



Additional Documents

Ordinary Meeting of Council

Wednesday, 27 June 2018, 6.00pm

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**Amendment to item FPOL1806-15 Notice of Motion - World Refugee Day -
Statement of Solidarity – by Cr Sam Wainwright**

Amendment to include an additional part 5 to the recommendation, to read as follows;

5. *Support the Refugee Community Sponsorship Program and calls on the Federal Government to expand the Program to ensure that it:*
 - a. *Does not take places from others in need*
 - b. *Provides adequate support and services*
 - c. *Limits the costs on sponsors*
 - d. *Allows community, family and businesses to act as sponsors*
 - e. *Creates more places for people in need of protection to settle in Australia.*

Proposed officer’s amendments to item C1806-3 Adoption of the Annual Budget 2018/2019

Officer’s additional comment

The following amendment is proposed should the Council decide against imposing a new differential rating category for Residential Short Term Accommodation.

The proposed amendment imposing differential general rates and minimum payments will result in total amount to be raised from rates of \$45,755,362. This reduces the amount raised from rates by \$35,857. In order to maintain a balanced budget Council approve reducing the end of year surplus from \$75,000 to \$39,143.

Officer’s proposed amendment 1:

Amend the part 2 Differential Rates to read as follows;

2. Differential Rates

Pursuant to Sections 6.32, 6.33, 6.34 and 6.35 of the Local Government Act 1995 council impose the following differential general rates and minimum payments on Gross Rental Values for 2018/2019 financial year:

Differential Rating Category	Minimum Payment	Rate in the Dollar
Residential Improved	\$1,320	0.072030
Residential Vacant	\$1,279	0.115289
Commercial and Industrial General	\$1,320	0.080153
Commercial and Industrial Vacant	\$1,320	0.144058
City Centre Commercial	\$1,320	0.084760
Nightclubs	\$1,320	0.144059

Officer's proposed amendment 2:

To add an additional part 12, to read as follows;

Pursuant to Section 6.38(1) of the *Local Government Act 1995* and regulation 54 of the *Local Government (Financial Management) Regulations 1996*, council adopts the following service charge;

Service Charge

	Amount of charge	2018/19 Budgeted revenue	Budget Amount to be applied to costs	Budget amount to set aside to reserve	Reserve Amount to be applied to costs	2017/18 Actual revenue
Community bore	\$124	\$ 11,919	\$ 11,919	\$0	\$0	NA

Nature of the service charge:

Use of the community bore

Objects of the charge:

To apply a service charge on those dwellings making use of the bore within the WGV development.

Reasons for the charge:

To fund the associated costs required to maintain the community bore within the WGV development.

Area/Properties charge to be imposed on:

All dwellings within Landcorp's WGV development (former Kim Beazley School site) between Hope Street, Wongan Avenue, Watkins Street and Yalgoo Avenue in White Gum Valley.

Officer's proposed amendment 3:

To amend part 9 a), to read as follows;

a) Pursuant to Section 5.99 of the Local Government Act 1995 and regulation 34 of the Local Government (Financial Management) Regulations 1996, council adopts the following annual fees for payment of elected members in lieu of individual meeting attendance fees:

- | | |
|-----------------------|-----------------|
| • Mayor | \$47,046 |
| • Deputy Mayor | \$31,364 |
| • Councillors | \$31,364 |

Additional submissions in relation to the proposed differential rate for short term accommodation

1. Owner/s of 9/32 Henry Street FREMANTLE

Thank you for your correspondence dated 15/6/18 outlining the proposed increased rate for RSTA, being an increase of \$195 pa.

I, as an owner of 2 units in Fremantle which I let out as RSTA, object strongly to this change based on the following:

- Short term accommodation at best generates ~60% occupancy, with my two units running at 50-60 % occupancy. Based on this, owners should be charged significantly LESS for services and facilities associated with such use, being occupied for less time than any equivalent residential unit.
- Classifying STRA as 'commercial' is incorrect. Renting for 3 days is as 'commercial' as renting a unit for 6 months, so the differential classification has no basis.
- I receive no additional services from Fremantle Council if I rent out for 3 days or for 6 months, hence there is no basis to charge more. In addition I have already had to pay a fee to inform you that I am indeed renting out for short periods.
- The choice of accommodation that visitors have to stay in Fremantle, including STRA, supports occupancy and tourism. I have a visitors book full of positive comments regarding Fremantle to back this up, but you are now trying to stifle this valuable asset for Fremantle with additional and baseless fees.

Your addressing of the above objections will be appreciated, prior to hiking rates with no basis.

2. Owner/s of 57A Ellen Street FREMANTLE

I am writing to object to the proposed short term accommodation differential rate and the unreasonable time frame given to be able to formulate a response to the proposal.

On Friday the 22nd June 2018 I received this letter, dated 15th June 2018, which coincidentally was the deadline to be able to respond in writing to the proposal. When the previous letter was sent out I was told to throw it away and that new letters were being sent out that would allow a reasonable time frame for comment. One week from the date the letter was written is not reasonable; it can take 5 working days for Australia Post to deliver a letter within the metropolitan area. I called the council this morning and was told that this is proposed to go before council on Wednesday. This is entirely unethical of the council and appears to be a rushed late consideration that is trying to be pushed through for this year's rates notice. We totally disagree with this proposal and if we had been given a reasonable amount of time to make comment then we would have. Unfortunately due to personal circumstances we would not have been able to make an adequate comment on this proposal until at least the 1st July.

Whilst our property is registered for short term accommodation we have never used it for such. We registered due to frequent travelling and the possibility of having someone stay in our home to reduce the risk of crime by having an occupied property rather than leaving it vacant. This is double dipping by the council as we have already paid a fee to register our property and now you are proposing an ongoing penalty. Have a walk around Fremantle councillors, this place is really

suffering. You would be better served having a walk around Fremantle at 0600 in the morning and dealing with the anti-social behaviour issues there than slugging ratepayers just to further line the council pockets. All this proposal is going to do is encourage people to continue to rent out their properties without knowledge of the council.

We also registered our property because we anticipated that there may be a cap imposed eventually on such registrations which is why we would be hesitant to remove it from the register now. We have never benefited financially from our property being registered for short term accommodation so completely disagree with an ongoing penalty for being registered for such.

3. Owner/s of 34 Hale Street BEACONSFIELD

Glen Dougall has advised of a proposal by the City of Fremantle to introduce in 2018-2019 a new differential rate that will be applied to property owners who operate short term accommodation from their residence. Glen has invited my wife and I, as ratepayers and operators of a registered Airbnb who will be potentially affected by this proposal, to present to you in writing our views on the City's proposal.

In essence we totally object to the proposal. We are thoroughly disappointed that Council has been short-sighted in endorsing the notion of applying commercial property rating to residential ratepayers. The suggestion that the operation and financial turnover of short term accommodation is equivalent to a full commercial operation of a private business and hence should be rated as such is surely stretching the imagination and can only be construed as a revenue raising exercise by the City.

- We are unable to relate the operation of our Short Term Accommodation requiring the application of additional rates "to (quoting Glen Dougall) contribute to the provision of services and facilities that *may* be associated with such commercial use". The operation of our short term accommodation would place no further burden on the City's infrastructure of services and facilities and to suggest that it would is certainly stretching the imagination.
- We estimate that only 30% - 40% of STA operators in the CoF are actually registered with the City as such. We are registered with the City attempting to honour the system that you have in place. We suggest that only those law abiding rate payers registered with you will be affected by this new rate if it is implemented while the remainder will evade the additional charges. We think this is quite unfair.
- We operate our STA for only 8 months of the year (closed for winter months and our annual holidays) and therefore feel that the application of a new rating system will be applied to a full 12 month year and we are very confident there will be no pro-rata adjustment reflected in the new rating system to compensate for the non-operation period.
- It is a requirement that in the running of our Airbnb we provide one

parking space for our guests, which we are able to do on the property (34 Hale St). To access our driveway and this parking space is via Delamere Lane (south) which is a *privately* owned laneway and is an ongoing bone of contention. By being privately owned, the residents of this laneway (who pay rates to CoF) are responsible for the financial maintenance of the road surfacing, pot hole repairs & drainage (services most rate payers anywhere else would expect from their local government body). No form of rateable concession is offered by CoF to the ratepayers who live the laneway or access their property from it. Ironically CoF now want to impose a new rate that will affect us as operators of STA for services we as ratepayers and residents do not receive. Can't see the logic.

- Finally, and on a positive, we take great pride in our small Airbnb and attract mature interstate and international tourists to our heritage home. We encourage our visitors to experience the 'Freo' lifestyle and to localise their activities within the Fremantle precinct, which probably 90% do. We suggest the sights, attractions, events, culture, restaurants and beaches of Fremantle. Our guests on average spend \$120-00 per head per day with various businesses within Fremantle and hence are helping in a small way, to keep the Freo vibe happening.

In summary, and from what we have presented above, we strongly urge Council to rethink and reject this very thin and abstract notion of Differential Rates - Short Term Accommodation. Ultimately the implementation will only have negative impacts and disharmony between ratepayers and their elected council.

4. Owner/s of 104/5 Bannister Street FREMANTLE

I am writing in relation to the proposal to set a new differential rate for short term accommodation. As owners of a property within the City of Fremantle which has been used for some short term accommodation over the past 10 years, we have some concerns as to the inequity of such a proposal.

Firstly I would like to point out that I received the notice relating to this yesterday which was six days after the closure of submissions date. If you want honest and relevant submissions then surely a more realistic time frame must be established for this type of correspondence. You need to ensure that any correspondence reaches its destination with sufficient time to allow for responses to be made.

Secondly it stated that the proposed differential rate is "to contribute to the provision of services and facilities that may be associated with such commercial use". Can you please explain to me what these additional services and facilities are and how they differ to what the council provides when I am resident in my property?

It is our belief that the provision of good quality affordable accommodation within the City of Fremantle adds to the overall economic prosperity of the area due to an increase in tourist numbers.

Our property is handled through a corporate booking agent but in recent times there has been an increase in the number of properties being offered on Airbnb. This has led to a lowering of the average nightly rates that can be obtained for properties such as ours. This, along with the proposed rate increase, could make properties such as ours unviable as a commercial enterprise. If we and others decide to stop offering accommodation and left our properties empty when we are not there, the vibrancy of the area and the economy in general would begin to diminish. Ultimately this could lead to a further lowering of property values and thus a lower rate revenue to council. We believe the proposed new differential rate for short term accommodation is a short sighted, ill -conceived and retrograde step by the City of Fremantle. We encourage the council, as our elected representatives to oppose this new rate.

5. Owner/s of 11/1 Norfolk Street FREMANTLE

Submission against Introduction of a Differential Rate:

Thank you for your letter informing us of your proposal of the Introduction of Differential Rates for Short Term Accommodation providers in the City of Fremantle.

We operate a short term accommodation apartment in Norfolk St. This has been in operation for the past 2 & 1/2 years. Although not fully occupied, we have accommodated many overseas, interstate and WA visitors with a extraordinary satisfaction rate (consistant five star reviews). These visitors are mainly families for whom our apartment is ideally suited and who would not normally visit Fremantle and stay in hotels. Our accommodation provides a viable option for family visitors to our great city, who therefore patronise local business and tourist attractions, all of which we proudly advertise and promote with information in the apartment.

To run a high standard apartment takes a major capital investment and a lot of hard focussed work. The returns for this hard work are marginal for us but exceptional for the city and the community.

Any increase in rates as proposed will penalise us as small operators and be a disincentive to continue this service. Furthermore our experience is that we add no further burden on the services provided and any increase is not warranted, unless it is as a penalty other than a true cost recovery.

Thank you for the opportunity to comment on these proposed rates.

6. Owner/s of 46/330 South Terrace SOUTH FREMANTLE

I am responding to the new differential rate being proposed on residential short term accommodation.

Firstly, I'd like to comment on the fact that I have only been given 3 days to comment before submissions close. (I flew back into Perth on Monday night, drove down to my normal place of residence, a farm near Manjimup, and collected my post from a post box in town the following day). This had left very little leeway for those living away from Fremantle. This lack of notice smacks of trying to sneak this through before

anyone has had a chance to fully digest the proposal and provide proper and meaningful feedback.

I registered and paid the fee associated with short term letting of my property at 330 South Terrace, Fremantle, when I made the decision to let it in 2011. I often use the property myself given I live 3.5 hours' drive away when I travel to Fremantle for business and or pleasure. I occasionally have friends or family staying in the unit at different times. I may decide to reside there for lengthier times of up to a month or more as is my choice as the owner.

Here in lies your problem with implementing your differential rate;

1. Registered properties may not be used for short term let purposes all of the time for any rateable year.
2. Registered properties may have been sold and the new owners do not use the property for this purpose. Long term tenants may be in place for part or all of this financial year. Family members or owners may be using the property for their own use during part or all of this financial year. Renovations or heritage works could be taking place....the list goes on.
3. Many unregistered properties exist – how will you police this and at what cost? How many hours do you envision it will take to get these properties registered and paying the new rate?
4. Will the new differential rate apply to property owners who rent out a room/rooms/granny flat as well? How will you police this and what cost in man hours do you envisage?
5. A new differential rate will discourage new short term let property owners from registering their properties with the city of Fremantle.
6. Currently registered owners, having done the right thing, may be tempted to deregister if this policy is brought in.

Most importantly, we fail to understand the logic driving this proposal. Exactly what provision of services and facilities does the city of Fremantle deem are provided or that may be associated with such commercial use? We cannot think of any and nor have we received any specific service or facility.

The impression I get is that this is simply a blatant and short sighted money grab or the Council is being lobbied by those with alternative motives or agendas.

As previously mentioned, we are owners who resides in the SW of the state and we use our Fremantle unit occasionally for personal holidays, for friends and their children, some of whom also live in rural and or remote areas. By short term letting our property whenever we may not require it instead of leaving it vacant, means we continue to contribute to the Fremantle economy – through employment of tradespersons for maintenance and repairs, cleaners, gardeners etc. This benefit directly flows to jobs in the retail and entertainment industries, shops, restaurants, tourist operations, hire car businesses etc

Closing our short term accommodation and having the unit empty for 80% of the time would cause a similar reduction in the activities mentioned above. Does the council believe that this warrants the money grab being advocated for here, and if so, I believe it will add to some of the current issues around commercial landlords in Fremantle.

Adding another tax has us questioning whether we continue to let our unit – we'd lose what we like to offer, but I believe the City of Fremantle loses more if it cannot

offer those tourists who seek this kind of accommodation, cheap, flexible and homely alternatives to hotels in the city.

I recommend you cease with this proposal to consider a new differential rate and consider the role we play in aiding both interstate and international tourism. The alternative of course, is to insist that the Council reward us for the benefit we bring to Fremantle. What a novel idea, but Pigs may Fly.

7. Owner/s of 11/30 Kwong Alley NORTH FREMANTLE

Our address is 11/30 Kwong Alley North Fremantle, we have been doing short term for approximately 30 months our occupancy rate is about 50% we have less impact on the Towns infrastructure than the permanent residents, we bring tourism to the town which the town of Fremantle benefits from, we promote the town and little rubbish as well, why should we pay more than permanent residents, we probably should pay less but I don't think that will happen, I am open to discussion at any time