWs)

Following a review of unauthorised vehicular access to public reserves, a list of eight reserves that were subject to the highest amount of unauthorised access activity and damage were put forward for upgrade works to fencing.

- Kootingle Reserve
- Morgan Park
- Bob Blackburn
- Toongabby Park (Wilcanna)
- Westfield Heron Reserve
- Grovelands Park
- Bernice Hargrave Reserve

In addition, the PAWs and Recreation Reserves between Ypres Road and Redtingle Park in Camillo will also feature works to address access including U rails, entrance post and fencing.

Abandoned buildings

The City periodically received requests from residents to deal with abandoned buildings in residential areas. The City collaborates with property owners and government agencies to manage this issue, and will in certain circumstances take proactive steps to rectify the problem. The Council has increased the budget allocation to provide a greater capacity to deal with the number of requests from residents.

Verge Management

The City often receives requests from residents to assist with the management and maintenance of unattended verges and open spaces fronting residential properties. The City has adopted a new level of service for the maintenance of unkempt verges, with the proposed funding to be provided through a reallocation of existing funds and contracts to "in-house" verge maintenance services. The report to the Technical Services Committee on 6 March 2019 refers.

Reduction in Workforce Plan numbers :

A decision taken to reduce workforce planned growth numbers from 17 to 10 for the years 2018/19 and 2019/20 budgets. This will result in the following cost savings:

- \$728,000 in 2018/19, and
- \$784,000 every year from 2019/20 onwards.

5.0 Decisions taken having an indirect impact on the rates required:

Other decisions taken by Council have also contributed to keeping the required rates to a minimum indirectly. These include:

Public Open Space Land Sales Strategy

The City has been implementing its Public Open Space Strategy to dispose of surplus former Recreation Reserves to fund the upgrade of Parks and Reserves on a Precinct basis. In 2006, the City achieved a landmark decision when the Minister for Planning and Lands granted the City permission to its proposal to use 30% of the funds from these sales for Strategic Recreation Initiatives. This Strategy has since its inception, realized over \$5m worth of non-rate funded Park and Reserve improvements throughout the City and \$2m allocated to the Armadale Aquatic Centre redevelopment. The City is looking to finalise two remaining land sales and link remaining funds towards upcoming projects to complete the Strategy.

New Developer Contribution Scheme

The City established a new Developer Contribution Scheme for the Anstey/Keane Urban Precinct in Forrestdale and recently entered legal agreement with the major developers to ensure the timely delivery and funding of community and road infrastructure to serve this new growth area. The Scheme is estimated to generate over \$10m over the next 10-15 years.

6.0 Rates Required

The 2019/20 Annual Budget proposes total expenditure of \$147M with the required rates funding 48% of the total expenditure.

Particulars	Budget Estimate
EXPENDITURE	
<i>Operating Expenditure</i>	
- Employee Costs	\$36,749,000
- Materials & Contracts	\$45,940,000
- Utility Charges	\$2,435,000
- Interest	\$1,795,000
- Insurance	\$1,129,610
<i>Non-Operating Expenditure</i>	
- Capital Works	\$42,321,000
- Loan Repayments	\$7,752,000
- Transfers to Reserve/Trust	\$8,612,000
Total Expenditures	\$146,733,610
REVENUE (Excluding Rates)	
- Grants & Contributions	\$36,377,000
- Fees & Charges	\$25,950,000
- Interest Earnings	\$1,909,000
- Other	\$1,146,510
- Loans	\$6,769,000
- Transfers from Reserve/Trust	\$4,072,000
Total Non-Rate Revenues	\$76,223,510
Rates Required*	\$70,510,100

**Includes Special Area Rates of \$480,000*

7.0 Household Rates

The following table shows by suburb, the average rates per household for the current 2018/19 year as compared to the proposed rates for 2019/20.

2019/20- Rate Group 2 - Residential Improved - Proposed Rates					
Suburb	Number of Properties	Average Rates 2018/19	Average Proposed 2019/20 Rates	\$Diff	%Diff
KARRAGULLEN	110	2,244	2,283	39	1.73%
BEDFORDALE	994	2,075	2,112	37	1.76%
WUNGONG	116	1,931	1,965	34	1.76%
ROLEYSTONE	2,522	1,831	1,863	32	1.72%
HAYNES	605	1,798	1,829	31	1.72%
PIARA WATERS	4,142	1,794	1,825	31	1.73%
HARRISDALE	3,618	1,775	1,806	31	1.75%
MOUNT NASURA	1,237	1,704	1,734	30	1.76%
FORRESTDAL	377	1,699	1,728	29	1.73%
HILBERT	1,235	1,677	1,706	29	1.73%
MOUNT RICHON	742	1,671	1,700	29	1.74%
CHAMPION LAKES	460	1,606	1,634	28	1.74%
SEVILLE GROVE	3,853	1,487	1,513	26	1.75%
KELMSCOTT	4,320	1,428	1,453	25	1.74%
BROOKDALE	1,013	1,371	1,395	24	1.77%
CAMILLO	1,801	1,341	1,364	23	1.75%
ARMADALE	5,898	1,296	1,318	22	1.72%
All Properties	33,043	1,581	1,608	27	1.72%

8.0 Annual Rubbish Charge

Although the proposed annual rubbish charge is separate to rates, most ratepayers when they receive their annual rates notice understandably focus on the total due 'bottom-line' and how it compares to the previous year. In this regard, the proposed 2019/20 annual rubbish charge will only increase by \$6.00, from \$377.50 to \$383.50, a 1.6% increase.

9.0 Benchmarking of Council Performance

For the last three financial years the City has been an active participant in the *Australasian LG Performance Excellence Program*. This program, developed by Price Waterhouse Cooper (PwC) collates benchmarking data from 130 Councils across Australia and New Zealand participated. In WA, 28 Councils participated.

The program measures and benchmarks (50) metrics and hereunder is a 'snapshot' of how Armadale has fared in the most recent year of the program on the more important metrics, i.e.

Metric FY 18	WA Survey Result	WA Survey Result (Metro)	Armadale Result
City Workforce			
FTE's per 1,000 residents	5.2	4.8	4.5
Remuneration as a % of expenses	39%	40%	40%
span of control (other staff per manager)	3.7	3.7	3.4
lost days due to injury incidents per 100 employees	62	60	47
Corporate			
corporate services staff per 100 employees	13.4	13.3	11.2
customer service staff per 100 employees	1.3	3.7	1.5
Finance staff per 100 employees	4.2	4	3.9
ICT staff per 100 employees	3.3	3.5	2.9
Customer service FTE per 10,000 residents	1.3	1.3	0.7
Major Services: Cost per 10,000 residents			
Roads and verges	\$2.60M	\$2.30M	\$2.60M
Waste Services	\$1.40M	\$1.40M	\$1.50M
Parks and Gardens	\$1.35M	\$0.90M	\$1.05M
Sports Grounds/Venues	\$0.80M	\$0.50M	\$0.45M
Other Community Amenities	\$0.45M	\$0.70M	\$0.56M
Public Libraries	\$0.40M	\$0.40M	\$0.45M
Drainage	\$0.30M	\$0.30M	\$0.45M

Whilst the metrics provide an insight into comparable facets of Local Government operations, it is not necessarily indicative of efficiencies in operations. Rather, it often reflects the characteristics of a Local Government. However, it is important that Local

Appendix G

Statement of Rating Objects & Reasons

Governments explore their cost of services with other similar organisations, to satisfy Council and the Community that services are being provided efficiently and effectively.

The Local Government Performance Excellence program will continue to evolve with plans for additional metrics and greater participation from Local Government across Australia.

R S Tame
Chief Executive Officer

From: [REDACTED]
To: [info](#)
Cc: [REDACTED]
Subject: submission (proposed differential rates)
Date: Wednesday, 5 June 2019 9:45:00 PM

Dear Sir,

Submission - Proposed differential rates.

I am writing to appeal against the proposed 1.75% Council rate increase.

We can't afford another council rate hike because, With property prices in Armadale and surrounding areas, falling so dramatically, current GRV is far higher than the real value and many houses are in negative equity now.

I am not blind about the current 1.3% CPI, but Council has to find out a new source of income other than rates increase (better utilization of council facilities, looking for more grants from State Governments and other Government Agencies, etc).

I have prepared a petition against the current council rate increase and more than 700 residents already have signed on it.

We also have done an online poll regarding the proposed rate increase and more than 97% voted against the current proposal. Examiner newspaper also conducted an online poll and 95% voted against the current proposal.

This is consecutively the third time we have formally raised a request to the honorable council members to put an end to the back to back rate increases. Regardless, the council had rejected the last two petitions without any due consideration. We request the City to kindly listen to its taxpayers and realize the pressure it is exerting on the low-income families who already struggle to make ends meet. Alternatively, we suggest the council to control its spending to balance its budget and stop passing the bill to the already pressured family budget year after year. We expect the council to generate more income through facilitating better financial management or by controlling the expenditure rather than increasing the council rate year after year.

We demand better economic management from our council and also for a renewed commitment towards extending financial support and therefore reduce the tax burden on the community. We also expect the council to take creative and innovative methods to generate revenue rather than to just keep bumping the tax higher.

A responsible Council should actively seek to create alternative revenue streams to help reduce the rate burden for its citizens. Every dollar Council will earn from income sources other than from taxation will reduce the need to raise rates and relieve some pressure on the rate-paying community.

We also would like to freeze the current proposed 2019/20 rate increase in light of the fact that current GRV is based on peak rates from 2015 which does not reflect the current value and to recognize that the market had undergone a tremendous setback which should bring the GRV down in 2020.



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