



Minutes

Special Meeting of Council

Wednesday, 8 July 2020, 6.00pm

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SPECIAL MEETING OF COUNCIL

Minutes of the Special Meeting of Council
held in the North Fremantle Community Hall
on **Wednesday, 8 July 2020** at 6.00 pm.

1 Official opening, welcome and acknowledgment

The Presiding Member declared the meeting open at 6.00 pm.

2.1 Attendance

Dr Brad Pettitt	Mayor
Cr Andrew Sullivan	Deputy Mayor/South Ward
Cr Marija Vujcic	South Ward
Cr Doug Thompson	North Ward
Cr Bryn Jones	North Ward
Cr Jenny Archibald	East Ward
Cr Su Groome	East Ward
Cr Geoff Graham	Beaconsfield Ward
Cr Sam Wainwright	Hilton Ward
Cr Frank Mofflin	Hilton Ward
Mr Philip St John	Chief Executive Officer
Mr Glen Dougall	Director City Business
Ms Michelle Brennand	Director Community Development
Mr Paul Garbett	Director Strategic Planning and Projects
Mr Graham Tattersall	Director Infrastructure
Ms Melody Foster	Meeting Support Officer

There were 6 members of the public and 1 member of the press in attendance.

2.2 Apologies

Cr Rachel Pemberton	City Ward
Cr Adin Lang	City Ward

2.3 Leave of absence

Cr Hannah Fitzhardinge	Beaconsfield Ward
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3. Applications for leave of absence

Nil

4. Disclosures of interest by members

Nil

5. Responses to previous public questions taken on notice

Nil

6. Public question time

Mark Woodcock provided the following questions in writing, in relation to item SC2007-2.

1. Can council please explain why the 10 year business plan is years behind its proposed release date?
2. Can the council please explain why the new loan facility for the city has already been planned to be utilised for the Arthur Head work? While the council seems to have \$400,000.00 to pay a private company to run a visitor centre in 2021. It's unlikely to be used and further the world is so digital with information that is updated daily on the web, while printed brochures and information is often out of date before it is handed out. Surely in this current environment it would have been prudent to leave the visitor centre on hold, instead of having a \$400,000 bill for a service the city may not even need.
3. Can the council explain why it passed a vote to engage a private company to run a visitors centre before the budget was finalised? Surely the budget would be passed first and then the new untendered contract would be issued once the budget was accepted.
4. Can the council please explain why the rate in the dollar was advertised and higher amount is being proposed which the community has not been informed of, or even have the opportunity to address, yet another change in the rate.
5. Can the council please make available the Asset Management Reports, for the city that were prepared in late 2000's and further can the city demonstrate where these reports were implemented and how much of the outstanding \$50,000,000 back log of maintenance has been rectified or brought up to date?

Mayor, Brad Pettitt took the above questions on notice.

Andrew Luobikis spoke in relation to item SC2007-2.

Peter Pacak spoke in relation to item SC2007-2.

7. Petitions

Nil

8. Deputations

8.1 Special deputations

Nil

8.2 Presentations

Nil

9. Reports and recommendations from committees

SC2007-1 FINANCIAL HARDSHIP POLICY

Meeting date:	8 July 2020
Responsible officer:	Finance Manager
Decision making authority:	Council
Agenda attachments:	1. Financial Hardship Policy
Additional information:	1. Minister for Local Government; Heritage; Culture & the Arts, Circular No.03-2020. 2. Ombudsman of Western Australia report titled: <i>Local Government collection of overdue rates for people in situations of vulnerability: Good practice guide.</i>

SUMMARY

The purpose of this report is to present the Financial Hardship Policy to Council for consideration, in conjunction with the adoption of the 2020/21 Annual Budget.

The Financial Hardship Policy has been developed to assist ratepayers that may be experiencing genuine financial hardship and require a different approach to paying outstanding rates and service charges when they fall due. Adoption of this policy will be required to enable the City to apply a reduced interest rate or waiver, to any ratepayers under financial hardship.

It is recommended that Council adopt the Financial Hardship Policy as included in Attachment 1 of this agenda item.

BACKGROUND

In response to the COVID-19 pandemic, the *Local Government Amendment (COVID-19 Responses) Act 2020* was passed by Parliament (16 April 2020). This Act provided a power to enable the Minister for Local Government; Heritage; Culture and the Arts to modify or suspend provisions of the *Local Government Act 1995* and Regulations to deal with the consequences of the COVID-19 pandemic.

The first Ministerial order: *Local Government (COVID-19) Order 2020* was gazetted on 8 May 2020. This order deals with issues relating to the requirements to hold public meetings, access to information when council offices are closed and budgetary matters, including financial hardship. Information released in the Ministerial Circular issued to all local governments, encourages local governments to adopt a financial hardship policy that addresses how the local government will deal with financial hardship of ratepayers, as a result of the COVID-19 pandemic. A copy of this circular is provided in the additional information 2 of this item, for information.

In 2019, the Ombudsman of Western Australia (OWA) released a report titled *Local Government collection of overdue rates for people in situations of vulnerability: Good practice guide*. This report provides Good Practice Guidelines for local governments regarding their role in collecting overdue rates owed by people during times of financial

vulnerability, which was taken into consideration when developing the policy. A copy of this report is provided in the additional information 1 of this item, for information.

FINANCIAL IMPLICATIONS

As a result of implementing this policy and ongoing impacts of the COVID-19 pandemic, officers anticipate a reduction in interest income that has been taken into consideration as part of the COVID-19 recovery and is reflected in the 2020/21 Annual Budget.

LEGAL IMPLICATIONS

The Financial Hardship Policy has been written in accordance with the sections of the *Local Government Act 1995* that have been modified and are prescribed in *the Local Government (COVID-19 Response) Order 2020* as follows;

Clause 8: Section 6,13 modified - interest on money owing to local government
Clause 13: Section 6.45 modified - Options for payment of rates or service charges
Clause 14: Section 6.51 modified - Accrual of interest on overdue rates or service charges

CONSULTATION

Nil

OFFICER COMMENT

The City acknowledges that ratepayers may from time to time experience financial hardship due to unforeseen circumstances and events, such as COVID-19. To ensure the City of Fremantle are able to provide assistance to ratepayers in times of financial hardship, officers have developed the Financial Hardship Policy with the intent to provide an empathetic, fair and equitable approach to supporting ratepayers who may encounter difficulty in paying rates and service charges as they fall due.

Under this policy, ratepayers may apply for assistance for a range of situations including but not limited to:

- Recent unemployment or under-employment
- Sickness or recovery from sickness
- Low income or loss of income
- Unforeseen circumstances such as caring for and supporting extended family

All information provided by the applicant will be taken into consideration when being assessed by officers further ratepayers will be encouraged to provide any evidence and information regarding their situation, that may support their application. During the assessment process, the City will apply principles of fairness, integrity and confidentiality, whilst also complying with the City's statutory responsibilities.

Each application will be determined on a case by case basis and where possible, the City will provide assistance subject to the following conditions:

- In the opinion of the Chief Executive Officer the ratepayer is experiencing genuine financial hardship

- The ratepayer's circumstances can be substantiated upon request
- The ratepayer is not bankrupt or subject to a bankruptcy petition
- The property is the principal place of residence or the principal place of business of the ratepayer
- The applicant must be the owner or co-owner of the property and legally liable for payment of rates and charges

When a ratepayer is determined by the City to be in Financial Hardship, the City will offer the following options:

- Temporarily accept reduced payments and establish an alternative payment arrangement plan;
- Temporarily pause payment of rates, administration fees and charges;
- Cease any penalty interest for up to 6 months;
- Suspend any debt recovery action.

Payment arrangements will be facilitated in accordance with Section 6.49 of the *Local Government Act 1995* and the City will endeavour to establish payment terms that are realistic and achievable for the ratepayer.

It is recommended that Council adopt the proposed Finance Hardship Policy in conjunction with the 2020/21 Annual Budget, to ensure City officers can apply reduced interest amounts proposed in the annual budget in accordance with the adopted policy.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority requirement

COUNCIL DECISION ITEM SC2007-1 **(Officer's recommendation)**

Moved: Mayor, Brad Pettitt

Seconded: Cr Jenny Archibald

Council adopt the Financial Hardship Policy as provided in Attachment 1.

Carried: 10/0

**Mayor Brad Pettitt, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Sam Wainwright, Cr Frank Mofflin, Cr Doug Thompson,
Cr Bryn Jones, Cr Andrew Sullivan, Cr Marija Vujcic**

SC2007-2 ADOPTION OF THE ANNUAL BUDGET 2020/2021

Meeting Date:	8 July 2020
Responsible Officer:	Finance Manager
Decision Making Authority:	Council
Agenda Attachments:	1. Annual Budget 2020/2021 2. Annual Fees and Charges 2020/21
Additional Information:	Nil

SUMMARY

This report is to consider the adoption of the 2020/2021 Budget which includes the Municipal, Trust and Reserve Fund budget for the 2020/2021 financial year together with supporting schedules, including imposition of rates and minimum payments, adoption of fees and charges, setting of elected members fees for the year and other consequential matters arising from the budget papers.

This budget has been prepared with a proposed nil increase in gross rate revenue in recognition of the impacts of COVID-19 and in support of our rate payers and business community. The nil rate increase also maintains the commitment of council in keeping rate increases in line or below cost indexation whilst the Kings Square redevelopment is in progress.

Budget 2020/21 includes just over \$101 million in operating and capital expenditure over the coming financial year. The budget has been prepared taking into consideration the impact of COVID-19, the Strategic Community Plan and Corporate Business Plan. It includes investment in the renewal of Fremantle, planned by Council in 2012 with the continuation of the Kings Square Project.

The budget document has been prepared in accordance with the *Local Government Act 1995, Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards.

This report recommends that Council adopt the 2020/2021 Budget which comprises the Statutory Financial Statements, setting of rates and associated rate charges, annual fees and charges, use of reserve funds and Elected Member fees and allowances.

BACKGROUND

The 2020/2021 draft budget has been prepared taking into consideration the impact of COVID-19 and is based on principles contained in the Strategic Community Plan and Corporate Business Plan. In response to the COVID-19 pandemic the Ministerial order: *Local Government (COVID-19) Order 2020* was gazetted on 8 May 2020. This order deals with issues relating to the requirements to hold public meetings, access to information when council offices are closed and budgetary matters, including implications on the rating and budget decisions, the adoption of penalty interest rates for overdue debts and financial hardship.

In response to these orders the City has committed to a nil rate revenue increase, a freeze on the majority of fees and charges, performed an extensive review of its

operational budget and planned capital and operating initiatives. These matters were deliberated at various budget workshop sessions held with Elected Members between May and June 2020. The presented 2020/2021 draft budget has been prepared in accordance the outcomes from these workshops and is a balanced budget.

The proposed differential general rates and minimum payments were approved by the Council at its meeting of the 13 May 2020 and advertised for public comment. Eighteen (18) submissions were received by 9 June 2020 when the public comment period closed. A register of the submission received with comments is included in this report for Council consideration.

FINANCIAL IMPLICATIONS

This report sets the 2020/2021 City of Fremantle budget.

LEGAL IMPLICATIONS

The draft budget 2020/2021 has been prepared in accordance with the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 and Australian Accounting Standards.

Section 6.2 of the *Local Government Act 1995* requires that no later than 31 August in each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt, (by Absolute Majority) in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next following 30 June.

Divisions 5 and 6 of Part 6 of the *Local Government Act 1995* refer to the setting of budgets and raising of rates and charges. The Local Government (Financial Management) Regulations 1996 details the form and content of the budget. The draft 2020/2021 budget as presented is considered to meet statutory requirements.

Section 6.11 of the *Local Government Act 1995* requires the City establish and maintain a reserve account for the purpose of setting aside money for a specific purpose to be used in a future period. Any change to the purpose or proposed use of reserve funds is to be disclosed in the annual budget.

CONSULTATION

While no specific consultation has occurred on the draft 2020/2021 budget, community consultation and engagement has previously occurred during development of the Strategic Community Plan from which the Corporate Business Plan was developed. In addition, the proposed differential rates were advertised in local news media and available on the City's webpage from Saturday 16 May 2020.

OFFICER COMMENT

In preparing the proposed budget for 2020/21 a thorough review of all base operating, capital and operating projects has been undertaken by Elected Members and Management through a series of budget workshops. This intensive review was undertaken due to the impact of the COVID-19 pandemic and its consequences on the City's revenue. Approximately 35 per cent of the City's operating revenue is derived from

non-rate or grant sources such as car parking, rent from commercial properties and fees and charges. It has been estimated the City will lose about \$4 million of revenue in 2020/21. In order to produce a balanced budget it has been necessary to delay planned capital and operating initiatives, revise service levels and reduction to some expenditure across the organisation.

The main features of the draft budget for 2020/21 include:

- The budget has been prepared based on a nil increase in gross rate revenue in recognition of the impacts of COVID-19. However since this year is a revaluation of individuals property values it has resulted in considerable variation for individual ratepayers accounts. Therefore a zero percentage rate increase for residents is unlikely. A further detail analysis on the proposed rates is below.
- The City will generate \$47.2m in general rate income, an increase of \$0.2m on last year due to growth within the City during 2019/20. The rate income generated by the City for this budget comprises 66% of operating revenue sources.
- Total budget income is \$86.1m, comprised of \$7.8m in capital grants, \$5m in proceeds from sale of assets, \$0.5m in new loan borrowings and \$72.8m in operating cash income (including rate income and carried forward surplus).
- Total budget expenditure is \$101.2m, comprised of \$30.2m in capital expenditure, \$67.9m in operating cash expenditure and \$3.1m in loan principal and interest repayments.
- The capital works programme (inclusive of carried forward projects) totals \$30.2m, which is being funded by;
 - \$7.8m from grants and contributions,
 - \$20m transferred from reserves,
 - \$0.5m in new loan borrowings
 - \$1.9m from municipal funds and carried forward funds

A highlight of key capital projects to be undertaken is reported on below. The full capital works programme is contained within attached budget document.
- A new loan borrowing of \$0.5m is proposed for next financial year as a 50% contribution towards urgent works at Arthur Head.
- Reserve funds are expected to decrease by \$15.1m during 2020/21. Significant transfers to reserves are:
 - \$5m to Investment Reserve from Proceeds from Sale of Land

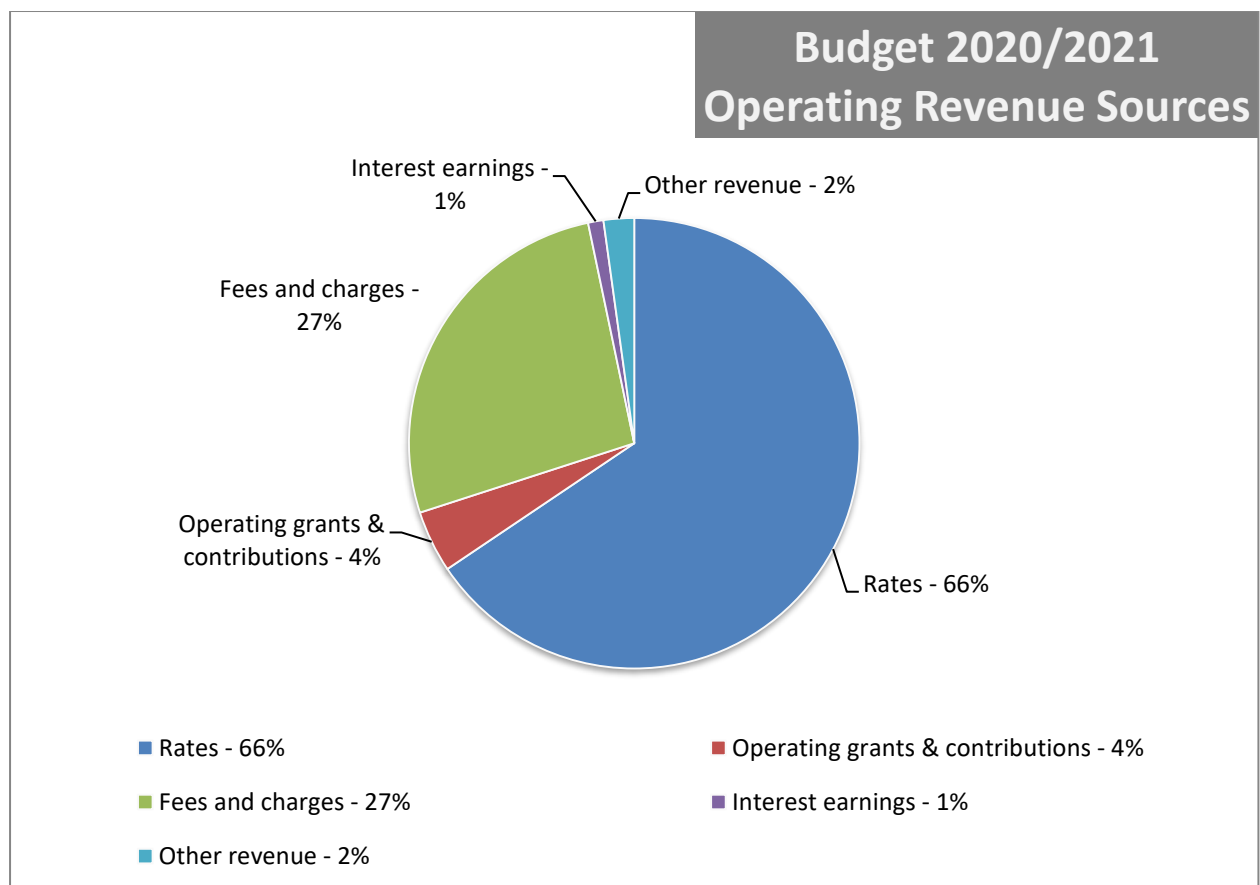
Significant transfers from reserve are:

 - \$14m from Investment Reserve for the continued construction of Walyalup Civic Centre and Library at Kings Square

- \$5.2m from Investment Reserve for construction of other Kings Square projects including Public Realm – Newman Court
- \$450k from Parking Dividend Equalisation Reserve for construction of a carpark at Fremantle Park
- \$222k from Fremantle Markets Conservation Reserve for capital works at the Fremantle Markets

Operating Budget

The total operating revenue budget totals \$72m and is comprised of:



- *Rates – 66%*
Total revenue from rates (general and specified area rates) will increase by \$0.2m due to growth (from \$47m in 2019/20 to \$47.2m in 2020/21)
- *Operating grants, subsidies and contributions – 4%*
Total revenue from operating grants, subsidies and contributions will decrease by \$500k (from \$3.7m in 2019/20 to \$3.2m in 2020/21) due to part of the State Government grant for 2020/21 being received in advance
- *Fees and charges – 27%*
Fees and charges will generally remain the same as last year. Total revenue from fees and charges will decrease by \$4m (from \$23.2 in 2019/20 down to

\$19.2m in 2020/21) mostly attributed to parking fees, commercial property and outstation

Details on each individual fee and charge proposed are provided in the Fees and Charges schedule that forms part of the Annual Budget document.

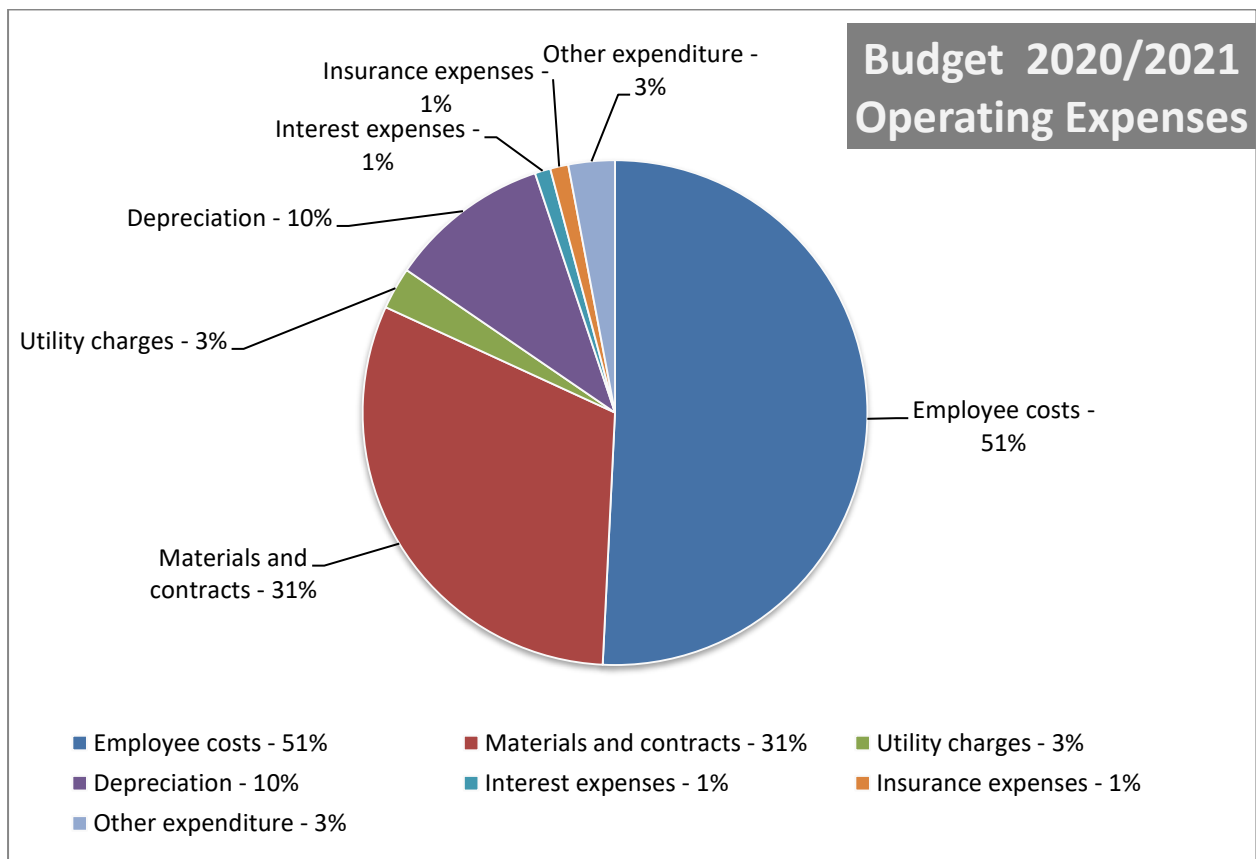
- *Interest Earnings – 1%*

Total revenue from interest earnings will decrease by \$600k (from \$1.4m in 2019/20 to \$0.8m in 2020/21) due to the decline in interest rates and available cash funds to investment.

- *Other revenue including Profit on sale of assets – 2%*

Total revenue from other revenue will increase by \$400k (from \$1.2m in 2019/20 to \$1.6m in 2020/21).

The total operating expenses budget totals \$76.1m and is comprised of:



- *Employee costs – 51%*

Total expenses from employee costs will increase by \$600k (from \$38m in 2019/20 to \$38.6m in 2020/21)

- *Materials and contracts – 31%*

Total expenses from materials and contracts will decrease by \$3.5m (from \$27.1m in 2019/20 to \$23.6m in 2020/21)

- *Utility Charges – 3%*

Total expenses from Utility charges will remain the same as last year (from \$2.1m in 2019/20 to \$2.1m in 2020/21).

- *Depreciation – 10%*
Total expenses from depreciation will increase by \$0.8m (from \$7m in 2019/20 to \$7.8m in 2020/21).
- *Interest expenses -1%*
Total expenses from interest expense will remain the same as last year (from \$760k in 2019/20 to \$760k in 2020/21).
- *Insurance expenses – 1%*
Total expenses from insurance expense will remain relatively the same as last year (from \$867k in 2019/20 to \$882k in 2020/21).
- *Other expenses including loss on sale of assets – 3%*
Total expenses from other expenses will decrease by \$7.3m (from \$9.6m in 2019/20 to \$2.3m 2020/21).

Capital Projects

Below are some of the major projects included in the capital budget for 2020/21. In addition to these identified projects the City has funds set aside to commence projects or match funding opportunities on projects as they become available that will support the recovery of Fremantle post COVID-19 based on priority options identified through the Economic, Community and Infrastructure working groups.

Building works:

- Construction of the Walyalup Civic Centre and Library at Kings Square
- Design of construction at Fremantle Golf Course
- Arthur Head works
- Various building works at the Fremantle Markets
- Container Deposit Scheme setup

Road works:

- Road Improvement works to the value of \$700k

Parks:

- Upgrade of the public realm at Newman Court, Kings Square
- Design and construction of play space at Kings Square
- Installation of tree and Kings Square

Other:

- Construct Fremantle Park carpark

The capital budget includes provision for one new loan borrowing of \$500,000 as a commitment towards the improvement and safety of the severely eroded cliffs at Arthur Head. The total estimated cost of the works is \$1m with the City seeking the State Government to contribute \$500,000.

The opening loan principal balance at 1 July 20 is \$25.8m, taking into account the proposed new loan and principal repayments throughout 20/21 the estimated closing balance at 30 June 21 is \$24m.

The capital budget contains the following land asset disposals with all proceeds being transferred to reserve:

7 Quarry Street	\$ 2,750,000
9 Quarry Street	<u>\$ 2,250,000</u>
TOTAL	<u>\$ 5,000,000</u>

Quarantined Projects

Throughout the budget workshops Elected Members requested further information and details for the following projects before expending the funds:

- Program - Solar Panels City \$59,510
- Design and construct - 14 Parry Street \$20,000
- Design and construct - Kings Square - Windows to the Past \$145,824
- Program - Infrastructure Recovery Projects \$500,000
- Liaise and Support Fremantle Chamber of Commerce Business Awards \$15,000
- Heritage Festival \$20,000
- Print Awards Exhibition \$42,800
- Contribution Fremantle Street Doctor \$20,000

Proposed Rates

The valuation of GRV rate properties is undertaken by the State Government's Landgate Valuation Services on a three yearly cycle. For budget 2020/21 rate valuations for all GRV rated properties have been revised with effect from 1 July 2020. The valuations are based on gross rental values as at 1 August 2018.

Council endorsed at its meeting held on 13 May 2020 the advertising of the Statement of Objects and Reasons and the proposed differential rates and minimum payments for 2020/2021. The rate modelling has been progressed based upon a nil gross rate revenue increase.

An advertisement calling for public submissions was placed in local media from Saturday 16 May 2020. The deadline for submissions was 9 June 2020. 18 submissions were received detailed below:

Number	Suburb	Submission from Property Owner	Officer Recommended Response to Submission
1	BEACONSFIELD	<ul style="list-style-type: none"> • Falling property values/rents and increased Government charges • Request for 2% reduction of the FOGO levy from 2019-20 as well as zero increase rate in the dollar amount 	<ul style="list-style-type: none"> • Rate increases are not aligned to the rental market or property values. Rates are calculated on either Gross Rental Valuation or Unimproved Valuation provided by Landgate. • The 2% for FOGO is no longer

Number	Suburb	Submission from Property Owner	Officer Recommended Response to Submission
		according to revised reduction in GRV calculation by the State Land Services.	intended as a one-off increase to be subtracted from future year rates. There are ongoing operational costs in having a FOGO system that the prior year's 2% increase covers.
2	FREMANTLE	<ul style="list-style-type: none"> • Purpose of an adjustment in GRV is to provide ratepayers with relief from rates calculated on GRV • Objection to rationale Council has used to justify the General Nightclubs differential - rate operates unfairly against the night-time economy • Inability to trade due to COVID-19 would result in CoF profiting from the crisis without provision of any service in return 	<ul style="list-style-type: none"> • Valuations are used by local governments, government agencies and emergency services as a basis to determine property rates, service charges and levies. • Noted • Rates in the dollar have been reduced for the Nightclub differential
3	FREMANTLE	<ul style="list-style-type: none"> • Rejection of 11% rate increase • Rates should reduce if GRV reduces • Council should operate on a tighter budget 	<ul style="list-style-type: none"> • Proposed rate in the dollars to be adopted are based on a nil increase in rate revenue • Valuations are used by local governments, government agencies and emergency services as a basis to determine property rates, service charges and levies. • The state government has encouraged local government to maintain employment levels and expenditure on projects to help stimulate the local economy.
4	BEACONSFIELD	<ul style="list-style-type: none"> • I support no rate increase or a shift in the rate in the dollar to make rates the same as last year. • A number of councils across the state have frozen fees, cancelled parking charges promoting reduced rates in their budget process, and offered no interest charges on payment over 12 months. 	<ul style="list-style-type: none"> • Proposed rate in the dollars to be adopted are based on a nil increase in rate revenue • Unable to comment on other local governments
5	FREMANTLE	<ul style="list-style-type: none"> • I strongly object to the council's proposal to prevent ratepayers from gaining the relief from reduction of GRV by the Valuer General. • Rents in Fremantle have been steadily falling and we have had to live with that reduction in income for a number of years 	<ul style="list-style-type: none"> • Valuations are used by local governments, government agencies and emergency services as a basis to determine property rates, service charges and levies. • Rate increases are not aligned to the rental market or property values. Rates are calculated on either Gross Rental Valuation or Unimproved Valuation

Number	Suburb	Submission from Property Owner	Officer Recommended Response to Submission
			provided by Landgate.
6	FREMANTLE & NORTH FREMANTLE	<ul style="list-style-type: none"> The new proposed rate increase of 10% (based on rate in dollar) is totally unsustainable Rates have increased in Fremantle over the last few years higher than any index such as CPI / rental returns or wages 	<ul style="list-style-type: none"> Advertised rates in the dollar are not synonymous with an increase in rates revenue. Proposed rate in the dollars to be adopted are based on a nil increase in rate revenue Rate increases are not aligned to the rental market or property values. Rates are calculated on either Gross Rental Valuation or Unimproved Valuation provided by Landgate.
7	WHITE GUM VALLEY	<ul style="list-style-type: none"> Housing prices and rental income have gone down – cannot justify an increase in rates General comments not related to Differential Rates 	<ul style="list-style-type: none"> Rate increases are not aligned to the rental market or property values. Rates are calculated on either Gross Rental Valuation or Unimproved Valuation provided by Landgate.
8	NORTH FREMANTLE	<ul style="list-style-type: none"> General comments not related to Differential Rates 	<ul style="list-style-type: none"> Noted
9	SOUTH FREMANTLE	<ul style="list-style-type: none"> Advocate for Council to implement a zero increased rate in the dollar Cancellation of the 2% FOGO Levy introduced over two years ago Budget within the means allowed by reduced GRV values. 	<ul style="list-style-type: none"> Proposed rate in the dollars to be adopted are based on a nil increase in rate revenue The 2% for FOGO is no longer intended as a one-off increase to be subtracted from future year rates. There are ongoing operational costs in having a FOGO system that the prior year's 2% increase covers. The state government has encouraged local government to maintain employment levels and expenditure on projects to help stimulate the local economy.
10	SOUTH FREMANTLE	<ul style="list-style-type: none"> Advocate for Council to implement a zero increased rate in the dollar Cancellation of the 2% FOGO Levy introduced over two years ago Budget within the means allowed by reduced GRV values. 	<ul style="list-style-type: none"> Proposed rate in the dollars to be adopted are based on a nil increase in rate revenue The 2% for FOGO is no longer intended as a one-off increase to be subtracted from future year rates. There are ongoing operational costs in having a FOGO system that the prior year's 2% increase covers. The state government has encouraged local government to maintain employment levels and expenditure on projects to help stimulate the local economy.
11	BEACONSFIELD	<ul style="list-style-type: none"> Advocate for Council to implement a zero increased rate in the dollar Cancellation of the 2% FOGO Levy introduced over two 	<ul style="list-style-type: none"> Proposed rate in the dollars to be adopted are based on a nil increase in rate revenue The 2% for FOGO is no longer intended as a one-off increase

Number	Suburb	Submission from Property Owner	Officer Recommended Response to Submission
		<p>years ago</p> <ul style="list-style-type: none"> Budget within the means allowed by reduced GRV values. 	<p>to be subtracted from future year rates. There are ongoing operational costs in having a FOGO system that the prior year's 2% increase covers.</p> <ul style="list-style-type: none"> The state government has encouraged local government to maintain employment levels and expenditure on projects to help stimulate the local economy.
12	FREMANTLE	<ul style="list-style-type: none"> I do not agree to or accept to an 11% increase General comments not related to Differential Rates 	<ul style="list-style-type: none"> Proposed rate in the dollars to be adopted are based on a nil increase in rate revenue Noted
13	FREMANTLE	<ul style="list-style-type: none"> I say NO to a proposed rate increase 	<ul style="list-style-type: none"> Noted
14	BEACONSFIELD	<ul style="list-style-type: none"> Opposed to a 10% increase in rates Receive very little value for services provided compared to other City councils Concerned about financial management 	<ul style="list-style-type: none"> Proposed rate in the dollars to be adopted are based on a nil increase in rate revenue Unable to comment on other local government service levels Noted
15	FREMANTLE	<ul style="list-style-type: none"> Objection to 10% increase 	<ul style="list-style-type: none"> Proposed rate in the dollars to be adopted are based on a nil increase in rate revenue
16	BEACONSFIELD & WHITE GUM VALLEY	<ul style="list-style-type: none"> Advocate for Council to implement a zero increased rate in the dollar Cancellation of the 2% FOGO Levy introduced over two years ago Budget within the means allowed by reduced GRV values. 	<ul style="list-style-type: none"> Proposed rate in the dollars to be adopted are based on a nil increase in rate revenue The 2% for FOGO is no longer intended as a one-off increase to be subtracted from future year rates. There are ongoing operational costs in having a FOGO system that the prior year's 2% increase covers. The state government has encouraged local government to maintain employment levels and expenditure on projects to help stimulate the local economy.
17	FREMANTLE	<ul style="list-style-type: none"> Objection to 10% increase Inability and refusal to pay increase 	<ul style="list-style-type: none"> Proposed rate in the dollars to be adopted are based on a nil increase in rate revenue Council has adopted a Financial Hardship Policy to assist ratepayers in genuine financial hardship
18	FREMANTLE	<ul style="list-style-type: none"> I am totally opposed to any increase in rates this year, by any means. 	<ul style="list-style-type: none"> Proposed rate in the dollars to be adopted are based on a nil increase in rate revenue

In order to make the rates as equitable as possible across each of the various rating classifications the proposed Rate in the Dollar has been calculated by dividing the

current rate revenue of each category by the total future valuations of that category. This calculated Rate in the Dollar is then applied to all ratepayers within the rating category. This can result in considerable variation within individual ratepayers' accounts, due to the varying valuation movements, which is unavoidable. Therefore a zero percentage rate increase for residents is unlikely – some residents will receive an increase and some a decrease on their last rate notice. On average across all differentials this has resulted in:

- 74% of ratepayers will receive a rate notice for 2020/21 that is the same or less than the rate notice from 2019/20
- 10% of ratepayers will receive a rate notice for 2020/21 that is more than 0% but less than a 2% increase on the rate notice from 2019/20
- 16% of ratepayers will receive a rate notice for 2020/21 that is more than a 2% increase on the rate notice from 2019/20

The proposed 2020/2021 rating structure, nominated Rates in the Dollar and minimum payments which are recommended for consideration is outlined in the schedule:

Differential Rating Category	PROPOSED		ADVERTISED	
	Minimum Payment	Rate in the Dollar	Minimum Payment	Rate in the Dollar
Residential Improved	\$1,344	0.081939	\$1,344	0.080660
Residential Vacant	\$1,302	0.120632	\$1,302	0.129100
Commercial and Industrial General	\$1,344	0.087061	\$1,344	0.089756
Commercial and Industrial Vacant	\$1,344	0.157568	\$1,344	0.161316
City Centre Commercial	\$1,344	0.094840	\$1,344	0.094915
Nightclubs	\$1,344	0.112295	\$1,344	0.161317
Residential short-term accommodation	\$1,344	0.091503	\$1,344	0.089745

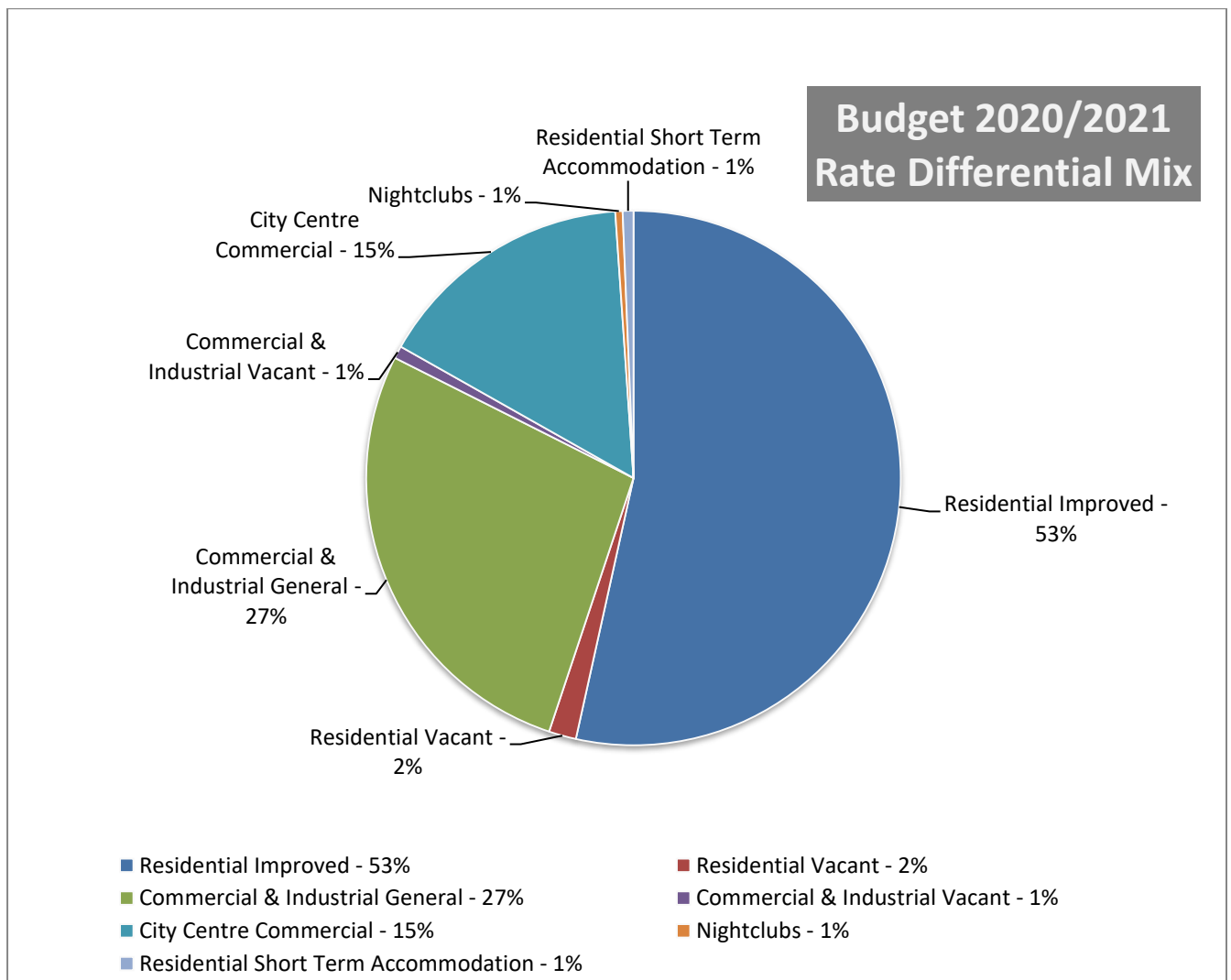
The rates in the dollar to be adopted in budget 2020/21 have varied to the advertised rates in the dollar due to the movement of property valuations as determined by the triennial revaluation. The rates advertised were based upon an average increase of 10% from 2019/20 due to an average property decrease across the City of 10%. The final adopted rates in the dollar have been calculated for each differential rate to return the same rate revenue as 2019/20 for that differential, except for Nightclubs. The Nightclub differential has been reduced further as acknowledgment that some resourcing costs directly and indirectly linked to the operation of these venues have reduced since the mandated closures of these venues.

The minimum payments were re-evaluated in accordance with section 6.35(3) of the Local Government Act 1995 to ensure the general minimum is imposed on not less than 50% of the number of properties in each category.

The proposed 2020/2021 specified area rates to be applied are:

Specified area rate	Purpose of the rate	Rate in \$
CBD Security Levy	A safety and security strategy for a specified area of the Fremantle CBD.	0.001170
Leighton Maintenance	To fund the above normal costs associated with maintaining the higher standard of landscaping of the Leighton residential area.	0.005022

The rate revenue generated from each rating differential is represented in the graph below.



Alternative Rate Payment Options

This year the City will provide an option of fortnightly and weekly direct debit payment for rates to allow ratepayers to spread payments over the year to ease their financial burden.

The City has also developed a Hardship Policy accessible to all ratepayers to ensure that those in financial stress or position of vulnerability have the City's support.

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute Majority Required

OFFICER'S RECOMMENDATION

Council:

1. Adopt the 2020/2021 budget;

Pursuant to the provisions of Section 6.2 of the Local Government Act 1995 and Part 3 of the Local Government (Financial Management) Regulations 1996, the council adopt the Municipal Fund Budget as contained in Attachment 1 for the City of Fremantle for 2020/2021 financial year which includes the following:

- Statement of Comprehensive Income by Nature and Type showing a net result for that year of \$3,678,553
- Statement of Comprehensive Income by Program showing a net result for that year of \$3,678,553
- Statement of Cash Flows
- Rate Setting Statement showing an amount required to be raised from rates of \$47,051,139
- Notes to and Forming Part of the Budget
- Capital Budget Program
- Transfers to/from Reserve Accounts

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 2020/2021 financial year:

Differential Rate Category	Proposed Minimum Payment	Proposed Rate in the Dollar (\$)
Residential Improved	\$1,344	0.081939
Commercial and Industrial General	\$1,344	0.087061
Vacant Commercial and Industrial	\$1,344	0.157568
City Centre Commercial	\$1,344	0.094840
Nightclubs	\$1,344	0.112295
Vacant Residential Land	\$1,302	0.120632
Residential Short Stay Accommodation	\$1,344	0.091503

3. Concessions;

Pursuant to Section 6.47 of the Local Government Act 1995 council adopts to grant rate concessions of \$199,430 to the properties identified and as prescribed in Note 1(d) of the draft 2020/2021 Budget capped at \$20,000pa maximum.

4. Instalments;

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 by instalments:

- a) Full payment:
Due date - Friday 28 August 2020
- b) Two (2) instalment option:
1st instalment due date - Friday 28 August 2020
2nd instalment due date – Friday 13 November 2020
- c) Four (4) instalment option:
1st instalment due date - Friday 28 August 2020
2nd instalment due date – Friday 13 November 2020
3rd instalment due date – Friday 15 January 2021
4th instalment due date – Friday 12 March 2021
- d) Twenty (20) fortnightly instalments (for direct debits only) option:
Commencing direct debit date – Friday 28 August 2020
Final payment direct debit date - Friday 21 May 2021
- e) Forty (40) weekly instalments (for direct debits only) option:
Commencing direct debit date – Friday 28 August 2020
Final payment direct debit date - Friday 28 May 2021

5. Administration Charge;

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 instalment administration charge of \$40.20 fixed for the 4 instalment plan and an instalment administration charge of \$13.40 fixed for the 2 instalment plan where the owner has elected to pay rates and charges through the instalment options; being \$13.40 for each instalment after the initial instalment is paid.

6. Instalment Interest;

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 rate of 5.5% where the owner has elected to pay rates and charges through an instalment option.

7. Penalty Interest;

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 8% for rates, charges and

costs of proceedings to recover such charges that remains unpaid after becoming due and payable.

8. Fees and Charges;

Pursuant to Section 6.16 of the Local Government Act 1995, council adopts the Fees and Charges included within Fees and Charges schedule of the draft 2020/2021 Budget.

9. Elected Members' Fees and Allowances for 2020/2021;

Council note that the review of fees has been released by the Salaries and Allowances Tribunal on 8 April 2020 and adopt the following:

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	\$47,516
• Deputy Mayor	\$31,678
• Councillors	\$31,678

b) Pursuant to Section 5.99A of the Local Government Act 1995 and regulation 34A and 34AA of the Local Government (Financial Management) Regulations 1996, council adopts the following annual allowances for elected members:

• ICT Allowance	\$3,535
• Mayor Vehicle maintenance	\$1,500

c) Pursuant to Section 5.98(5) of the Local Government Act 1995 and regulation 33 of the Local Government (Financial Management) Regulations 1996, council adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:

• Mayor	\$89,753
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d) Pursuant to Section 5.98A of the Local Government Act 1995 and regulation 33A of the Local Government (Financial Management) Regulations 1996, council adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:

• Deputy Mayor	\$22,438
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10. Material Variance

In accordance with regulation 34(5) of the Local Government (Financial Management) Regulations 1996, and AASB 1031 Materiality, the level to be used in statements of financial activity in 2020/2021 for reporting material variances shall be 10% or \$100,000, whichever is greater.

AMENDMENT 1

Moved: Mayor, Brad Pettitt

Seconded: Cr Andrew Sullivan

To amend part 1 of the officer's recommendation to include the additional points in green italics, to read as follows:

1. Adopt the 2020/2021 budget;

Pursuant to the provisions of Section 6.2 of the Local Government Act 1995 and Part 3 of the Local Government (Financial Management) Regulations 1996, the council adopt the Municipal Fund Budget as contained in Attachment 1 for the City of Fremantle for 2020/2021 financial year which includes the following:

- Statement of Comprehensive Income by Nature and Type showing a net result for that year of \$3,678,553
- Statement of Comprehensive Income by Program showing a net result for that year of \$3,678,553
- Statement of Cash Flows
- Rate Setting Statement showing an amount required to be raised from rates of \$47,051,139
- Notes to and Forming Part of the Budget
- Capital Budget Program
- Transfers to/from Reserve Accounts
- *Reducing account 300170 – Capital Project – Infrastructure Recovery from \$500,000 to \$465,000*
- *Adding an account 200485 – Operating Project – Biennale Public Art for the amount of \$35,000*

Amendment carried: 9/1

For

**Mayor Brad Pettitt, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Sam Wainwright, Cr Frank Mofflin, Cr Doug Thompson,
Cr Bryn Jones, Cr Andrew Sullivan**

Against

Cr Marija Vujcic

Reason for change

The Biennale project proponents have advised they need some of the funding to be provided in late 2020 to enable acquisition of some elements of the proposed program. Whilst further funding will be considered by council during this financial year through monthly budget reviews, this provision will ensure the early funding requirements can be achieved.

COUNCIL DECISION ITEM SC2007-2

Moved: Mayor, Brad Pettitt

Seconded: Cr Jenny Archibald

Council:

1. Adopt the 2020/2021 budget;

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In accordance with regulation 34(5) of the Local Government (Financial Management) Regulations 1996, and AASB 1031 Materiality, the level to be used in statements of financial activity in 2020/2021 for reporting material variances shall be 10% or \$100,000, whichever is greater.

Carried: 9/1

For

**Mayor Brad Pettitt, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Sam Wainwright, Cr Frank Mofflin, Cr Doug Thompson,
Cr Bryn Jones, Cr Andrew Sullivan**

Against

Cr Marija Vujcic

10. Motions of which previous notice has been given

Nil

11. Urgent business

Nil

12. Late items

Nil

13. Confidential business

Nil

14. Closure

The Presiding Member declared the meeting closed at 6.24 pm.