Bunbury City Council

Notice of Special Meeting & Agenda
28 July 2011

To adopt the City of Bunbury 2011/2012 Budget
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Bunbury City Council
Notice of Special Council Meeting

TO: His Worship the Mayor and Councillors

A Special Meeting of the Bunbury City Council to adopt the 2011/2012 Budget will be held in the Council Chambers, City of Bunbury Administration Building, 4 Stephen Street, Bunbury on Thursday, 28 July 2011 at 6.00pm.

Andrew Brien
Chief Executive Officer
(Date of Issue: 21/07/2011)

Agenda
28 July 2011

NOTE: The recommendations contained in this document are not final and are subject to adoption, amendment (or otherwise) at the meeting.

Council Members:

His Worship the Mayor, Mr D Smith – Presiding Member
Deputy Mayor - Councillor Brendan Kelly
Councillor Judy Jones
Councillor Wayne Major
Councillor Stephen Craddock
Councillor Alfred Leigh
Councillor Karen Steele
Councillor Ross Slater
Councillor Michelle Steck
Councillor Juliet Harrop
Councillor Derek Spencer

1. Declaration of Opening by the Mayor

2. Record of Attendance, Apologies and Leave of Absence
3. Public Question Time

In accordance with Reg. 7(4)(a) of the Local Government (Administration) Regulations 1996, members of the public in attendance at the meeting may stand, state aloud their name and address, and ask a question in relation to any matter relating to the purpose of the Special Council Meeting.

4. Questions on Notice from Council Members

Nil

5. Disclosures of Interest Under the Local Government Act 1995

Members should fill in Disclosure of Interest forms for items in which they have a financial, proximity or impartiality interest and forward these to the Mayor before the meeting commences.

6. Purpose of the Meeting

The purpose of the Meeting is:

- To consider submissions received following the advertising of the City's proposed Differential General Rates and Minimum Rates for the 2011/2012 Financial Year.
- To adopt the ‘Rate in the Dollar’ and Minimum Rate for Differential and Specified Area Rates that Council will levy on property Gross Rental Valuations.
- To adopt proposed charges for refuse collection and waste minimisation.
- To adopt proposed fees and charges for other general City services.
- To adopt Council's 2011/2012 Budget.

7. Advertising of Proposed Rate 2011/2012 - Public Submissions

The Council advertised it's proposed Differential General Rates and Minimum Rates for 2011/2012 with a public submission period of twenty-two days. Submissions closed 22 July 2011. Two submissions were received and copies issued to Councillors under separate cover. It is necessary for Council to consider the submissions received prior to adoption of the Budget.

Recommendation

Council note the two (2) submissions received and these ratepayers be advised their submissions was considered by councillors prior to adoption of the 2011/2012 Budget.
8. **Memorandum of Imposing Differential General Rates, Minimum Rates and Specified Area Rates for 2011/2012**

Councillors have held three budget workshops/briefings to consider the Revenue and Expenditure Draft Budget Working Papers.

**Recommendation**

1. Council adopt the following Municipal Rates in the dollar on gross rental valuations for the 2011/2012 financial year:

   1.1 **Differential Rate - Rating Category (1) Residential**  
   The Differential Rate on current Gross Rental Values for the 2011/2012 financial year on Rating Category (1) including: land zoned Residential and land zoned other than Residential used for residential purposes as a non-conforming use be **8.460 cents in the dollar**.

   1.2 **Differential Rate - Rating Category (2) City Centre/Special Use**  
   The Differential Rate on current Gross Rental Values for the 2011/2012 financial year on Rating Category (2) for land zoned City Centre and Special Use be **8.600 cents in the dollar**.

   1.3 **Differential Rate - Rating Category (3) Mixed Business**  
   The Differential Rate on current Gross Rental Values for the 2011/2012 financial year on Rating Category (3) including land zoned for purposes such as Mixed Business, Shopping Centre and Service Stations be **6.808 cents in the dollar**.

   1.4 **Differential Rate – Rating Category (4) Industry**  
   The Differential Rate on the current Gross Rental Values for the 2011/2012 financial year on Rating Category (4) being land zoned as Industrial and Rural be **6.400 cents in the dollar**.

   1.5 **Differential Rate - Rating Category (5) Non-Residential Vacant Land**  
   The Differential Rate on current Gross Rental Values for the 2011/2012 financial year on Rating Category (5) being land zoned Vacant Non Residential be **4.600 cents in the dollar**.

   1.6 **Differential Rate – Rating Category (6) Storage Units**  
   The Differential Rate on the current Gross Rental Values for the 2011/2012 financial year on Rating Category (6) being land zoned and/or used for Storage Units be **6.400 cents in the dollar**.

   1.7 **Differential Rate – Rating Category (7) Sporting Purposes**  
   The Differential Rate on the current Gross Rental Values for the 2011/2012 financial year on Rating Category (7) being land zoned Parks and Recreation be **8.460 cents in the dollar**.
1.8 **Minimum Rate**

1.8.1 The Minimum Rate for rateable properties within the City of Bunbury be **$844.00** for Residential Rating Category (1) including: Residential and land zoned other than Residential used for residential purposes as a non-conforming use, Storage Units Rating Category (6) and for Sporting Purposes Rating Category (7).

1.8.2 The Minimum Rate for rateable properties zoned City Centre/Special Use, Mixed Business, Industrial and Non Residential Vacant Land Rating Categories (2); (3), (4) and (5) be **$1,276.00**.

1.9 **Specified Area Rates - Marlston Hill**

1.9.1 A Specified Area Rate of **0.145** cents in the dollar on the Gross Rental Valuation for all properties within the Marlston Hill Development Area Structure Plan for the provision of maintaining and serving a single television aerial cable network to those properties as identified on the map and additional information attached at Appendix “1”.

1.9.2 A Specified Area Rate of **0.448** cents in the dollar on the Gross Rental Valuation for all properties within the Marlston Hill Development Area Structure Plan for the provision of landscape maintenance for the entire Marlston Hill Development as identified on the map and additional information attached at Appendix “2”.

1.10 **Specified Area Rate - Grand Canals, Pelican Point**

A Specified Area Rate of **1.054** cents in the dollar on the Gross Rental Valuation for all properties within the Grand Canals Pelican Point for the provision of maintaining the waterways of the development as identified on the map and additional information attached at Appendix “3”.

1.11 **Specified Area Rate – Ocean Drive Underground Power**

A Specified Area Rate of **1.595** cents in the dollar on the Gross Rental Valuation for all properties within the Ocean Drive Specified Area for the provision of underground power as identified on the map and additional information attached at Appendix “4”.

1.12 **Specified Area Rate – Stirling Street Streetscape**

A Specified Area Rate of **1.458** cents in the dollar on the Gross Rental Valuation for all properties within the Stirling Street Streetscape Project Area for the purpose of part funding the redevelopment of streetscape improvements as identified on the map and additional information attached at Appendix “5”.

**Note:** Absolute Majority Vote Required
9. **Refuse Collection and Waste Minimisation Charges 2011/2012 Budget**

The Refuse Collection and Waste Minimisation charges include:
- Weekly collection of domestic refuse
- Provision of two annual kerbside collections each of green waste and hard waste to residential properties.
- Fortnightly kerbside collection of recyclables

**Recommendation**

1. The following Refuse Collection and Waste Minimisation charges for the City of Bunbury (including general refuse collection, hard waste collection, collection of recyclables and green waste) be adopted for the 2011/2012 financial year:

1.1 **Residential Services**

1.1.1 Residential properties where collection of general refuse, hard waste, green waste and recyclables includes provision of a **240 litre mobile garbage bin**: $250.00 per annum.

1.1.2 Residential properties where collection of general refuse, hard waste, green waste and recyclables includes provision of a **140 litre mobile garbage bin**: $221.00 per annum.

1.1.3 Residential properties where collection of general refuse, hard waste, green waste and recyclables includes a **120 litre mobile garbage bin**: $221.00 per annum.

(Note: The above service charges include provision of an additional yellow-top 240 litre mobile garbage bin for collection of recyclables only.)

1.2 **Additional Services**

1.2.1 Each additional service per week to a residential property incorporating a **240 litre mobile garbage bin** will be: $167.00 per annum.

1.2.2 Each additional service per week to a residential property incorporating a **140 litre mobile garbage bin** will be: $138.00 per annum.

1.2.3 Each additional service per week to a residential property incorporating a **120 litre mobile garbage bin** will be: $138.00 per annum.
1.2.4 Each additional service per fortnight to a residential property for recycling collection incorporating a 240 litre mobile garbage bin will be:

$44.00 per annum.

1.3 Non-residential Services

1.3.1 All non-residential properties (excluding commercial and industrial properties) where refuse collection includes provision of a 240 litre mobile garbage bin:

$168.00 per annum for each service per week.

1.3.2 All non-residential properties (excluding commercial and industrial properties) where refuse collection includes provision of a 140 litre mobile garbage bin:

$141.00 per annum for each service per week.

1.3.3 All non-residential properties (excluding commercial and industrial properties) where refuse collection includes provision of a 120 litre mobile garbage bin:

$141.00 per annum for each service per week.

1.4 Commercial and Industrial Properties (Refuse Collection)

All commercial and industrial properties where collection of refuse includes provision of a 240 litre mobile garbage bin service will have the following refuse collection charges:

First service per week $199.00 per annum
Second and subsequent services per week $173.00 per annum

1.5 Commercial and Industrial Properties (Recycling)

All commercial and industrial properties where collection of recycling includes provision of a 240 litre mobile garbage bin service will have the following recycling collection charges:

Fortnightly service $86.00 per annum
Weekly service $172.00 per annum
Twice weekly service $345.00 per annum

1.6 Commercial and Industrial Properties (Bulk Service)

1.6.1 All commercial and industrial properties where refuse collection includes provision of a 1,100 litre mobile garbage bin will have the following refuse collection charges:

One (1) service per week $786.00 per annum

1.6.2 All commercial and industrial properties where collection of recycling includes provision of a 1,100 litre mobile garbage bin will have the following recycling collection charges:

Fortnightly service $393.00 per annum
Weekly service $786.00 per annum

NOTE: Absolute Majority Vote Required

Details of the purpose and financial arrangements are included in the Draft Budget (Note 13 (d) & (e)) circulated under separate cover:

a) Loan Borrowings

<table>
<thead>
<tr>
<th>Loan No.</th>
<th>Purpose</th>
<th>Amount($)</th>
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<tbody>
<tr>
<td>356</td>
<td>Stormwater Drainage</td>
<td>$300,000</td>
</tr>
<tr>
<td>357</td>
<td>Withers Library</td>
<td>$200,000</td>
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<td>358</td>
<td>Public Open Space &amp; Irrigation Upgrade</td>
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<td>359</td>
<td>Roadworks and Paths</td>
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<td>360</td>
<td>CBD Car Parking</td>
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</tr>
<tr>
<td>361</td>
<td>Withers Action Plan</td>
<td>$200,000</td>
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Total Loan Borrowings: $2,225,000

b) Municipal Fund Overdraft Limit - $2,500,000

An overdraft provision of $2,500,000 financed by the Commonwealth Bank to provide working capital if required.

Recommendation

1. Council borrow Loan Funds of $2,225,000 during the 2011/2012 financial year as detailed in the Draft Budget 2011/2012 for Loan No’s 356 to 361.

2. Council endorse the Municipal Fund having an Overdraft Limit of $2,500,000.

Note: Absolute Majority Vote Required
11. **Adoption of the 2011/2012 Budget**

A copy of the Draft Budget 2011/2012 has been circulated under separate cover. Councillors developed the Draft Budget at various Budget Workshops held during May and June 2011.

**Recommendation**

Budgets for the following funds for the year ending 30 June 2012, be adopted:

1. Municipal Fund and the following Reserve Funds:
   1.1 Town Planning Scheme Land Acquisition and Compensation Reserve
   1.2 Building Restoration and Maintenance Reserve
   1.3 Land Subdivision and Development Reserve
   1.4 Regional Museum Reserve
   1.5 Plant and Equipment Reserve
   1.6 Meat Inspection Reserve
   1.7 City of Bunbury General Parking Reserve
   1.8 CBD Contribution Parking Reserve
   1.9 Central Traffic Area Reserve (2)
   1.10 Central Traffic Area Reserve (3)
   1.11 College Grove Subdivision Reserve
   1.12 Canal Management Reserve
   1.13 Refuse Collection & Waste Minimisation Reserve
   1.14 Town Planning Act Section 20A Reserve
   1.15 Heritage Building (Paisley Centre) Maintenance Reserve
   1.16 Marlston Hill Landscape Reserve (2)
   1.17 Marlston Hill TV Aerial Network Reserve
   1.18 Environmental Reserve
   1.19 Recreation Development Reserve
   1.20 Townscape Improvements Reserve
   1.21 Ocean Drive Underground Power Reserve
   1.22 Road Upgrade Contributions Reserve
   1.23 Dual-Use Path Upgrade Contributions Reserve
   1.24 Asset Management/Renewal Reserve
   1.25 Depot Construction Reserve
   1.26 City Arts Collection Reserve
1.27 Disaster Relief Fund (City of Bunbury)
1.28 Hay Park Regional Athletics Track Reserve
1.29 Data Centre Equipment Replacement Program Reserve

2. Trust Fund

Note: Absolute Majority Vote Required

12. Due Dates for Payment of Rates and Rubbish Collection Charges 2011/2012

The adoption of the Budget must record the due dates for payment of Rates and Rubbish Collection charges for the four-payment instalment plan. These dates are now referred to Council for endorsement.

Rate Notices will be issued on 19 August 2011. Under the Local Government Act 1995, the City is required to provide at least 35 days notice to ratepayers of the 1st instalment date for payment of rates and not less than 2 months between subsequent instalment dates.

A budget and rates information brochure will be included with every rate notice, together with a separate brochure produced by the Fire & Emergency Services Authority of WA explaining the Emergency Services Levy (ESL).

Recommendation

The due dates for payment of Rates and Rubbish Collection Charges for 2011/2012 be as follows:

1. First Instalment Payment (and 'Payment in Full'): 30 September 2011
2. Second Instalment: 30 November 2011
3. Third Instalment: 30 January 2012
4. Fourth Instalment: 30 March 2012
13. Administration and Interest Fees on Rates, Rubbish, Waste Minimisation and General Debtor Collection Charges 2011/2012

The Rates and Charges proposed are as outlined in the recommendation below.

Recommendation

The following Rates and Charges are proposed as allowed under the Local Government Act 1995, to provide for Administration and Interest Charges on Rating, Rubbish, Waste Minimisation and General Debtor Collection charges during the 2011/2012 financial year:

1. **Instalment Plan Administration Fee**
   An Instalment Plan Administration fee of **$6.00** for the second and each subsequent instalment notice issued will apply for rates and rubbish collection charges.

2. **“Ad hoc” Payment Plan Fee**
   The recommended **$30.00** Administration Charge per assessment applies on approved payment plans for rates and rubbish accounts which fall outside the standard four instalments program.

3. **Late Payment Interest Charge**
   A charge on outstanding rates and rubbish collection accounts (including amounts owed on ad hoc Payment Plans) of **11%** will be calculated daily at **0.0301%** on a simple interest basis for the number of days from the account due date until the day prior to the day on which the payment is received.

4. **Instalment Plan Interest Charge**
   An interest rate of **5.5%** will be calculated on a daily basis at **0.0151%** by simple interest basis from the due date of the first instalment as shown on the rate notice to the due date of each respective instalment.

5. **Late Payment Interest Charge (Excluding Rates & Charges)**
   A charge of **11%** interest, calculated on a simple interest basis for the number of days outstanding, may apply on unpaid debts (other than rates and rubbish collection charges) outstanding 35 days from the date of invoices raised after 1 July 2011.

6. **Waivers**
   In respect to the Late Payment Interest Charge on rates and charges, the method of calculating the interest charge is on the daily balance outstanding.

   There are instances where a small balance remains on the property assessment. This may have occurred due to a delay in the receipt of mail payments or monies from property settlements etc., and additional daily interest has accumulated.
Amounts outstanding of $5.00 and under will be waived, as it is not considered cost effective or equitable to recover from the new property owner. Estimated loss of revenue from this waiver is $1,100.

Note: Absolute Majority Vote Required

14. Schedule of Fees and Charges 2011/2012 Budget

The Schedule of proposed Fees and Charges for the 2011/2012 financial year forms part of the 2011/2012 Budget which has been circulated to Council under separate cover.

Recommendation

The Schedule of Fees and Charges (which forms part of the 2011/2012 Budget) be adopted effective from 29 July 2011.

Note: Absolute Majority Vote Required
15. **Elected Members Meeting Attendance Fees and Allowances**

The Mayor, Deputy Mayor and Councillors will receive the prescribed allowances, meeting attendance fees and communication allowance in accordance with the Local Government Act 1995 as follows:

**Recommendation**

Council adopts the Elected Member Sitting Fees and allowances as prescribed by the Local Government (Administration) Regulations 1996 being:

1. Councillor Meeting Attendance Fee: $7,000 per annum
2. Mayoral Meeting Attendance Fee: $14,000 per annum
3. Councillor and Mayoral Communications Allowance: $2,400 per annum
4. Mayoral Allowance: $60,000 per annum.
5. Deputy Mayoral Allowance: $15,000 per annum being 25% of the Mayoral Allowance.
6. 6.1 The position of Mayor shall for the purpose of carrying out the functions of the Mayors office be entitled to receive the provision of a fully maintained Local Government owned vehicle.

6.2 In accordance with the provisions of the Local Government (Administration) Regulations 1996, Regulation 34AD all private use of the Council vehicle is to be recorded and reimbursed to Council.

**Note:** Absolute Majority Vote Required

The Local Government (Financial Management) Regulations require the Council to adopt (each year) a percentage or value to be used for reporting material variances in the Statement of Financial Activity. Any variance meeting these criteria will be required to have a supporting explanation in the monthly report to Council.

Council last adopted the reporting variances criteria at the Special Council Meeting for the adoption of the 2010/2011 Budget on 10 August 2010.

Information is considered "material" if its omission, mis-statement or non-disclosure has the potential to adversely affect decisions by users of the financial report or affect the discharge of accountability by management or Council.

**Recommendation**

A variance between actual and budget-to-date of greater than or equal to 10% and $10,000 is considered to be a material variance for reporting purposes in the Statement of Financial Activity for 2011/2012.

17. **For Councillor Information**

Council will raise a total of $27.1M in Differential General Rates, Minimum Rates and Specified Area Rates in 2011/2012. However under Section 6.26(2) of the Local Government Act not all properties are rateable; for example: land used for charitable purposes, a place of public worship or schools. Rates foregone on 159 properties within the City of Bunbury due to the rate exemption under the Local Government Act total $682,474. These properties are audited bi-annually to ensure their ongoing exemption status.

18. **Close of Meeting**
Appendices 1 – 5
Specified Area Rate
Marlston Hill – TV Aerial

Section 6.37(1) of the Local Government Act states the following:

Specified area rates

(1) A local government may impose a specified area rate on rateable land within a portion of its district for the purpose of meeting the cost of the provision by it of a specific work, service or facility if the local government considers that the ratepayers or residents within that area —

(a) have benefited or will benefit from;
(b) have access to or will have access to; or
(c) have contributed or will contribute to the need for,

that work, service or facility.

The need for the Specified Area Rate is considered by Council each year to determine that the specific works will benefit the ratepayers within the Marlston Hill – Single TV Aerial Cable Networks; that they will have access to these works; and will contribute to the need for these works.

Council outlines the following reasons for imposing a specified area rate on the Marlston Hill precinct within the City of Bunbury:

A rate in the dollar of 0.145 cents on the current Gross Rental Values for the 2011/2012 financial year for all properties within the Marlston Hill Development Area Structure Plan for the purpose of maintaining and servicing a single television aerial cable network will apply and generate $5750 in revenue.

What is the purpose of the rate?

The purpose of this rate is to recover the cost of maintaining the communication infrastructure within the Marlston Hill subdivision. The developer of the Marlston Hill subdivision handed over this infrastructure to the City of Bunbury who has the responsibility for the maintenance of these facilities. The infrastructure includes coaxial cables, conduits, pits, amplifiers, equipment, buildings to house equipment and antennas to receive communications. The rate in addition to maintenance also covers other costs such as third party insurance.

How much is the rate yield?

These rates will raise approximately $5750 for the 2011/12 financial year.

How is the rate calculated?

A rate of 0.145 cents in the dollar on the Gross Rental Values for all properties located in the Marlston Hill TV Aerial Specified Area. (Refer to the attached map.)
Will the rate change?

The need for the Specified Area Rate is considered by Council each year to determine that the specific works will benefit the ratepayers within the Marlston Hill Area; that they will have access to these works; and will need to contribute to these works.

Subject to further valuation growth following the completion of more residences within the specified area the rate in the dollar will be adjusted from time to time to meet the expected costs of the TV aerial and associated infrastructure.

How was the cost calculated?

The Marlston Hill TV Aerial specified area rate represents budgeted expenditure in 2011/12 or as required for future provisions.
Marlston Hill TV Aerial – Specified Area Map
Specified Area Rate
Marlston Hill Landscaping

Section 6.37(1) of the Local Government Act states the following:

Specified area rates

(1) A local government may impose a specified area rate on rateable land within a portion of its district for the purpose of meeting the cost of the provision by it of a specific work, service or facility if the local government considers that the ratepayers or residents within that area —

(a) have benefited or will benefit from;
(b) have access to or will have access to; or
(c) have contributed or will contribute to the need for,

that work, service or facility.

The need for the Specified Area Rate is considered by Council each year to determine that the specific works will benefit the ratepayers within the Marlston Hill Landscaping area; that they will have access to these works; and will contribute to the need for these works.

Council outlines the following reasons for imposing a specified area rate on the Marlston Hill precinct within the City of Bunbury:

A rate in the dollar of 0.448 cents on the current Gross Rental Values for the 2011/12 financial year for all properties within the Marlston Hill Development Area Structure Plan for the provision and maintenance of landscaping for the entire Marlston Hill Development will apply and generate $59,475 in income.

What is the purpose of the rate?

The development of the Marlston Hill precinct included a number of elements that require a high level of maintenance such as pavement cleaning, graffiti removal, mulching of gardens and mowing/de-thatching of lawns to ensure the precinct presents well.

The City will undertake normal maintenance, however higher levels of maintenance will require a landscaping rate to be utilised in these instances.

In addition, landscaping improvements are provided, subject to sufficient funds from the Marlston Hill Landscaping Reserve being available, including: shade structures, reticulation, garden beds, paving, lighting and park benches.

How much is the rate yield?

These rates will raise approximately $59,475 for the 2011/12 financial year.

How is the rate calculated?

A rate of 0.448 cents in the dollar will apply on the Gross Rental Values for properties located in the Marlston Hill Landscaping Specified Area. (Refer to the attached map.)
Will the rate change?

The need for the Specified Area Rate is considered by Council each year to determine that the specific works will benefit the ratepayers within the Marlston Hill Area; that they will have access to these works; and will need to contribute to these works.

Subject to further valuation growth following the completion of more residences within the specified area the rate in the dollar will be adjusted from time to time to meet the expected costs of the landscaping maintenance.

How was the cost calculated?

Council has calculated the cost based upon historic information gathered maintaining the Marlston Hill Landscape area in past years and from similar infrastructure that the City maintains.

Has this approach been used elsewhere?

Many developments now use this approach to meet costs where a higher standard of maintenance is required. Regional examples include: Shire of Capel for the Dalyellup Subdivision and the Shire of Harvey for the Kingston, Galway Green and Treendale Subdivisions.
Specified Area Rate

Pelican Point - Grand Canals

Section 6.37(1) of the Local Government Act states the following:

Specified area rates

(1) A local government may impose a specified area rate on rateable land within a portion of its district for the purpose of meeting the cost of the provision by it of a specific work, service or facility if the local government considers that the ratepayers or residents within that area —

(a) have benefited or will benefit from;
(b) have access to or will have access to; or
(c) have contributed or will contribute to the need for,
that work, service or facility.

The need for the Specified Area Rate is considered by Council each year to determine that the specific works will benefit the ratepayers within the Pelican Point - Grand Canals; that they will have access to these works; and contribute to the need for these works.

Council outlines the following reasons for imposing a specified area rate on the Pelican Point precinct within the City of Bunbury:

A rate in the dollar of 1.054 cents on the current Gross Rental Values for the 2011/2012 financial year for all properties with the Grand Canals Pelican Point Development for the purpose of maintaining the waterways development will apply and generate $31,983 in income.

What is the purpose of the rate?

The purpose of the rate to raise funds over a given period of time to allow for the periodic dredging, clearing and maintenance of the canal waterways.

How much is the rate yield?

These rates will raise approximately $31,983 for the 2011/12 financial year.

How is the rate calculated?

A rate of 1.054 cents in the dollar will apply on the Gross Rental Values for all properties located in the Grand Canals Specified Area. (Refer to the attached map.)

Will the rate change?

The need for the Specified Area Rate is considered by Council each year to determine that the specific works will benefit the ratepayers within the Pelican Point Grand Canals Area; that they will have access to these works; and will need to contribute to these works.

The rate at present is only indicative and is heavily dependent on the amount of sand build-up that is in a direct relationship to river flows. Direct costs are anticipated to be in the order of $300,000 per dredging which could be required every 5-7 years. The estimated Canal Management Reserves at the 30 June 2012 will be $245,316.
How was the cost calculated?

Costs for maintenance and repair work are based on estimates obtained from companies who will be contracted to perform the necessary work on the canals.

Has this approach been used elsewhere?

Canal developments have now occurred in a number of Council’s around Australia. Many Councils use such standard options as specified area rates to ensure that the ongoing costs of repairs and maintenance are met.
APPENDIX 3

Pelican Point – Grand Canals – Specified Area Map
Specified Area Rate
Ocean Drive Underground Power

Section 6.37(1) of the Local Government Act states the following:

Specified area rates

(1) A local government may impose a specified area rate on rateable land within a portion of its district for the purpose of meeting the cost of the provision by it of a specific work, service or facility if the local government considers that the ratepayers or residents within that area —

(a) have benefited or will benefit from;
(b) have access to or will have access to; or
(c) have contributed or will contribute to the need for,

that work, service or facility.

The need for the Specified Area Rate is considered by Council each year to determine that the specific works will benefit the ratepayers within the Ocean Drive Underground Power; that they will have access to these works; and contribute to the need for these works.

Council outlines the following reasons for imposing a specified area rate on the Ocean Drive precinct within the City of Bunbury:

A rate in the dollar of 1.595 cents on the current Gross Rental Values for the 2011/12 financial year for all properties within the Ocean Drive Specified Area for the purpose of contributing to the installation of underground power will apply and generate $32,145 in income. This Specified Area Rate will continue until 2015.

What is the purpose of the rate?

The rate is to raise funds to meet part loan repayments financing the placement of underground power infrastructure along Ocean Drive from Wellington Street to Hayward Street as part of the Bunbury Coastal Enhancement Project.

How much is the rate?

These rates will raise approximately $32,145 for the 2011/12 financial year.

How is the rate calculated?

A rate of 1.595 cents in the dollar will apply on the Gross Rental Values for all properties located in the Ocean Drive Underground Power Specified Area. (Refer to the attached map)

Will the rate change?

The need for the Specified Area Rate is considered by Council each year to determine that the specific works will benefit the ratepayers within the Ocean Drive Underground Power Area that they will have access to these works; and will need to contribute to these works.

The rate will cease in 2015.
Subject to amendments to valuations and other developments within the specified area the rate in the dollar will be adjusted from time to time to meet the fixed annual expenditure over the term of the loan.

**How was the cost calculated?**

The total cost of this project was $495,000 of which 50% will be recovered by way of this proposed specified area rate.

**Has this approach been used elsewhere?**

A number of metropolitan Councils have adopted this approach for the installation of underground power within their suburbs.
Ocean Drive Underground Power Specified Area Map

Ocean Drive Underground Power
(Specified Rate Area)
Specified Area Rate
Stirling Street Streetscape

Section 6.37(1) of the Local Government Act states the following:

Specified area rates

(1) A local government may impose a specified area rate on rateable land within a portion of its district for the purpose of meeting the cost of the provision by it of a specific work, service or facility if the local government considers that the ratepayers or residents within that area —

(a) have benefited or will benefit from;
(b) have access to or will have access to; or
(c) have contributed or will contribute to the need for,
that work, service or facility.

The need for the Specified Area Rate is considered by Council each year to determine that the specific works will benefit the ratepayers within Stirling Street Streetscape; that they will have access to these works; and contribute to the need for these works.

Council outlines the following reasons for imposing a specified area rate on the Stirling Street precinct within the City of Bunbury:

A rate in the dollar of 1.458 cents on the current Gross Rental Values for the 2011/12 financial year for all properties within the Stirling Street Streetscape Project for the purpose of part funding the redevelopment will apply and generate $37,305 in income annually for a period of 10 years. This Specified Area Rate will continue until 2015.

What is the purpose of the rate?

The rate is to raise funds to meet part loan repayments for the project of the redevelopment and rejuvenation of the streetscape of Stirling Street between Spencer Street and Turner Street including the traffic management improvements and pedestrian access.

How much is the rate yield?

The rate will raise approximately $37,305 being 50% of the loan repayments for the 2011/12 financial year. This amount will be raised annually for a period of 10 years being the term of the loan.

How is the rate calculated?

A rate of 1.458 cents in the dollar will apply on the Gross Rental Values for all properties located in the Stirling Street Streetscape Specified Area. (Refer to the attached map.)

Will the rate change?

The need for the Specified Area Rate is considered by Council each year to determine that the specific works will benefit the ratepayers within the Stirling Street Streetscaping Area that they will have access to these works; and will need to contribute to these works.

The rate will cease in 2015.
Subject to amendments to valuations and other commercial developments within the specified area the rate in the dollar will be adjusted from time to time to meet the fixed annual expenditure over the term of the loan.

**How was the cost calculated?**

A fixed interest 10 year term loan was raised in 2005 for $247,500 towards the cost of the works with 50% being repaid by way of this specified area rate.

**Has this approach been used elsewhere?**

A number of Councils have adopted this approach for the funding of various types of specific projects within their suburbs.