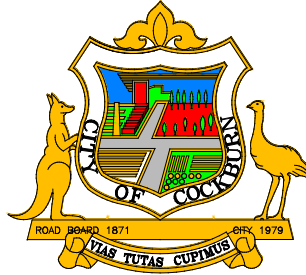


CITY OF COCKBURN



SPECIAL COUNCIL MEETING

MINUTES

FOR

THURSDAY, 22 JUNE 2017

These Minutes are subject to Confirmation

Presiding Member's Signature

Date: 13 July 2017

CITY OF COCKBURN

SUMMARY OF MINUTES OF SPECIAL COUNCIL MEETING HELD ON THURSDAY, 22 JUNE 2017 AT 7:00 PM

	Page
1. DECLARATION OF MEETING.....	1
2. APPOINTMENT OF PRESIDING MEMBER (IF REQUIRED)	1
3. DISCLAIMER (READ ALOUD BY PRESIDING MEMBER)	2
4. ACKNOWLEDGEMENT OF RECEIPT OF WRITTEN DECLARATIONS OF FINANCIAL INTERESTS AND CONFLICT OF INTEREST (BY PRESIDING MEMBER).....	2
5 (SCM 22/06/2017) - APOLOGIES & LEAVE OF ABSENCE.....	2
6. PUBLIC QUESTION TIME	2
7 (SCM 22/06/2017) - DEPUTATIONS.....	2
8. PETITIONS.....	2
9. DECLARATION BY COUNCILLORS WHO HAVE NOT GIVEN DUE CONSIDERATION TO MATTERS CONTAINED IN THE BUSINESS PAPERS	3
10 (SCM 22/04/2017) - PURPOSE OF MEETING	3
11. COUNCIL MATTERS.....	3
11.1 (MINUTE NO 6108) (SCM 22/06/2017) - ADOPTION OF 2017-18 DIFFERENTIAL RATES, 2017-18 MUNICIPAL BUDGET AND 2017-18 SCHEDULE OF FEES AND CHARGES (071/006; 075/011; 097/009) (S DOWNING/N MAURICIO) (ATTACH)	3
11.2 (MINUTE NO 6109) (SCM 22/06/2017) - ANNUAL BUSINESS PLAN 2017-18 (021/002) (M TOBIN) (ATTACH)	31
12. (MINUTE NO 6110) (SCM 22/06/2017) - RESOLUTION OF COMPLIANCE (SECTION 3.18(3), LOCAL GOVERNMENT ACT 1995).....	34
13 (SCM 22/06/2017) - CLOSURE OF MEETING.....	34

CITY OF COCKBURN

MINUTES OF SPECIAL COUNCIL MEETING HELD ON THURSDAY, 22 JUNE 2017 AT 7:00 PM

PRESENT:

ELECTED MEMBERS

Mr L Howlett	-	Mayor (Presiding Member)
Mrs C Reeve-Fowkes	-	Deputy Mayor
Mr K Allen	-	Councillor (Arr. 7.03 pm)
Mrs L Sweetman	-	Councillor
Dr C Terblanche	-	Councillor (Arr. 7.03 pm)
Mr S Portelli	-	Councillor
Ms L Smith	-	Councillor
Mr S Pratt	-	Councillor

IN ATTENDANCE

Mr S. Cain	-	Chief Executive Officer
Mr D. Green	-	Director, Governance & Community Services
Mr S. Downing	-	Director, Finance & Corporate Services
Mr C. Sullivan	-	Director, Engineering & Works
Mr D. Arndt	-	Director, Planning & Development
Ms A. Santich	-	Media & Communications Officer
Mrs B. Pinto	-	Executive Assistant, Directors – Fin. & Corp. Serv./Gov. & Comm. Serv.

1. DECLARATION OF MEETING

The Presiding Member declared the meeting open at 7.01 pm.

He acknowledged the Noongar people who are the Traditional Custodians of this Land. He also paid respect to the Elders, both past and present, of the Noongar Nation and extended that respect to other Indigenous Australians who may be present.

2. APPOINTMENT OF PRESIDING MEMBER (If required)

Nil.



3. DISCLAIMER (Read aloud by Presiding Member)

Members of the public, who attend Council Meetings, should not act immediately on anything they hear at the Meetings, without first seeking clarification of Council's position. Persons are advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

CLR KEVIN ALLEN AND CLR CHAMONIX TERBLANCHE JOINED THE MEETING AT 7.03 PM.

4. ACKNOWLEDGEMENT OF RECEIPT OF WRITTEN DECLARATIONS OF FINANCIAL INTERESTS AND CONFLICT OF INTEREST (by Presiding Member)

Nil

5 (SCM 22/06/2017) - APOLOGIES & LEAVE OF ABSENCE

Clr Phil Eva	-	Apology
Clr Bart Houwen	-	Apology

6. PUBLIC QUESTION TIME

Nil

7 (SCM 22/06/2017) - DEPUTATIONS

Mayor Howlett welcomed the following deputations:

- Nicola Bagley on behalf of the South Beach Community Group in relation to Barrow Park Playground. Fraya one of the children of the South Beach Development Estate spoke in regard to the need for the playground and how this would benefit the children of the Estate.
- Rebecca Rosa, President and Bonnie Newman, Secretary – Hammond Park Community Association in relation to Botany Oval and Russell Road/Hammond Road roundabout.

Mayor Howlett thanked both deputations for their presentation.

8. PETITIONS

Nil



9. DECLARATION BY COUNCILLORS WHO HAVE NOT GIVEN DUE CONSIDERATION TO MATTERS CONTAINED IN THE BUSINESS PAPERS

Nil

10 (SCM 22/04/2017) - PURPOSE OF MEETING

The purpose of the meeting is to adopt the 2017/18 Municipal Budget and the Annual Business Plan 2017/18.

11. COUNCIL MATTERS

11.1 (MINUTE NO 6108) (SCM 22/06/2017) - ADOPTION OF 2017-18 DIFFERENTIAL RATES, 2017-18 MUNICIPAL BUDGET AND 2017-18 SCHEDULE OF FEES AND CHARGES (071/006; 075/011; 097/009) (S DOWNING/N MAURICIO) (ATTACH)

RECOMMENDATION

That Council adopt:

(1) Part A – Municipal Fund Budget 2017-18

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 Municipal Fund Budget as attached to the Agenda, for the City of Cockburn for the 2017-18 financial year which includes the following:

- Statement of Comprehensive Income by Nature and Type showing a net result for that year of \$23,795,237.
- Statement of Comprehensive Income by Program showing a net result for that year of \$23,795,237.
- Statement of Cash Flows
- Rate Setting Statement showing an amount required to be raised from rates of \$99,981,449.
- Notes to and Forming Part of the Budget
- Budget Program Schedules

(2) Part B – General and Minimum Rates, Instalment Payment Arrangements:

1. For the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at Part A above, Council pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the Local Government Act 1995 impose the following differential general and minimum rates on Gross Rental and Unimproved Values.

General Rates



• Commercial Caravan Park	9.975c in the \$
• Improved Commercial & Industrial	7.683c in the \$
• Improved Residential	7.319c in the \$
• Rural Vacant Land	0.398c in the \$
• Rural General Improved	0.258c in the \$
• Specified Area Port Coogee Special Maintenance	1.221c in the \$
• Specified Area Cockburn Coast Special Maintenance	1.221c in the \$
• Specified Area Port Coogee Waterways	1.221c in the \$
• Vacant Land	8.660c in the \$

Minimum Payment Rates

• Commercial Caravan Park	\$757
• Improved Commercial & Industrial	\$757
• Improved Residential	\$1,303
• Rural Vacant Land	\$922
• Rural General Improved	\$922
• Vacant Land	\$753

2. Pursuant to section 6.47 of the Local Government Act grant a rates concession to Improved Residential single dwelling properties of 2.711c in the \$ applied to GRV value over and above \$20,690.
3. Pursuant to section 6.45 of the Local Government Act 1995 and regulation 64(2) of the Local Government (Financial Management) Regulations 1996, set the following due dates for the payment in full or by instalments:

• Full payment and 1 st instalment due date	25 August 2017
• 2 nd instalment due date	27 October 2017
• 3 rd quarterly instalment due date	5 January 2018
• 4 th and final instalment due date	9 March 2018
• Weekly or fortnightly instalment direct debits commencing 25 August 2017 to 15 June 2018	
4. Pursuant to section 6.45 of the Local Government Act 1995 and regulation 67 of the Local Government (Financial Management) Regulations 1996, impose an instalment administration charge where the owner has elected to pay rates (and service charges) through an instalment option of \$5 for each instalment after the initial instalment is paid.
5. Pursuant to sections 6.51(1) and 6.45(3) and subject to section 6.45(4)(e) of the Local Government Act 1995 and Regulation 68 of the Local Government (Financial Management) Regulations 1996, impose an interest rate of 3.5% for rates (and service charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable.
6. 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, impose an interest rate of 7% for rates (and service charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable.

(3) Part D – Fees and Charges for 2017-18

Pursuant to section 6.16 of the Local Government Act 1995, the Fees and Charges to be included inclusive of the 2017-18 budget as attached to the Agenda.

(4) Part E – Statutory and Other Fees for 2017-18

1. Pursuant to section 245A(8) of the Local Government (Miscellaneous Provisions) Act 1960 impose a swimming pool inspection fee of \$36 (GST is not applicable).
2. Pursuant to section 67 of the Waste Avoidance and Resources Recovery Act 2007, impose the following charges for the removal and deposit of domestic waste:
 - (a) All Non-Residential Improved Premises (including recycling)
 - 240ltr bin per weekly collection - \$458 p.a.
 - 240ltr bin per weekly collection (rate exempt properties) - \$510 p.a.

TO BE CARRIED BY AN ABSOLUTE MAJORITY OF COUNCIL

COUNCIL DECISION

MOVED Mayor L Howlett SECONDED Cllr L Smith that

(1) adopt Part A – Municipal Fund Budget 2017-18

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 Municipal Fund Budget as attached to the Agenda, for the City of Cockburn for the 2017-18 financial year which includes the following:

- Statement of Comprehensive Income by Nature and Type showing a net result for that year of \$23,897,352.
- Statement of Comprehensive Income by Program showing a net result for that year of \$23,897,352.
- Statement of Cash Flows
- Rate Setting Statement showing an amount required to be raised from rates of \$99,981,449.



- Notes to and Forming Part of the Budget
- Budget Program Schedules

(2) Part B – General and Minimum Rates, Instalment Payment Arrangements:

1. For the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at Part A above, Council pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the Local Government Act 1995 impose the following differential general and minimum rates on Gross Rental and Unimproved Values.

General Rates

• Commercial Caravan Park	9.975c in the \$
• Improved Commercial & Industrial	7.683c in the \$
• Improved Residential	7.319c in the \$
• Rural Vacant Land	0.398c in the \$
• Rural General Improved	0.258c in the \$
• Specified Area Port Coogee Special Maintenance	1.221c in the \$
• Specified Area Cockburn Coast Special Maintenance	1.221c in the \$
• Specified Area Port Coogee Waterways	1.221c in the \$
• Vacant Land	8.660c in the \$

Minimum Payment Rates

• Commercial Caravan Park	\$757
• Improved Commercial & Industrial	\$757
• Improved Residential	\$1,303
• Rural Vacant Land	\$922
• Rural General Improved	\$922
• Vacant Land	\$753

2. Pursuant to section 6.47 of the Local Government Act grant a rates concession to Improved Residential single dwelling properties of 2.711c in the \$ applied to GRV value over and above \$20,690.

3. Pursuant to section 6.45 of the Local Government Act 1995 and regulation 64(2) of the Local Government (Financial Management) Regulations 1996, set the following due dates for the payment in full or by instalments:

• Full payment and 1 st instalment due date	25 August 2017
• 2 nd instalment due date	27 October 2017
• 3 rd quarterly instalment due date	5 January 2018
• 4 th and final instalment due date	9 March 2018
• Weekly or fortnightly instalment direct debits commencing	25 August 2017 to 15 June 2018

4. Pursuant to section 6.45 of the Local Government Act 1995 and regulation 67 of the Local Government (Financial Management) Regulations 1996, impose an instalment administration charge where the owner has



elected to pay rates (and service charges) through an instalment option of \$5 for each instalment after the initial instalment is paid.

5. Pursuant to sections 6.51(1) and 6.45(3) and subject to section 6.45(4)(e) of the Local Government Act 1995 and Regulation 68 of the Local Government (Financial Management) Regulations 1996, impose an interest rate of 3.5% for rates (and service charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable.
6. 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, impose an interest rate of 7% for rates (and service charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable.

(3) Part D – Fees and Charges for 2017-18

Pursuant to section 6.16 of the Local Government Act 1995, the Fees and Charges to be included inclusive of the 2017-18 budget as attached to the Agenda.

(4) Part E – Statutory and Other Fees for 2017-18

1. Pursuant to section 245A(8) of the Local Government (Miscellaneous Provisions) Act 1960 impose a swimming pool inspection fee of \$36 (GST is not applicable).
2. Pursuant to section 67 of the Waste Avoidance and Resources Recovery Act 2007, impose the following charges for the removal and deposit of domestic waste:
 - (a) All Non-Residential Improved Premises (including recycling)
 - 240ltr bin per weekly collection - \$458 p.a.
 - 240ltr bin per weekly collection (rate exempt properties) - \$510 p.a.

(5) provide:

1. \$12,000 for the provision of a half stand basketball stand and a set of soccer goals at Radiata Park, Radiata Promenade, Aubin Grove; and
2. \$250,000 being the estimated cost for stage 1 of a 2 stage project for the Barrow Park upgrade, North Coogee



as submitted by the South Beach Community Association Inc. and

3. \$257,885 as shown in the table below:

	Draft Budget Increase %	New Proposed increase	Additional Cost
Power Contestable	2.5%	7.0%	\$20,425
Power Non-Contestable	2.5%	7.0%	\$13,600
Street lights	2.5%	7.0%	\$61,250
Gas	2.5%	7.0%	\$5,450
Water	2.5%	7.0%	\$14,350
Emergency services levy	2.5%	5.0%	\$1,140
Heavy Fleet Licences	0%		\$140,000
WALGA Subscriptions	1.50%	4.40%	\$1,670
Total additional costs			\$257,885

(6) allocate \$40,000 for the construction of a stone wall and mural at the intersection of Rockingham Road and Spearwood Avenue in place of the proposed colourbond fencing upgrade to this part of Spearwood Avenue.

CARRIED BY ABSOLUTE MAJORITY OF COUNCIL 8/0

Reason for Decision

The expenditure outlined above will reduce the proposed budget surplus of \$354,372 to \$14,487. The draft budget for contingency has been reduced from \$300,000 to \$80,000 as a result of the above changes..

The provision of the \$12,000 for the supply and installation of the half-court basketball stand and two soccer goals and the \$250,000 being the estimated funding for stage 1 and 2 for the Barrow Park upgrade, North Coogee will allow the projects to proceed in a timely manner. Council can give consideration at a future date to making an application to the State Government to utilise POS funds for the said purposes identified above and reimburse the Municipal Fund accordingly.

The additional \$257,885 shown in the table above is required to address increased costs of State Government utility prices and licencing fees/levies and WALGA subscription fees.

The inclusion of \$40,000 for a stone wall and mural at the intersection



of Rockingham Road and Spearwood Avenue is to recognise the contribution that the pioneers of Cockburn have made.

Background

Council is required to adopt an Annual Budget by 31 August each year. To this end the City adopts its budget in June of each year.

Since 2006-07, the City has produced an Annual Business Plan coupled with the Annual Budget to set the direction for a year of activities. It ties the objectives of the Strategic Community Plan and the activities listed in the Corporate Business Plan to the activities and services delivered by Business and Service Units. It is not a legislative requirement.

The Annual Business Plan is submitted to show more information about the first year of activities referred to in the Corporate Business Plan. The budget for 2017-18 is based on the activities described in the Annual Business Plan, which is the subject of a separate report.

Submission

The City received one submission in response to the advertising of differential rates. The submission was received from a resident of Wattleup. The submission and response is attached to the Agenda.

Report

Municipal Budget 2017-18

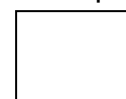
Each financial year the City is required to adopt a municipal budget in accordance with Section 6.2 of the Local Government Act 1995 and the associated regulations.

Introduction

The municipal budget has been prepared using the Council's Long Term Financial Plan 2016-17 - 2025-26 as the base together with the following adopted documents:

- Revitalisation Plans,
- Master Plans,
- Council adopted Strategies,
- Completion of DCA13 community infrastructure projects,
- Asset Management Plans; and
- Council decisions.

Changes are only made when external funding is provided which can expedite the delivery of a specific project such as the Spearwood



Avenue Duplication (between Beeliar Drive and Barrington Street) and the Lakelands Clubrooms and Hockey Facility.

The budget was prepared with the aims of having a low rate increase, minimising cost increases and to reduce costs where possible either through the procurement/tendering process or negotiation where possible.

Highlights of the 2017-18 - Municipal Budget:

- Increase in rating income from all existing properties of 1.75%, apart from caravan parks. The Valuer-General of WA will impose new gross rental values for all GRV rated properties effective 1 July 2017. The GRV values provided by the Valuer-General have been set based on values as at 1 August 2015.
- Average GRV values have increased for Residential Improved by 1.40%, Vacant Land by 12.35% and Commercial and Industrial Improved by 1.38%. To mitigate any impact from GRV increases, an equivalent reduction (after adjustment for minimum rated properties) was made to the rates in the dollars, prior to applying the proposed increase of 1.75% for 2017-18.
- Harmonisation of the standard and large commercial/industrial differential rating categories (single rate in the dollar).
- Introduction of weekly and fortnightly instalment direct debit payment options for ratepayers, allowing greater convenience and assisting affordability.
- Building of domestic housing and the commercial/industrial sector is estimated to grow by 2.0% with potentially 900 new dwellings
- The City will continue weekly recycling, six tip passes and four verge collections (two general waste and two greenwaste) for residential properties.
- The City to continue rolling out the third bin (Greenwaste) for all residential properties larger than 400 square metres over the next four years. For 2017-18, the City will implement the third bin in Coolbellup, North Lake and Bibra Lake totalling 8,000 new third bins.
- Co-Safe service to continue the rollout of the CCTV construction implementation strategy.
- Presentation of a municipal budget with a closing municipal fund position of \$354,372.
- Increase in operating revenue of 5.7% over the 2016-17 amended budget.
- Operating cost increase of 4.1% over prior 2016-17 amended budget and before depreciation, a cash cost increase of 3.8%. As 2017-18 will see the first full year of operations at the Cockburn ARC, the exclusion of ARC operating costs as well as SLLC (from 2016-17) will see an increase in other operating costs of only 1.4%.
- The surplus between operating revenue and expenditure funds reserve transfers arising from operating income such as interest



income on cash reserves, waste collection and disposal capital payments, Naval Base Shacks and CCTV capital construction.

- Salaries budget to increase by 5.0% allowing for EA increase of 2% for staff, grade increases, new staff and payroll for the Cockburn ARC.
- \$48.26m to be spent on community capital assets which include roads, drainage, parks and community infrastructure
- Cockburn ARC at Cockburn Central West was opened on 19 May 2017. The operating revenue for the 2017-18 financial year is \$7.7m with the operating cost budget of \$8.5m. The patronage is estimated at 873,000.
- 2017-18 sees the City continue repayment of the Cockburn ARC loan for \$25M borrowed from the WATC at \$2.5M p.a. plus interest.
- The construction of the new Visko Park bowling club and community facilities building and greens will commence in 2017-18 with an estimated cost of \$9m.
- The Lakelands Reserve community clubrooms and hockey facility will commence construction in 2017-18 with an overall budget of \$4.53m in 2017-18 with the balance of \$2.1m in 2018-19.
- Funding has been provided to undertake design, community consultation and funding applications for the Wetlands Education Centre, Frankland Ave Reserve (community and sports facilities) and Golf Course
- Funding has been provided for a range of Revitalisation Strategies, Hamilton Hill \$0.44m, Spearwood \$0.4m, Coolbellup \$0.5m and the Lakes \$0.5m.
- Funding has been provided for a number of master plans, Coogee Beach \$0.5m and North foreshore \$0.5m.
- Major Road projects, including \$1.2m for Verde Drive Jandakot (including roundabout), roundabout at Hammond Road and Russell Road, Hammond Park - \$1.0m plus service relocation costs, duplication of Spearwood Avenue Yangebup from Beeliar Drive to Barrington Street at a cost of \$3.70m. Funding of \$4.0m is being sought from the State Government for the duplication of the rail bridge of \$4.0m (a commitment from the State Election).
- Continuing repayment of the loan for the ESL Facility (reimbursable by DFES). DFES has since approached the City with a view to repaying the loan out early.
- Grants & Donations budget of \$1.35m
- Funds for Summer of Events of \$0.73m
- Construction has now been completed on the redevelopment of the City's Depot located in Wellard Street, Bibra Lake including a state of the art animal facility and deep sewer connection.
- Parks construction program totalling \$9.76m covering new parks development plus a range of other projects covering greening plans, shade sail implementation and playground renewals. 2017-18 will see the installation of a new skate park on the eastern side of Bibra Lake together with playground, parking, public toilets and landscaping. A grant of \$400,000 (ex-GST) is being provided by the State Government.



Income

The 2017-18 operating income for the City will be \$144.29m an increase of 5.7% on the 2016-17 amended budget. The sources of income are displayed in the table below. The two main sources of income for the Council are Rates 69.3% and Fees and Charges 18.5% of the operating income respectively.

Table 1 – Operating revenue for 2017-18 and 2016-17

All Figures in \$M	2016-17 Amended Budget	2017-18 Budget	Increase 17/18 Budget on 16/17 Budget	% of Overall Income of 16/17 Budget
Rates	\$95.70	\$99.98	4.4%	69.3%
Specified Area Rates	\$0.33	\$0.33	0.0%	0.2%
Fees and Charges	\$23.26	\$26.71	14.8%	18.5%
Contributions	\$0.71	\$1.14	60.5%	0.8%
Operating Grants	\$11.11	\$11.38	2.4%	7.9%
Interest Income	\$4.87	\$4.74	-2.7%	3.3%
Service Charges	\$0.45	\$0.00	-0.0%	0.0%
Total Revenue	\$136.44	\$144.29	5.7%	100.0%

Rates Income

Rates for all categories are recommended to increase by 1.75% apart from Caravan Parks which are recommended to rise by 5%. This is the lowest rate increase in ten years.

2017-18 will also see all properties valued using gross rental value (GRV) have new values. Such property values are provided (independent of Council) by the Valuer-General of WA, a statutory office holder of the Western Australian Parliament. The valuation will impact all rates assessments for the period commencing 1 July 2017 and be applicable for the next three financial years. The effective date of the valuation is 1 August 2015, reflecting the value of property as at that date and not 1 July 2017.

Residential Improved

The GRV for Residential Improved properties in the City of Cockburn have increased by 1.40% overall and 0.79% after discounting for the impact of minimum rated properties. To negate this increase, the rate in the dollar from 2016-17 is reduced by this property value increase of 0.79%, before the recommended rate increase is applied.



At the same time the concession for properties above a GRV of 20,690 is retained at an increased rate in the dollar of 2.711 cents (1.75% increase).

A review of the new GRV values for residential improved properties has shown the following listed suburbs with various increases or decreases in their average GRV. However, the average rate increase is not correlated to the GRV change as it is further affected by minimum rated properties and the rates concession. Overall, the City will only receive an additional 1.75% in rates from residential improved properties in 2017-18.

Suburb	No. Dwellings	Avg. GRV reval change	Avg Rate increase 2017-18
Atwell	3,112	-0.10%	0.89%
Aubin Grove	2,129	-0.10%	0.90%
Banjup	376	4.90%	4.52%
Beeliar	2,764	0.10%	1.12%
Bibra Lake	2,397	1.80%	2.23%
Cockburn Central	806	0.40%	1.37%
Coogee	1,692	0.70%	1.51%
Coolbellup	2,370	6.00%	2.70%
Hamilton Hill	4,722	3.10%	2.52%
Hammond Park	1,786	-0.20%	0.91%
Jandakot	925	4.80%	4.23%
Leeming	740	5.00%	4.41%
Munster	1,665	2.90%	3.02%
North Coogee	1,168	-7.10%	-4.32%
North Lake	479	0.00%	0.97%
South Lake	2,316	4.90%	3.53%
Spearwood	4,447	3.80%	3.19%
Success	3,786	-0.10%	1.01%
Treeby	551	-2.70%	-1.35%
Wattleup	41	2.20%	2.71%
Yangebup	2,845	0.10%	1.26%
All Suburbs Total	41,114	1.40%	1.75%

The Valuer-General has advised that he is expecting a higher than normal level of objections as a result of the 2017-18 revaluation. Whilst a softening of the Perth rental market has contributed to lower GRVs, the problem is that rents have continued falling beyond the valuation date (August 2015) creating a false expectation for even lower GRV values. The City will provide a leaflet to all ratepayers with their rates notices, explaining the valuation process and advising them of their objection rights. This was produced by Landgate (on behalf of the Valuer-General) to assist mitigate the anticipated high level of objections.

The City's internal auditors, Deloitte have confirmed the increase in GRV has been correctly applied, the adjustment in the rate in the dollar resulting from the GRV revaluation has been correctly applied, and the concession for single residential improved properties above a GRV



value of \$20,690 has been correctly applied. The auditor's report is attached.

The pension rebate cap of \$750 first applied in 2016-17 has yet to be reviewed but the City believes it will be indexed by a factor similar to the seniors rebate cap. The City is waiting to be advised by the State Government.

Overall, the average residential improved ratepayer will pay an extra 53 cents per week after concession and for those on the minimum payment rate the increase will be 42c per week.

These payments are exclusive of the State Government's Emergency Services Levy collected by Councils to fund the Department of Fire and Emergency Services. The increase proposed is unknown at the date of the report. Council has been advised that the increase will be advised to Council prior to 30 June 2017 (earlier than the State Government's budget) due to Councils required to adopt their budgets prior to 31 August (as required by the Local Government Act).

Vacant Land

The increase in the GRV for vacant land is an overall average of 12.35%, reduced to 10.34% after eliminating the impact of minimum rated properties. As such the vacant land rate for 2016-17 has been reduced by 10.34% before applying the rate increase of 1.75% for 2017-18.

Commercial/Industrial Improved

The City has struck one rate for all improved commercial and industrial properties for 2017-18, eliminating the large commercial/industrial differential rating category. This measure completes an undertaking given by the City to the Department of Local Government to harmonise the standard and large commercial/industrial differential rating categories over a three year period.

The following table shows the proposed rates (in the dollar) for 2017-18:

Table 2 – Proposed differential rates for 2017-18

Rating Class	Recommended Rate - Cents in the Dollar	Comment
Commercial & Industrial – Improved	7.683	Revenue increase of 1.75% on existing properties after allowing for GRV impact.
Residential Improved	7.319	Revenue increase of 1.75% on existing properties after allowing for GRV impact and after the concession.
Caravan Parks	9.975	Plan to increase rate in \$ over 10

Rating Class	Recommended Rate - Cents in the Dollar	Comment
		years to yield the equivalent of 80% of the residential minimum payment. Pension rebates will apply once target rate has been reached.
Vacant Land	8.66	Revenue increase of 1.75% on existing properties after allowing for GRV impact.

The City applied to have a number of properties converted from Unimproved Value (UV) to Gross Rental Value (GRV) for valuation and rating purposes. The Minister for Local Government accepted the City's application and has converted 30 properties as a result. The City now has only 289 UV properties and continues to consult with landowners about the efficacy of the UV valuation method for their property. The UV properties will also receive an increase of 1.75%.

Caravan Parks in Cockburn have predominantly become permanent home sites. The aim of the rating strategy is to ensure that if this continues, the residents make a contribution similar to other ratepayers. The aim is to steadily increase the contribution from the approximate 40% of the residential minimum payment to 80% over the next ten years. The City aims to also facilitate pensioner rebates once the minimum contribution reaches \$643.50 (in 2016-17 terms). They currently pay \$514.80 and will pay \$540.54 in 2017-18.

Rates levied on ratepayers form a significant portion of the City's operating income. This year, that portion accounts for 69.3%.

Cockburn home owners paid some of the lowest household rates in the metropolitan area in 2016-17. The Table below supports the supposition that Cockburn residential improved ratepayers continue to pay lower rates when compared with neighbouring Councils (incorporating rates and waste).

Table 3 – Comparison of average rates for 2016-17

Council	Residential Average Rates	Minimum Rates Payment	Residential Average Rates excluding impact of Min Payment
Cockburn	\$1,491	\$1,281	\$1,583
Melville	\$1,592	\$1,287	\$1,819
Fremantle	\$1,654	\$1,259	\$1,927
Kwinana	\$1,596	\$1,335	\$1,662
East Fremantle	\$1,868	\$1,035	\$1,968
Rockingham	\$1,520	\$1,467	\$1,727
Wanneroo	\$1,530	\$1,305	\$1,638
Swan	\$1,643	\$1,229	\$1,714
Armadale	\$1,869	\$1,480	\$1,949

Cockburn, Melville, Fremantle, East Fremantle & Wanneroo include their waste charge in the rate in dollar/minimum payment. Kwinana, Rockingham, Swan & Armadale have a separate waste charge which has been added to their average rates & minimum

payment. Melville and Rockingham have a separate security charge which has also been included. For Cockburn, the figures in the table are post concession. Average rates are calculated by taking the rates raised divided by the number of properties

A number of Councils point to their lower rate in the dollar to infer that they have lower rates than Cockburn but don't quote that their average GRV is significantly higher than Cockburn's. So whilst they may have a lower rate in the dollar, their higher average GRV results in higher rates both at the average and in total.

Cockburn's average residential improved rate is the lowest amongst neighbouring councils and even when compared to other growth Councils.

Cockburn's minimum payment rate for residential properties is also comparatively low except when compared to the Town of East Fremantle, where they only have 282 properties on the minimum payment.

If you remove the lowering impact of the minimum payment rate from all other residential improved properties Cockburn has close to the lowest average rates when compared to other Councils in the comparison group.

The above Councils were chosen firstly, because they are in the same local grouping (South West Group) and secondly, to compare with other outer metro growth Councils such as Swan, Wanneroo and Armadale, who are all experiencing sustained growth and have a comparable separate rate for residential improved properties.

Below is a comprehensive table of all metropolitan councils and their proposed rate increases (as indicated at the time of preparing this report). The average increase is 2.52% with the median increase at 2.22% which are both above the increase proposed by the City of Cockburn.

Table 4 – Proposed Council increase in residential rates for 2017-18

Council	Proposed Residential Increase
Armadale	2.00%
Bassendean	2.00%
Belmont	1.75%
Canning	3.5%
Cockburn	1.75%
Cottesloe	2.00%
Fremantle	1.90%
Gosnells	1.95%
Joondalup	1.95%
Kalamunda	2.50%



Council	Proposed
	Residential Increase
Kwinana	3.00%
Melville	2.00%
Nedlands	4.00%
Rockingham	3.00%
Stirling	1.75%
South Perth	3.75%
Swan	3.00%
Victoria Park	3.50%
Vincent	2.70%
Wanneroo	2.45%
Average	2.52%
Median	2.22%

Overall growth in rates from new properties and vacant land as well as improvement to existing properties has been budgeted at 2.0%. This translates to approximately 900 new dwellings. The City has budgeted to receive commensurate interim rates of \$1.98m as part of the 2017-18 budget.

Pool Inspection Fee

The fee will remain at \$36 per property with a swimming pool. This is in order to ensure that City will be able to inspect every swimming pool in the municipality once every four years to comply with the relevant statutory requirement.

Port Coogee Special Maintenance Specified Area Rate

This rate will rise by 1.75% from 1.200c to 1.221c in the dollar of GRV value. These monies are being reserved so as to ensure that the parks and public areas (including custom street lighting) are maintained in accordance with the higher standards agreed to between the City and the Developer. The additional costs being borne by the developer initially and the landowners ultimately. The income from this item is included in the total specified area rates to be raised by the budget. There are sufficient funds to cater for the growth of this expenditure for the next five years at this set rate.

The City will continue taking over public open space in the Port Coogee area in 2017-18 which will trigger the City drawing on funds in the Reserve to supplement the additional maintenance work noted above.

Port Coogee Waterways Specified Area Rate

This rate will rise by 1.75% from 1.200c to 1.221c. This Specified Area Rate is for properties that connect with the waterways. The rate will be



used to fund maintenance of the waterways and associated infrastructure assets. There are approximately 54 properties impacted by this rate.

All Port Coogee properties will receive only one specified area rate either the Port Coogee Special Maintenance Area rate or the Port Coogee Waterways Specified Area Rate.

Cockburn Coast Specified Area Rate

This rate will rise from 1.200c to 1.221c in the dollar of GRV value for improved residential landholders only. These monies are being reserved so as to ensure that the parks and public areas (including custom street lighting) are maintained in accordance with the higher standards agreed to between the City and the Developer. The additional costs being borne by the developer initially and the landowners ultimately. No income from this item is included in 2017-18 budget, but a small amount may be collected during the year as development progresses.

Emergency Services Levy

Although not imposed by the City, the levy is collected by the City under direct instruction from the State Government and passed onto the Department of Fire and Emergency Services DFES (formerly the Fire and Emergency Services Authority). The increase for City of Cockburn ratepayers is unknown at this stage as the Minister for Emergency Services is yet to make his determination on the matter. . The City collected over \$14.8m from this levy on behalf of DFES in 2016-17.

Fees and Charges

The City has budgeted to receive \$26.71m in Fees and Charges in 2017-18. Although this category of income covers 170 services provided by City, there are seven fee types that combine to make up \$22.85m or 85.6% of the total fees and charges. The fees consist of Waste fees (tipping, sale of recycled metals and materials and sale of landfill gas) related to the Henderson Waste and Recovery Park, waste collection for commercial/industrial properties, fees associated with the Planning and Building (Statutory) approvals, fees for Cockburn ARC and Port Coogee Marina and finally, the lease revenue from property owned by the City.

The Gate Fee for the Henderson Landfill facility will not increase at 1 July 2017 as a result of intense competition in the market place. As a result of the State Government increasing the Landfill Levy from \$60 to \$65 per tonne from 1 July, the City will be forced to absorb this impost in order to retain market share. The cost of this impost is \$375,000.



Statutory fees collected for Planning and Building will remain similar to 2016-17.

Rental income will be over \$2.8m which includes income from a number of Council owned properties including Cockburn Health and Community Centre, Coogee Beach café, Coogee Beach Caravan Park, Naval Base Shacks, Youth Centre commercial leases, Cockburn ARC and a range of halls.

The final income items are fees for the new Cockburn ARC. South Lake Leisure Centre which has been budgeted to operate till the opening of the Cockburn ARC in late 2016-17 was closed in May 2017.

Many fees will have no year on year increase, but some will rise in a range from CPI to 100% (disposal of an old bed increases from \$5 to \$10 at HWRP) in order to cover the cost of the service/s provided by the City.

Service Charges

With the completion of the payment scheme for underground power last year, there are no service charges included in the 2017-18 budget.

Operating Grants and Subsidies

This income source is provided by the State and Federal Governments. The income is generally recurrent and rises by CPI or a similar agreed factor. For the 2017-18 Budget, the Federal Government has unfrozen the level of the Financial Assistance Grant (General and Untied Road grant), which been frozen at 2013-14 base with no indexation for population growth.

Apart from the untied Federal Assistance Grant noted below, the other grants have been provided by the State and Federal Governments for the delivery of specific community programs.

Table 5 – Operating grants for 2017-18

Grant	Amount \$
Child Care and Children (Federal Government)	\$3.67m
Financial Assistance (Untied from Federal Government)	\$2.30m
Financial Assistance (Roads from Federal Government)	\$1.50m
Aged Services – HACC	\$2.16m
Aged Services – HACP	\$0.41m
Youth Services (2 programs)	\$0.33m
Family Services (4 programs)	\$0.50m
DFES Operational Grant	\$0.24m
Recreation Services	\$0.18m
Other	\$0.09m
Total Grants	\$11.38m

Interest Income

Income generated by this item is divided into two parts, municipal fund interest and sundry interest income derived from outstanding rates and instalments (including an interest payment for deferred pensioner rates from the State Revenue Office). The term deposit interest rate has been set at 2.70% but may change should the RBA lower further the cash rate below 1.50% This lower outlook for rates has caused the City to reduce the overall interest income budget from an estimated actual of \$5.13m to \$4.74m.

- Municipal Interest \$4.03m
- Instalment Interest \$0.44m
- Penalty Interest \$0.24m
- Deferred Pension rates interest \$0.03m

The City is compliant with the Local Government (Financial Management) Regulations in that all funds are invested in Term Deposits held with Australian Banks or Australian Government Bonds apart from two investments 'grandfathered' under the same regulations. One is a senior bond issued by the Commonwealth Bank and the second is an investment in an Australian mortgage fund comprising "reverse" Australian mortgages. Each investment continues to pay a competitive rate of interest and will be redeemed upon maturity. The former will be redeemed in January 2018 at a face value of \$4m.

Expenditure

Budgeted growth of operating expenditure for 2017-18 is 4.1% over the 2016-17 amended budget. If one removes the impact of the Cockburn ARC on expenditure and the SLLC (now closed) the increase is approximately 1.4%, in real terms.

The following comparative table indicates the growth of operating expenditure over the financial years 2016-17 to 2017-18.

Table 6 – Operating expenditure 2017-18 and 2016-17

All figures \$M	2016-17 Amended Budget \$	2017-18 Budget \$	Increase on 2016/17 Budget \$	% of Overall Cost of 2017-18 Budget \$
Payroll	51.20	53.78	5.0%	38.7%
Materials	40.80	40.38	-1.0%	28.9%
Utilities	4.70	5.11	8.7%	3.6%
Interest Expense	0.93	0.82	-11.8%	0.5%
Insurance	2.43	2.23	-8.2%	1.6%



All figures \$M	2016-17 Amended Budget \$	2017-18 Budget \$	Increase on 2016/17 Budget \$	% of Overall Cost of 2017-18 Budget \$
Other Expenses	8.47	9.00	6.3%	6.4%
Depreciation/Amortisation	28.02	29.42	5.0%	21.2%
Internal Recharging	(2.59)	(1.33)	-48.6%	-0.9%
Total Expenditure	133.96	139.41	4.1%	100%

The above table also demonstrates where the City is spending its operating expenditure with a detailed explanation below.

Payroll

The City has an overall 5.0% increase in the wages and salaries budget. This is made up of the following:

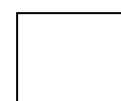
- Increase for all staff on the EA: 2%
- Increase in “steps” with levels: 0.5%
- New staff: 0.5%
- Impact of the Cockburn ARC: 2.0%

This will also provide for a number of new staff, in line with Council's adopted Workforce Plan including playground officer, irrigation fitter, waste truck driver, bush fire inspection and mitigation officer, family & community development officer and digital communications officer. There has been an offsetting reduction in the staff numbers within roads construction as the City continues to outsource this function.

Materials and Contract

Aside from employee and related costs, materials and contracts is the City's largest recurrent operating expenditure item. The following items form over 74% of this expenditure for 2017-18. Waste collection \$7.93m, landfill running costs \$1.01m, parks & playgrounds \$2.45m, streetscapes & street trees maintenance \$1.93m, sportsgrounds maintenance \$0.65m, facilities maintenance \$2.89m, roads maintenance \$0.98m, plant & fleet maintenance \$1.38m, care giver payments \$2.98m, Co-Safe \$2.22m, Cockburn ARC operations \$2.26m, software and hardware support costs \$1.23M, equipment leases \$0.80m, legal fees \$0.50 and carnival of events \$0.73m.

Over 80% of the City's materials and contracts expenditure is subjected to competitive procurement practices. These include both formal tender and quotation processes, governed by legislation and Council policy. This percentage has seen an increasing trend over recent years due to a concerted effort by the City to drive better value for money from its annual budget.



Insurance

The City, like all local governments in WA, is a member of the Local Government Insurance Scheme (LGIS) – a cooperative insurance scheme. This Scheme covers workers compensation insurance, property and public liability insurance. In effect, Council self-insures through the LGIS. Insurance for motor vehicles, councillor and officer liability (similar to Directors and Officers Liability insurance), travel insurance plus others insurances are sourced by the LGIS from external insurance providers. These insurances are a significant quantum that LGIS tenders and/or seeks competitive quotes from the general Insurance market each year to ensure Council receives a competitive pricing outcome.

Overall, insurance premiums are expected to decrease by 8.2% to \$2.23m from \$2.43m in 2017-18, despite the increase in payroll costs associated with the Cockburn ARC and additional property insurance for the ARC building (added 10% to the City's building portfolio). Workers compensation premium will increase overall in line with the rise in council payroll but the premium rate will fall as a result of a lower claims history. Public liability premium is also budgeted to fall. These falls are also the result of the City reviewing its insurance contract with LGIS, who has responded by lowering rates impacting on resulting premiums. A fall of a similar magnitude is expected in 2018-19 as well.

In addition, the City has an active program of regular revaluation of assets so as to ensure the City's buildings are not under-insured. A revaluation is due at 30 June 2017 but this is not expected to have a material impact on the insured values.

The City banks dividends received through the LGIS self-insurance scheme to its Insurance Reserve in order to cover small claims internally and smooth out annual premiums when necessary.

Utilities

This item covers expenditures for electricity, gas, water and telecommunications.

Electricity is consumed by the City in two ways. Firstly, general power consumption for buildings and associated facilities and secondly, electricity consumption for street lighting. The City pays for over 12,800 street lights, which will cost \$2.5m in 2017-18. The State budget for 2016-17 flagged an increase of 2.5% for 2017-18.

The balance of electricity will be expended on buildings and associated infrastructure. A number of the Council's facilities are subject to a two year fixed price contract and the balance subject to increases announced in the State Government budget of an estimated 2.5%. No significant cost increases are expected other than for consumption



especially for the new Cockburn ARC facility, whose electricity consumption has been mitigated by the construction of 1Mw solar array on the roof of the facility which will meet 40% of the electricity needs for this facility.

Other utilities are expected to increase by 3% apart from telecoms which has no increase.

Other Expenses

This item of expenditure covers a range of sundry expenses such as the State Government's Landfill Levy of \$3.78m, which has risen from \$60 per tonne to \$65 per tonne from 1 July 2017). Also included are the SMRC loan repayment \$1.65m, fuel and licencing costs \$0.93m, grants and donations \$1.34m, operating contribution to the SMRC \$0.14m and levy payments to carers & parents \$0.64m (fully funded from the Federal Government).

Depreciation

The City has estimated \$29.42m of depreciation and amortisation for 2017-18, which is 5.0% higher than the 2016-17 amended budget. The City effectively cash backs its depreciation, as demonstrated by the \$4.88m positive operating result in the Statement of Comprehensive Income. By being fiscally responsible and cash backing the depreciation, the City is able to use the cash generated by this item to refurbish existing assets in addition to constructing new ones. Council has been briefed on a plan to spend up to 80% of the cash produced from depreciation to refurbish assets. This plan will take five to seven years to move up from the current 65% of depreciation cash expended on the capital refurbishment program. This plan has been designed so as to provide a greater life for existing City assets.

The City will write-off the balance of the asset associated with the South Lake Leisure Centre when it is transferred to the State Government (Education Department – the pools will be emptied, pumps removed prior to handover). The ARC will also be brought onto the financial books of the City with a portion of the asset being transferred to the Fremantle Football Club in accordance with the agreement signed with the Club. This value is approximately \$24m.

Interest Expense

The City has budgeted to pay interest in 2017-18 for the Cockburn ARC and ESL Facility loans. The total cost for this year is \$0.82m, but will be reduced if DFES go ahead with the full prepayment of their outstanding loan commitment.



Capital Income and Developer Contributions

The City has budgeted to receive the following Capital Income & Grants plus Developer Contributions for 2017-18.

Table 10 – Capital income for 2017-18

Road project grants	\$4.63m
Sale of Plant	\$0.77m
Lakelands Hockey and Community Club rooms	\$1.00m
Visko Park	\$4.55m
Bibra Lake Skate Park	\$0.40m
Developer contributions – DCP	\$5.00m

Capital Expenditure

The following chart indicates where the City will commit its capital expenditure totalling \$48.26m for 2017-18:

Table 11 – Capital expenditure for 2017-18

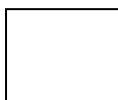
Class	\$
Roads	\$11.00m
Footpaths	\$1.96m
Drains	\$1.00m
IT/IS/ICT	\$1.95m
Parks/Environment	\$9.99m
Marina	\$0.32m
Facilities	\$17.36m
Fleet (Plant and Equipment)	\$3.85m
Artwork	\$0.08m
HWRP	\$0.19m
Furniture	\$0.51m
Other	\$0.05m
Total	\$48.26m

New Projects

Below is a shortened list of new projects and the capital allocated to them. For a comprehensive list of projects please refer to the attached budget – New Capital Projects 2017-18.

Table 12 – Specific capital projects for 2017-18

New Capital Projects for 2017-18	Allocated Funds \$
Roads –Duplication of Spearwood Ave (Barrington Rd to Beeliar Dr. Funds for the duplication of the Bridge have been promised by Labour Government totalling \$4m	3.70m
Roads – Roundabout at Hammond Rd and Russell Road	1.00m
Roads – Verde Drive (Biscayne to Solomon) & Roundabout	1.20m
Roads – Traffic Management	0.56m
Lakelands Clubrooms and Hockey	4.53m
Cockburn Bowling & community centre Visko Park	9.00m
Bibra Lake Management Plan (Skate Park & assoc. infrastructure)	2.07m
Improvements to civic and community buildings	1.50m



New Capital Projects for 2017-18	Allocated Funds \$
Plant and Equipment – Replacement	3.16m
Plant and Equipment – New	0.63m
Revitalisation Strategy – Hamilton Hill	0.44m
Revitalisation Strategy – Phoenix (Spearwood)	0.40m
Revitalisation Strategy – Coolbellup	0.50m
Revitalisation Strategy – The Lakes	0.50m
Coogee Beach Master Plan	0.50m
North Foreshore (North Coogee)	0.50m
Drainage Works	1.00m
Resurfacing of Roads	1.34m
Footpath (new and rehabilitation) and cycle paths	1.96m

Unfinished capital works and projects from 2016-17 have not been included in the 2017-18 budget as these are not yet determined. However, the unspent municipal funding for these will be transferred into the Carry Forward Projects Reserve at year's end, allowing for these works to be funded and continue into 2017-18. A detailed listing will be provided to a future Council meeting, usually November once 2016-17 annual financial statements have been audited.

Borrowings

The City hasn't budgeted to borrow funds in 2017-18 and will continue repaying the principal for the Cockburn ARC loan. Total repayments will be \$2.6m covering the Emergency Services and Cockburn ARC facilities. The former is funded by DFES, whilst the latter is funded by contributions through developer contribution scheme No. 13.

Reserves

The City has a Ten Year Long Term Financial Plan which includes funding its financial reserves. The City places great importance in planning for the future and ensuring it has sufficient funds to complete major projects now and into the future. In this budget, Council will transfer into its financial reserves \$25.6m, which includes \$2.5m of brought forward funds from estimated budget savings for 2016-17. However, it will draw down \$19.1m from reserves to fund a series of major capital projects.

At the same time the City is still reserving funds received from the Development Contribution Plan (a levy on all new dwelling for community infrastructure), rent from the Naval Base Shacks Leases and Coogee Beach Caravan Park (to fund capital works). It is anticipated that the City will receive \$5.0m in 2017-18 from developer contributions for community infrastructure in addition to funds for roads and other "hard" infrastructure.



Rate Setting Statement

The Rate Setting Statement is a unique financial statement applicable to WA Local Governments. The purpose of the statement is to determine the amount of rates to be collected from property owners after the inclusion of operating income (excluding rates), Operating expenditure, capital income and expenditure, reserve transfers (to and from reserves) plus loan repayments and new borrowings. The statement also adds back the cash generated by depreciation. The deficit after inclusion of the above is to be raised from rates as provided for in the Local Government Act. The rates to be raised in 2017-18 total \$99.98m. Rates only include general rates and not service charges, specified area rates, interest from instalments and penalty interest or instalment fees.

Cashflow Statement

The Cashflow Statement is presented with other statutory financial statements. It presents the cash the Council will generate and expend in running its day to day business, capital investment program – both capital income and expenditure as well as funds required to finance both the operating and investment (capital) program:

1. Net operating cash flows are \$34.25m
2. Net investment cash flows are (\$27.33m)
3. Net financing cash flows are (\$2.60m)
4. Net overall cash flow is \$4.32m

The City will commence the year with a budgeted \$111.52m in cash, including \$101.74m held in financial reserves. After the impact of the activities listed in 1 to 3 above, the City will finish the year with a closing cash position of \$115.84m.

Integrated Planning Framework

Council adopted its Strategic Community Plan 2016-17 – 2020-21 and the Corporate Business Plan 2016-17 – 2020-21 at the June 2016 Ordinary Council Meeting. In addition a number of other plans were also adopted, these include the Long Term Financial Plan and the Workforce Plan. Each Plan will be updated every two financial years. Council has a further seventy strategic plans, master plans and other plans adopted by council which feed into the above documents including the 2017-18 municipal budget.

Long Term Financial Plan

Council adopted a new Long Term Financial Plan for the period 2016-17 to 2025-26, a period of ten years. The LTFP will be reviewed each financial year in line with the adopted budget so as to ensure financial



relevance. Based on the budget contained in the attached papers the LTFP and analysis is provided below of the variations to the LTFP.

Table 13 – Comparison of LTFP and Budget for 2017-18

	2017-18 LTFP	2017-18 Municipal Budget	Comment
Operating Revenue	\$144.50m	\$144.29m	Lower fees and charges for HWRP lower rate increases
Operating Expenditure	\$138.70m	\$139.41m	Lower interest expense & LFL but higher power, depn costs
Capital Income	\$18.91m	\$18.92m	Grants for ARC, Visko, Roads, DCP contributions
Capital Expenditure (incl Loan Repayments)	\$53.59m	\$50.86m	Final capex on ARC & revitalisation strategies. ARC & DFES loan repayments

Asset Management Plan

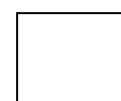
Council adopted Asset Management Plans for six areas of Council's assets, namely Roads, Building, Drains, Parks, Footpaths and Fleet. Each Plan forecasts expenditure to be spent on maintaining/renewing council assets in the above categories with a planned amount to be spent as per the criteria. The 2017-18 budget meets the expenditure requirements outlined in the asset management plans apart from the Roads AMP. The Roads AMP is being reviewed as to depreciation rates and their impact on future expenditure requirements. A further two plans are to be prepared to cover the Cockburn ARC facility and the Port Coogee Marina and associated infrastructure assets surrounding the marina.

For definitional purposes renewing of assets is specifically the subject of the Asset Management Plans whereas upgrading is a mixture of renewing the asset but has been coupled with additional improvements.

The intention is to provide this every year and to reclassify the status of "Upgrade" into New and Renew to clarify how much is being allocated to meeting the Asset Management Plans.

Workforce Plan

Council adopted the Workforce Plan in June 2016. The 2017-18 budget partially reflects new appointments as outlined in the Plan as a number of appointments have been deferred due to cost restraints.



Closing Municipal Position

The 2017-18 Municipal Budget closing position is \$354,372. This is after all operating and capital income and expenditure items plus reserve transfers are brought to account.

Opening Municipal Position

A report will be brought to Council in November 2017 once the Auditors have completed their annual audit of the financial statements to confirm the closing municipal fund position for 2016-17. In the interim, an estimate of \$2.5m has been used for the 2017-18 opening position comprising budget savings from 2016-17 which is allocated to reserves.

Change to the advertised Differential Rates

The only change being proposed to the advertised differential rates is a slight increase to the rate in the dollar and minimum payment for Vacant Land. This was necessary in order to account for the impact of minimum rated properties on the GRV revaluation and to ensure a revenue yield increase of 1.75% from this category. The Council will continue applying the Residential Improved concession introduced in 2015/16.

Table 14 – Differential rates, advertised and recommended

Category	Rate Category	Advertised		Recommended	
		Rate in \$	Min Payment	Rate in \$	Min Payment
GRV	Residential Improved	7.319c	\$1,303	7.319c	\$1,303
GRV	Vacant Land	8.520c	\$731	8.660c	\$753
GRV	Commercial & Industrial Improved	7.683c	\$757	7.683c	\$757
UV	Rural General Improved	0.258c	\$922	0.258c	\$922
UV	Rural Vacant Land	0.398c	\$922	0.398c	\$922
GRV	Commercial Caravan Park	9.975c	\$757	9.975c	\$757
GRV	Specified Area Rate - Port Coogee Special Maintenance	1.221c	N/A	1.221c	N/A
GRV	Specified Area Rate – Port Coogee Waterways	1.221c	N/A	1.221c	N/A
GRV	Specified Area Rate - Cockburn Coast	1.221c	N/A	1.221c	N/A



Strategic Plan/Policy Implications

City Growth

- Continue revitalisation of older urban areas to cater for population growth and take account of social changes such as changing household types
- Maintain service levels across all programs and areas

Moving Around

- Identify gaps and take action toward extending the coverage of the cycle way, footpath and trails network

Community, Lifestyle & Security

- Provide for community facilities and infrastructure in a planned and sustainable manner
- Create and maintain recreational, social and sports facilities and regional open space

Economic, Social & Environmental Responsibility

- Improve the appearance of streetscapes, especially with trees suitable for shade
- Improve water efficiency, energy efficiency and waste management within the City's buildings and facilities and more broadly in our community

Leading & Listening

- Deliver sustainable governance through transparent and robust policy and processes
- Ensure sound long term financial management and deliver value for money
- Listen to and engage with our residents, business community and ratepayers with greater use of social media
- Attract, engage, develop and retain our employees in accordance with the Workforce Plan and the Long Term Financial Plan

Budget/Financial Implications

The Budget provides funds as outlined in the recommendations at the commencement of this report and the detailed attachments.



Legal Implications

Section 6.2 of the Local Government Act 1995 requires Council to prepare and adopt an annual budget.

Community Consultation

Section 6.36 of the Local Government Act 1995 requires the Council to advertise the differential rates proposed in the budget attachments. The Council advertised the differential rates in the West Australian newspaper on Saturday, 20 May 2017 and the Cockburn Gazette on Tuesday, 23 May 2016. The Objects and Reasons document accompanied by the Deloitte report to support the differential rates was placed at the City's Libraries, on Council's website, on Council's social media tools, emailed to all the City's community groups. Comments were invited from interested parties with a closing date for submissions on Monday 12 June 2016.

A meeting of all community groups and ratepayer associations for the City of Cockburn was held on 3 May 2017. The meeting was held to explain the GRV revaluation and the impact. Also discussed was the rate increase proposed for 2017-18 and a broad overview of the budget and capital expenditure plans for 2017-18.

Risk Management Implications

The adoption of the annual budget allows council to raise rates and other revenue and then expend the funds raised to deliver the services and capital projects recommended in the budget. Without the adoption of the annual budget, the Council will not have the funds to meet the requirements recommended in the budget.

Attachment(s)

1. 2017-18 Municipal Budget and associated schedules, including the 2017-18 Schedule of Fees and Charges and new capital projects 2017-18.
2. Deloitte Independent Assurance Report – 2017-18 City of Cockburn Rate Setting Model.
3. Submission from Wattleup resident and response.

Advice to Proponent(s)/Submissioners

N/A

Implications of Section 3.18(3) Local Government Act, 1995

Nil.



11.2 (MINUTE NO 6109) (SCM 22/06/2017) - ANNUAL BUSINESS PLAN 2017-18 (021/002) (M TOBIN) (ATTACH)

RECOMMENDATION

That Council adopt the Annual Business Plan 2017-18.

COUNCIL DECISION

MOVED Cllr S Portelli SECONDED Deputy Mayor C Reeve-Fowkes that the recommendation be adopted.

CARRIED 8/0

Background

Since 2006-07, the City has produced an Annual Business Plan to set the direction for a year of activities. It ties the objectives of the Strategic Community Plan and the activities listed in the Corporate Business Plan to the activities and services delivered by Business and Service Units. It is not a legislative requirement.

The Annual Business Plan is submitted to show more information about the second year of activities referred to in the Corporate Business Plan. The budget for 2017-18 is based on the activity described in the Annual Business Plan and is the subject of a separate report.

Submission

N/A

Report

An Annual Business Plan is not required by legislation but has been produced since 2006-07 following the introduction of the 2006 iteration of the Strategic Plan. It is the second year of our new ten year Strategic Community Plan 2016 – 2026 and four year Corporate Business Plan 2016-17 – 2019-20. It sets out more detail on the activities to be undertaken by the City during the year.

The major projects for 2017-18 will be around road construction as significant funding announcements have been made by both State and Federal Governments. This will involve the City in significant planning and consultation with some roads to commence construction in this financial year. It is expected that detailed consultation will occur with Main Roads WA as they develop their detailed plans for the



construction of the new bridge over the freeway at Armadale Road / North Lake Road.

The business plan also reflects the work we need to continue to do in waste management. Development of the Henderson Waste Recovery Park to optimise its use as a waste precinct will commence with a feasibility study. We will continue to build our knowledge of the technology for converting waste to energy as this may provide an alternative to landfill in the coming years.

An Urban Forest Plan will be finalised in order to improve our area with trees suitable for shade. This will focus on developing a high quality tree canopy in key areas so that in the long term, the City increases its green space.

This financial year construction is expected to commence on a new Bowling and Recreation Facility, the Mens Shed and hockey facilities. Planning will commence for future projects once the draft Community, Sport and Recreation Facilities Plan has been adopted by Council. It provides a plan for new community facilities over the next 15 years.

The Annual Business Plan 2017-18 also includes a summary of income and expenditure information. Budgets, Key Performance Indicators and targets are included in tables for each Business or Service Unit.

Strategic Plan/Policy Implications

City Growth

- Continue revitalisation of older urban areas to cater for population growth and take account of social changes such as changing household types
- Maintain service levels across all programs and areas

Moving Around

- Identify gaps and take action toward extending the coverage of the cycle way, footpath and trails network

Community, Lifestyle & Security

- Provide for community facilities and infrastructure in a planned and sustainable manner
- Create and maintain recreational, social and sports facilities and regional open space

Economic, Social & Environmental Responsibility

- Improve the appearance of streetscapes, especially with trees suitable for shade



- Improve water efficiency, energy efficiency and waste management within the City's buildings and facilities and more broadly in our community

Leading & Listening

- Deliver sustainable governance through transparent and robust policy and processes
- Ensure sound long term financial management and deliver value for money
- Listen to and engage with our residents, business community and ratepayers with greater use of social media
- Attract, engage, develop and retain our employees in accordance with the Workforce Plan and the Long Term Financial Plan

Budget/Financial Implications

The Annual Business Plan is budgeted in the Annual Budget 2017-2018 as well as being supported by the Long Term Financial Plan 2016-17 – 2025-26.

Legal Implications

N/A

Community Consultation

External community consultation is not required for this plan as it is largely an internal business document to guide Business and Service Units toward achieving the strategic objectives listed in the Strategic Community Plan. However, key internal stakeholders have been consulted and have provided significant input to this plan.

Risk Management Implications

If Council do not endorse the Annual Business Plan 2017-18 prior to 30 June 2017 it may reduce the capacity of the administration to deliver Council's objectives over a full financial year.

Attachment(s)

Annual Business Plan 2017-18.

Advice to Proponent(s)/Submissioners

N/A



Implications of Section 3.18(3) Local Government Act, 1995

Nil.

12. (MINUTE NO 6110) (SCM 22/06/2017) - RESOLUTION OF COMPLIANCE (SECTION 3.18(3), LOCAL GOVERNMENT ACT 1995)

RECOMMENDATION

That Council is satisfied that resolutions carried at this Meeting and applicable to items concerning Council provided services and facilities, are:-

- (1) integrated and co-ordinated, so far as practicable, with any provided by the Commonwealth, the State or any public body;
- (2) not duplicated, to an extent Council considers inappropriate, services or facilities as provided by the Commonwealth, the State or any other body or person, whether public or private; and
- (3) managed efficiently and effectively.

COUNCIL DECISION

MOVED Deputy Mayor C Reeve-Fowkes SECONDED Clr C Terblanche that the recommendation be adopted.

CARRIED 8/0

13 (SCM 22/06/2017) - CLOSURE OF MEETING

Mayor Howlett thanked the City's Administration for the preparation of the Budget papers, reports and the Annual Business Plan. Congratulations to Staff for the good work which can be very complex in the budgeting process and providing for the future of the Cockburn community.

Meeting closed at 7.58 pm.

