



Special Council Agenda

31 July 2019

ALL INFORMATION AVAILABLE IN VARIOUS FORMATS ON REQUEST

city@busselton.wa.gov.au

CITY OF BUSSELTON

SPECIAL MEETING NOTICE AND AGENDA – 31 JULY 2019

TO: THE MAYOR AND COUNCILLORS

NOTICE is given that a meeting of the Special Council will be held in the the Council Chambers, Administration Building, Southern Drive, Busselton on Wednesday, 31 July 2019, commencing at 4.00pm.

Your attendance is respectfully requested.

DISCLAIMER

Statements or decisions made at Council meetings or briefings should not be relied on (or acted upon) by an applicant or any other person or entity until subsequent written notification has been given by or received from the City of Busselton. Without derogating from the generality of the above, approval of planning applications and building permits and acceptance of tenders and quotations will only become effective once written notice to that effect has been given to relevant parties. The City of Busselton expressly disclaims any liability for any loss arising from any person or body relying on any statement or decision made during a Council meeting or briefing.



PAUL NEEDHAM

A/CHIEF EXECUTIVE OFFICER

26 July 2019

CITY OF BUSSELTON

AGENDA FOR THE SPECIAL COUNCIL MEETING TO BE HELD ON 31 JULY 2019

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1. ATTENDANCE, APOLOGIES & LEAVE OF ABSENCE

Apologies

Approved Leave of Absence

2. PURPOSE OF MEETING

Request for Rate Concession – Lot 5203 Spinnaker Boulevard Geographe

Adoption of the City of Busselton 2019/2020 Annual Budget and Reaffirm the Fees and Charges for 2019/2020.

3. PUBLIC QUESTION TIME





4. DISCLOSURE OF INTERESTS

Conflicts of Interest are dealt with in the *Local Government Act, Rules of Conduct Regulations* and the *Administration Regulations*. Members must declare to the Chairperson any potential conflict of interest they have in a matter on the Council Agenda.

5. PRESENTATIONS BY PARTIES WITH AN INTEREST

6. FINANCE AND CORPORATE SERVICES REPORT

6.1 REQUEST FOR RATE CONCESSION - LOT 5203 SPINNAKER BOULEVARD GEOGRAPHE

SUBJECT INDEX:	Rate Concessions
STRATEGIC CONTEXT:	Key Goal Area: 4. ECONOMY Diverse, resilient, prosperous Objective: 4.2 A community where local business is supported and in turn drives our economy
BUSINESS UNIT:	Rates
ACTIVITY UNIT:	Rates
REPORTING OFFICER:	Rates Coordinator - David Nicholson
AUTHORISING OFFICER:	Director Finance and Corporate Services - Tony Nottle
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Attachment A Published Under Separate Cover Confidential Request For Rate Waiver Attachment B Published Under Separate Cover Confidential Profit & Loss Statement Attachment C Boat Pen Agreement   Attachment D Additional Boat Pen Information  

PRÉCIS

Council is requested to consider the phasing in of rates charges on Lot 5203 Plan 22641, being the Port Geographe Marina seabed and boat pens. This report recommends a rate concession of 66.66% in the 2019/20 financial year and 33.34% in the 2020/21 financial year.

BACKGROUND

When the Port Geographe Marina was constructed, it was done so on State Government land that was inside the City's high water boundary which runs across the marina entrance.

In April 1999, this land was leased from the Department of Transport by Tallwood Nominees Pty Ltd for 25 years with an option to extend for the same term.

In August 2005 Port Geographe Marina Pty Ltd (Lessee) acquired the lease and commenced a significant 5-year expansion to almost double the existing capacity at a cost of approximately \$2M. The marina consists of 187 boat pens, boat hardstands, boat lifter, boat refuelling facilities and servicing facilities managed by 2 working directors, 2 office staff and 2 service/maintenance employees.

Of the 187 boat pens, 74 are leased annually, 8 on long term of 17 years with 1 permanent live-aboard and 2 short term live-aboard, leaving 102 still available for future leasing. These pens and supporting facilities were supposed to be rated from the commencement of the original lease (1999). However, it seems that the processes were not put in place at the time to ensure the rates were paid by the lessee. It is likely there was a misunderstanding of the actual boundary of the lots.

Rates are applicable in accordance with section 1.4 of the *Local Government Act 1995* where "Owner" means a person who is in possession as:

- (ii) a Crown lessee or a lessee or tenant under a lease or tenancy agreement of the land which in the hands of the lessor is not rateable land under this Act, but which in the hands of the lessee or tenant is by reason of the lease or tenancy rateable land under this or another Act for the purposes of this Act.

During the 2018/19 financial year, procedures to rate the marina were initiated after staff requested a Gross Rental Value (GRV) from Landgate Valuation Services (LVS). To provide this GRV, LVS were required to contact the lessee to acquire marina rental and operational information as well as financial reports and data. As a consequence of this communication by LVS and City officers, the lessee requested a meeting to discuss the matter as well as the possibility of a rates concession.

In April 2019, a meeting held with the Mayor, Chief Executive Officer and Director of Finance and Corporate Services together with lessee's representatives, discussed the potential impacts of this process. Subsequently a potential phasing in or waiving of rates was requested by the lessee.

In July 2019, the lessee met with City officers to provide further information to assist with their request for a waiver of rates (Attachment A), a summary of the reasons being:

- The imposing of the commercial rates would result in significant financial hardship as there is no comparison to the operations of a commercial property and the marina.
- The requirement for substantial ongoing investment in the jetty system due to it being in a very harsh environment with \$160,000 in boat lifter and \$160,000 in jetty service projects in the pipeline.
- The prior five-year \$2,000,000 expansion of the jetty system being very ambitious due to not foreseeing the extent of the current economic downturn.
- A significant part of the expansion never being utilised, costing money as it is deteriorating at the same rate as if it was productive and with future investment being delayed until it is viable.

At this time the lessee is unsure how they would manage the proposed rates but some possibilities and their impacts could be:

- Pass on the rates to the pen holders, which according to the lessee would impose a price rise of 13% that may result in the loss of some clients. Also as a quarter of the pens are not occupied so the lessee would need to absorb a significant amount of the rates.
- Decommission part of the jetty so that the number of pens was in line with immediate outlook for pen rentals. This would affect the ability to host short term events such as a "Race Week".
- Defer expansion, minimise maintenance, lay off staff or seek compensation from the City for business interruptions caused by other events such as the "Ironman".

A 2017/2018 profit and loss statement for Port Geographe Marina Pty Ltd is attached and shows an (\$874) loss. However an actual profit of \$199,791, before rates, is applicable after related party rental and depreciation cost adjustments. An explanation provided by the lessee for these related party adjustments is:

"The corporate structure involves one entity called Port Geographe Partners that owns the land (2/21 Spinnaker Blvd) as well as the seabed lease and the jetty improvements on the seabed lease. In essence, it is a passive investor. As the owner of the assets, it is able to charge a rent for their use, and it accounts for depreciation on those assets. There is another entity that undertakes all business operations of the marina. This entity is Port Geographe Marina Pty Ltd, and is the entity that earns pen income as part of its business operations. So Port Geographe Marina paid \$365,000 rent to Port Geographe Partners (2018). BUT OF COURSE, Port Geographe Partners has a depreciation expense (\$164,334 in 2018). The point I was trying to make was that if there were only one entity, then there would be no rent paid, but the depreciation would be applicable."

The lessee is seeking full waiver of the proposed rates and specified area rates for the 2019/20 financial period to allow them to further consult with the City so that a fair rating mechanism can be implemented. This would also assist in the lessee being able to cope better with the financial impact that the rates will cause. Also at the latest meeting the lessee mentioned that an objection may be lodged with LVS as to the manner in which the GRV was determined and/or the GRV amount.

This particular item was discussed at the Finance Committee's meeting in June 2019, and the Committee requested that officers bring a report to Council that considers this request.

STATUTORY ENVIRONMENT

Section 6.12(b) of the *Local Government Act 1995* allows a local government to waive or grant concessions in relation to any amount of money. An Absolute Majority decision is required.

RELEVANT PLANS AND POLICIES

There are no relevant plans or policies in relation to this item.

FINANCIAL IMPLICATIONS

For the 2018/19 financial period no rates were levied as the property was thought to be non-rateable. For the 2019/20 financial period \$89,848.28 in rates plus \$12,418.01 in specified area rate are to be levied.

If Council was to consider the applicants request then this would result in a rating income reduction of \$102,266.29 for the 2019/20 financial year.

However if Council was to consider a phasing in approach as commented on within this report, the impact would be as follows:

Financial Period	Waiver	Reduction in rating income to City
2019/20	66.66%	\$68,171
2020/21	33.34%	\$34,096 (est.)
2021/22	0%	\$0

LONG-TERM FINANCIAL PLAN IMPLICATIONS

The LTFP would need to consider a reduction in rates income as detailed above in financial implications in the 2019/20 and 2020/21 financial periods. There will be no other implication to the City's long term financial plan.

STRATEGIC COMMUNITY OBJECTIVES

This matter principally aligns with Key Goal Area 4 of the Strategic Community Plan 2017 and more specifically Community Objective 4.2 - 'A community where local business is supported and in turn drives our economy'.

RISK ASSESSMENT

There would be substantial reduction to the 2019/20 rating income should a full rates concession be approved. Alternatively, if rates are phased in over two years, then this rating income reduction lessens the impact.

CONSULTATION

No additional consultation was considered necessary in relation to this matter.

OFFICER COMMENT

The lessees acknowledge that the marina boat pens are liable for rates however they request consideration be given to the full waiver of the 2019/20 rates. The lessees also acknowledge that if rates are levied then they would need to work out the manner in which they will be paid.

In considering an alternate rating mechanism, the current legislative structure around rating does not easily allow for a specific rating mechanism for Marinas. Therefore the commercial rating is applied.

It is acknowledged that the imposition of rates on the Geographe Bay Marina will have a significant financial impact on the lessee. However, to fully waive a property's first rating assessment would set a precedent that may be sought by many other new property owners. It is considered that phasing in the proposed rates would provide financial assistance to the lessee whilst reducing any precedent risk.

City officers are concerned that a precedent could be set for the treatment of future rates as they come due and payable should a full waiver of the 2019/20 rates be applied. It could also be argued that the City has not granted this waiver to other new businesses, particularly the more recent commercial department and large retail stores.

An option that Council could consider is the staged approach to the implementation of the rates.

CONCLUSION

Allowing the phasing in of the marina rates over a two year period at 66.66% for the 2019/20 financial period and 33.34% for the 2020/21 financial period is a valid option so as to achieve rating income for the City whilst allowing the lessee a period of time to determine how the rating of the marina will be managed.

OPTIONS

Council may choose not to provide any rate concession which could result in the marina being returned to Department of Transport due to a lack of financial viability.

Or Council could approve full rates waiver that would result in a large reduction to the 2019/20 annual budget.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The phasing in of rates concession would be effective 1 July 2019 and 1 July 2020.

OFFICER RECOMMENDATION

That Council:

1. Decline the request from Port Geographe Marina Pty Ltd for full waiver of the 2019/20 rates on lot 5203 plan 22641, Spinnaker Boulevard Geographe.
2. Approves a rate concession to Port Geographe Marina Pty Ltd under section 6.12(b) of the *Local Government Act 1995* of 66.66% and 33.34% for the 2019/20 and 2020/21 financial period respectively on lot 5203 plan 22641, Spinnaker Boulevard Geographe.

PORT GEOGRAPHE MARINA PEN AGREEMENT

TERMS & CONDITIONS & Rules of Marina.

The following terms and conditions form the agreement referred to in the Pen Application Form duly signed by both parties.

- A. The Pen Holder has requested, and Port Geographe Marina has agreed to grant a non-exclusive contractual licence to the Pen Holder to use the jetty and to occupy a pen for the purpose of the permitted use only (the "licence").
- B. Port Geographe Marina and the Pen Holder by signing the Pen Application Form have agreed to the terms and conditions within this document.

Pursuant to this agreement the parties agree as follows:

1. DEFINITIONS & INTERPRETATIONS

Act means any present or future Act of Parliament (Federal or State) and includes any amendment or re-enactment of it for the time being in force and includes by-laws and regulations under any act.

Authorised Officer means the Marina Staff as appointed by Port Geographe Marina from time to time.

Authority means any federal, state or local government or other public body or authority of any kind.

Commercial Use means the receiving of money or kind for the use of the vessel, pen, jetty or any portion of the Marina but does not include commercial fishing vessels that are licensed by the WA Fisheries Department.

Document means this marina pen agreement terms and conditions as varied, amended, supplemented or modified from time to time.

Jetty means the jetty of which the pen forms part.

Licence means the terms and conditions applicable to the Pen Application Agreement when signed by both parties.

(SUB) Licensee means the person or persons whose name(s) appear(s) on the Application for a Pen Licence.

Marina Manager means an authorised officer who has been delegated the authority to manage the marina.

Mooring Area means all those waters contained within the waterbed lease surrounding the Port Geographe Marina.

Party means a party to this document;

Pen means the particular section of the jetty for mooring purposes and the adjacent waters;

Pen Holder's Employees, Agents and Customers means each of the pen holder's employees, officers, agents, contractors, service supplies, sub-licensees, concessionaires, customers and those other persons who at any time are under the jetty or in the mooring area or its surrounds with the consent (express or implied) of the pen holder but does not include Port Geographe Marina, its servants and agents;

Permitted Use means the mooring of a single vessel for recreational purposes in accordance with this document;

Term means the term of occupancy of the pen as specified in the application form and includes any extension period;

Vessel means the vessel specified in the Pen Application Form.

document by the pen holder during the term, and after notifying the pen holder of such breach, Port Geographe Marina may recoup such costs from the pen holder.

- 5.2 To permit the Marina Manager, and Authorised Officers of Port Geographe Marina, servants or agents to enter upon the Vessel, Pen or the Mooring Area at any reasonable time to do, or cause to be done, all things necessary to rectify any breach by the Pen Holder of any of the terms, conditions, covenants and agreements in this document (without the Marina Manager being under any obligation to do so and without prejudice to the Marina Manager's other rights, powers, remedies or discretions under the Agreement) and all reasonable costs and expenses incurred by the Marina Manager resulting from such breach (including the wage, fees and remuneration of any workmen, servants, agents, solicitors, surveyors or architects employed or engaged in that respect) will be a debt due and payable by the Pen Holder to Port Geographe Marina upon demand.

6. INDEMNITY

At all times during the term and notwithstanding any policy of insurance required by this document, indemnify Port Geographe Marina from and against all damage to or loss of any property of Port Geographe Marina, or any other person or any injury to any person and all actions, suits, proceedings, claims costs, expenses and demands (on a full indemnity basis), caused by, arising out of, or incidental to any negligent act, default or omission of the pen holder or its employees, agents and customers in relation to use or misuse of the licence, the pen, the jetty or the vessel while within the marina. This indemnity will not apply where the relevant occurrence was caused or contributed to (to the extent of that contribution) by the negligent act or omission of Port Geographe Marina.

7. INSURANCE & PROOF OF OWNERSHIP

- 7.1 Insure and keep insured with insurers approved under the Insurance Act 1973 for all claims based on what is commonly known as public liability and all other usual maritime risks and so as in particular to insure Port Geographe Marina against all claims which may be made against Port Geographe Marina by any person arising out of the use of the Jetty, the Pen or the Mooring Area in an amount of not less than \$10,000,000.00.
- 7.2 The Pen Holder must at all times keep the Vessel and any other property owned or brought into the Marina by the Pen Holder and/or invitees of the Pen Holder fully insured whilst within the confines of, or near to the Marina against loss or damage by fire, explosion, storm, tempest, typhoon, earthquake, accidental damage, burglary, act of god.
- 7.3 The Pen Holder will deliver copies of all policies of insurance and proof of ownership (registration) to Port Geographe Marina on commencement of term and following on as soon as practicable upon their renewal. All copies of the receipts for payment of premiums are to be sent to Port Geographe Marina within 7 days of Port Geographe Marina requesting them.
- 7.4 The Pen Holder must not commit or permit anything whereby any insurance taken out in respect of the pen, jetty, mooring area or the permitted use may be rendered void or voidable or whereby any relevant insurance premium may be increased.
- 7.5 The Pen Holder will deliver all certificates relating to Electrical and Gas Compliance on commencement of term and following on as soon as practicable upon their renewal. All copies of receipt of compliance are to be forwarded to Port Geographe Marina within 7 days of Port Geographe Marina requesting them.

- ❖ Ensure repairs/maintenance is undertaken at the appropriate location dependent on the nature of such maintenance/repairs as described in Clause 9.7.
- ❖ Provide proof of Public Liability Insurance cover of \$10m in respect of each incident.
- ❖ Acknowledge that under the Western Australian Environmental Protection (Unauthorised Discharge) Regulations 2004 a \$5,000 fine can be issued if the work undertaken is found to have resulted in contamination of the Marina waters.
- ❖ Acknowledge liability for any damage caused to Marina surfaces or structures as a result of carrying out maintenance/repairs.

10. NATURE OF RIGHTS

The rights conferred by this Document are in mutual agreement only and do not create in or confer upon the Pen Holder any tenancy of, or any proprietary rights in, and to, the physical ownership of any part of the Pen, the Jetty or the Mooring Area.

11. PAYMENT

- 11.1 The Pen Holder shall pay any invoice submitted in respect of a berth, mooring or other services provided by Port Geographe Marina and all relevant dues and charges levied by Port Geographe Marina within 7 days of the date of the invoice.
- 11.2 Where payment is made by cheque payment shall not be deemed to be made until such payment is cleared into Port Geographe Marina's account.
- 11.3 Any account remaining unpaid at the end of the 7 days of the date of the invoice, will be deemed to be in breach of Port Geographe Marina's Terms and Conditions and therefore be at risk of the said Terms and Conditions being enacted upon and maybe referred to Port Geographe Marina's Debt Collection Agency.
- 11.4 A refund of fees for any remaining licence term, may be approved by the Marina Manager, whereby licence termination is not a result of a breach of this document, on justified compassionate grounds or in the situation where another customer is prepared to enter into a long term licence (six months duration or longer) on the relinquished pen.
- 11.5 Any approved refund shall be calculated against the applicable licence rate for the period of the term completed at the termination date. A processing fee will apply.
- 11.6 Where the Marina Manager removes any Vessel in accordance with clause 15.2 of this Document, Port Geographe Marina is entitled to a lien over the Vessel to the extent of all costs incurred by the Marina manager for its removal and storage.

12. RENEWAL

- 12.1 Prior to the expiry of the Term, Port Geographe Marina may in its absolute discretion offer to the Pen Holder, the right to renew the Agreement for such period and for such fee applicable at the time of renewal.
- 12.2 A Pen Holder intending to exercise the right to re-new, must do so within 14 days of receipt of the offer to renew, by meeting the conditions of renewal (see Clause 12.3). Where an offer is not exercised within 14 days, the right to the pen returns to Port Geographe Marina on the expiration of the current term.

refund of the Fee or any part of the Fee notwithstanding compassionate grounds at the sole discretion of the Marina Manager.

- 15.2 Port Geographe Marina may terminate the Pen Holder's right to use the pen by notice in writing to the pen holder effective immediately upon receipt of that notice if an Event of Default occurs. An Event of Default occurs if any of the following happen:
- 15.2.1 The Pen Holder commits a fundamental breach of this Document.
- 15.2.2 Any monies payable under this document are at any time in arrears and unpaid for 7 days after Port Geographe Marina request for payment.
- 15.2.3 The pen holder does not comply with any of its other obligations under this Agreement and that non-compliance continues for 7 days after written notice from the Marina Authorised Officer to effect compliance.
- 15.3 Port Geographe Marina's rights in clause 15.2 are in addition to any other rights, which Port Geographe Marina may have against the pen holder under this Document, or at law.
- 15.4 Termination of the pen holder's entitlement to use the Pen under clause 15.2 entitles Port Geographe Marina to all monies due as at the date of termination together with all costs, expenses and damages arising from termination and the loss of the Fee (if any) or any other monies due under this Document.

16. WAIVER

Waiver by Port Geographe Marina of the Pen Holder's breach or non-observance of any of the covenants or conditions of this Document will not be construed as a general waiver and any waiver will relate only to the particular breach or non-observance in respect of which it was made. Acceptance by Port Geographe Marina of any Fee or other monies payable under this Document does not constitute a waiver by Port Geographe Marina.

17. RULES & REGULATIONS

The Pen holder covenants with Port Geographe Marina, on its own behalf and on behalf of the pen holder's employees, agents and customers that throughout the term the pen holder will abide by the following:

17.1 Prevention of Nuisance

- 17.1.1 Not carry on, permit or suffer to be carried on, any offensive, noisome or noxious activity nor permit or suffer anything to be done upon the pen, jetty or within the mooring area that may be or become, obnoxious or objectionable or a nuisance to Port Geographe Marina, adjoining tenants or to the public and will not allow or suffer to be carried on upon the pen or within the mooring area any act, matter or thing which may be prohibited by law or indemnify Port Geographe Marina from and against any claims demands and all costs (on a full indemnity basis) incurred by Port Geographe Marina by reason of any claim made whether justifiably or not in relation to any of the matters to in this clause.
- 17.1.2 Not to engage in or allow any invitee to any swimming, diving or underwater activities within the Marina.
- 17.1.3 Not to allow alcoholic beverages to be consumed within the Marina except on private vessels or other premises where consumption of alcoholic beverages is not prohibited by law.

- ❖ The current for power cords must not be rated less than 15 amps and have a degree of enclosure protection to IP66.
- ❖ The power cord must be in one length and which should not be less than 12 metres.
- ❖ The power cord must be heavy duty 3 core (including earthing conductor) sheathed cord type complying with AS3191.
- ❖ All components shall be in good condition i.e. No corrosion on electrical contacts and no damage to the cord sheath.
- ❖ The marina provides power with a direct connection to shore supply, which is connected to earth. Unless an isolating transformer is fitted on board the vessel to isolate the electrical system of the vessel from the shore system, corrosion (electrolysis) could damage your vessel or surrounding vessels.

17.6 Mooring

- 17.6.1 To ensure that at all times all dinghies tenders and rafts are securely stowed aboard the Vessel.
- 17.6.2 Not to permit or allow any property, gear or equipment under the control or direction of the Pen Holder to be stored on the Marina, including the Jetty, the Pen walkways and finger piers.
- 17.6.3 To comply with any direction of the Marina Manager on the location and method of mooring or anchoring boats in the Mooring Area and use mooring ropes of a size and standard to suit size of vessel moored in pen. (See Marina mooring hand out for mooring instructions)
- 17.6.4 Not to allow any part of the Vessel to protrude onto a walkway, nor to allow the Vessel to impede the free movement of any other vessel within the marina.

17.7 Signs

Not affix, exhibit or permit to be affixed or exhibited any advertising poster or sign to any part of the Vessel, Jetty, Pen in the Marina with-out the approval of Port Geographe Marina management.

17.8 Vessel Lifting Devices

A vessel lifting device of any type is not to be installed in the pen or marina unless all of the following requirements have been approved by the Marina Manager.

- ❖ Prior approval in writing has been obtained from Marina Manager.
- ❖ A copy of the Owner's Manual, including a dimensional diagram, has been provided to the Marina Manager.
- ❖ The vessel lifter can be wholly contained within the licensed portion of the pen.
- ❖ Immediately following installation, a letter signed by the authorised installer certifying that the vessel lifter has been adequately installed and suits the site conditions is to be provided to the Marina Manager.
- ❖ The pen holder is responsible to ensure the vessel lifting device is maintained in good and proper working order.

17.9 Cancellation of a Short Term booking prior to arrival. . (Bad Weather is not grounds for cancelling pen Booking)

- If more than 1 month notice given a \$50.00 admin fee will apply.
- Less than 1 month but not less than 2 weeks 50 % of total booking cost will be charged.
- Less than 2 weeks no refund will be given.

From: con@keaneaccounting.com.au
To: [David Nicholson](#)
Subject: RE: Further Information Clarification - Geographe Marina Boat Pens
Date: Monday, 15 July 2019 9:35:52 AM
Attachments: [image003.png](#)
[image004.png](#)
[image005.png](#)

Sorry David – it is 74. I doubled up in the 82 (i.e I added the Long Term). So correct number is 74 annual + 8 LT.

Thanks

Con Keane



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From: David Nicholson <David.Nicholson@busselton.wa.gov.au>
Sent: Monday, 15 July 2019 9:30 AM
To: con@keaneaccounting.com.au
Subject: RE: Further Information Clarification - Geographe Marina Boat Pens

Hi Con,

I really appreciate the additional information.

But can I clarify if there are 74 or 82 annual boat pens rentals as both are stated?

Thanks

David Nicholson
Rates Coordinator
p: (08) 9781 0448
David.Nicholson@busselton.wa.gov.au

City of Busselton

2 Southern Drive, Busselton WA 6280
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www.busselton.wa.gov.au

"Where environment, lifestyle and opportunity meet"

From: con@keaneaccounting.com.au <con@keaneaccounting.com.au>
Sent: Friday, 12 July 2019 1:05 PM
To: David Nicholson <David.Nicholson@busselton.wa.gov.au>
Cc: 'Ric Toovey' <rtoovey@uhyhnprt.com.au>
Subject: RE: Further Information Clarification - Geographe Marina Boat Pens

Hi David

My answers below

As a note, the number of occupied pens can change at any time – in particular the casual pens. But this is as it is today.

Kind regards

Con Keane



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If you have received this message in error please notify Con Keane immediately.

From: David Nicholson <David.Nicholson@busselton.wa.gov.au>
Sent: Thursday, 11 July 2019 12:05 PM
To: Con Keane <con@keaneaccounting.com.au>
Subject: Further Information Clarification - Geographe Marina Boat Pens

Hi Con,

Sorry but I am seeking the following information to include in the Council report:

- Number of annual, long term and live aboard pens leased? There are currently 74 annual boats; 8 long term; 1 permanent live-aboard and 2 short term live-aboards.
- Annual rental received for each of these leased pens? The annual rentals amount to \$425,845; \$20,949 income for Long Term; Casuals are not quantifiable however there is a line item on the Profit & Loss Supplied for 2018.
- Number of pens subject to casual rental? Our total number of pens is 187. Today there are 82 annual and 8 long term. Therefore there are 97 that are currently available for casual
- Clarification as to the related party rent and depreciation figures provided? The corporate structure involves one entity (called Port Geographe Partners) that owns the land (2/21 Spinnaker Blvd) as well as the seabed lease and the jetty improvements on the seabed lease. In essence, it is a passive investor. As the owner of the assets, it is able to charge a rent for their use, and it accounts for depreciation on those assets. There is another entity that undertakes all business operations of the marina. This entity is Port Geographe Marina Pty Ltd, and is the entity that earns pen income as part of its business operations. So Port Geographe Marina paid \$365,000 rent to Port Geographe Partners (2018). BUT OF COURSE, Port Geographe Partners has a depreciation expense (\$164,334 in 2018). The point I was trying to make was that if there were only **one** entity, then there would be no rent paid, but the depreciation would be applicable. Does that help?
- Number of management, office and service employees? 2 Office / customer service employees, 2 service / maintenance employees / 2 working directors.

Thanking you in anticipation of an early response.

Please call if you wish to discuss these queries further.

David Nicholson

Rates Coordinator

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6.2 BUDGET ADOPTION 2019/2020

SUBJECT INDEX:	Budget Planning and Reporting
STRATEGIC OBJECTIVE:	6.1 Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Finance and Corporate Services
ACTIVITY UNIT:	Financial Services
REPORTING OFFICER:	Acting Manager Financial Services - Jeffrey Corker
AUTHORISING OFFICER:	Director Finance and Corporate Services - Tony Nottle
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Attachment A Published Under Separate Cover 2019/2020 Annual Budget Attachment B Published Under Separate Cover 2019/2020 Schedule of Fees and Charges Attachment C Published Under Separate Cover Differential Rate Submission McMahon Mining Title Services

PRÉCIS

To formally consider the attached budget papers presented for consideration by Elected Members in order to adopt the 2019/2020 Municipal Budget.

The author also requests that relevant staff and Elected Members identify whether they may have any financial or proximity interests with respect to any of the proposed capital works projects being near to or adjacent to properties they might own.

BACKGROUND

Pursuant to Section 6.2 of the Local Government Act (the 'Act'), a local government is to prepare and adopt an annual budget on or before 31 August each year, or such extended time as the Minister allows.

Staff commenced the preparation of the budget in November 2018 and have provided all Elected Members, staff, residents and electors the opportunity to submit projects for consideration by Council.

The attached budget documents (published under separate cover due to file sizes) have been prepared after extensive consultation with all relevant stakeholders and having regard to draft budget workshops convened with Elected Members during June 2019. This report now seeks the Council's formal adoption of its 2019/2020 annual budget. The budget has also been prepared with due regard to the Long Term Financial Plan.

The process outlined above was adopted to maximise the input into the budget by Elected Members, the community and staff to promote a greater understanding of the budget document itself and to ensure it accurately reflects the priorities of the Council.

STATUTORY ENVIRONMENT

As part of the annual budget development process, a local government must have regard for numerous requirements under the Act and associated Regulations. These include, but are not limited to, the following provisions:

- Adoption of Annual Budget

Section 6.2 of the Act and Part 3 of the Local Government (Financial Management) Regulations detail the form and manner in which an annual budget is to be presented to the Council for formal consideration.

- Reserve Accounts

Section 6.11 of the Act provides guidance in respect of reserve accounts and also outlines the processes required should a local government determine to amend the purpose of a reserve.

- Power to Borrow

Sections 6.20 and 6.21 of the Act refer to a local government's power to borrow and the administrative requirements associated therewith.

- Notice of Imposing Differential Rates

Section 6.36 of the Act details the requirement for a local government to give local public notice of its intention to impose differential rates in the dollar and associated minimum payments in any year. The local public notice is to provide details of each differential rate in the dollar and associated minimum payment and must also invite public submissions to the proposal, for a period of not less than 21 days.

- Adoption of Fees and Charges

Sections 6.16 – 6.19 of the Act refer to the imposition, setting the level of, and associated administrative matters pertaining to fees and charges. The requirement to review fees and charges on an annual basis is detailed within Regulation 5 of the Local Government (Financial Management) Regulations. The Fees and Charges were adopted by Council in May 2019 and advertising to enable them to apply from 1 July 2019.

RELEVANT PLANS AND POLICIES

The 2019/2020 budget has been guided by the Council's Strategic Community Plan 2017 (Review 2019) and Corporate Business Plan, along with associated informing plans (Long Term Financial Plan, Workforce Plan and Asset Management Plans). This is in addition to the range of other plans and policies which underpin specific components of the overall annual budget.

FINANCIAL IMPLICATIONS

The budget adopted by the Council will determine the financial operations of the City of Busselton for the 2019/2020 financial year.

LONG TERM FINANCIAL PLAN IMPLICATIONS

The 2019/2020 budget has been constructed with due consideration to the LTFP as adopted by Council on 28 March 2018.

STRATEGIC COMMUNITY OBJECTIVES

The annual budget impacts across all of the Council's Strategic Community Objectives. However, the process of adopting the annual budget can be principally aligned with Key Goal Area 6 – 'Leadership' and more specifically Community Objectives:

- 6.1 Governance systems, process and practices are responsible, ethical and transparent.
- 6.2 Council engages broadly and proactively with the community.
- 6.3 Accountable leadership that is supported by a skilled and professional workforce.
- 6.4 Assets are well maintained and responsibly managed.

RISK ASSESSMENT

The 2019/2020 budget has been informed by the Council's Strategic Community Plan 2017 (Review 2019), and more particularly the underpinning Corporate Business Plan, Long Term Financial Plan, Workforce Plan and Asset Management Plans. The integration with these plans assists to address the risks associated with the adoption of the 2019/2020 draft budget, mainly that the City has the financial capacity to deliver the programs, projects and ongoing services as identified in the budget papers without causing any detrition in its financial base, and that the programs, projects and services align to the strategic goals and objectives set by Council.

CONSULTATION

In its development, the 2019/2020 budget has been the subject of specific workshops convened with Elected Members. Community groups and other not for profit organisations have also been invited to apply for funding allocations as part of the City's ongoing sponsorship related programs. Throughout the year, members of the public have also been invited to make submissions on a range of proposed projects and activities impacting on the draft budget.

Differential Rates

Local public notice was placed in the West Australian Newspaper and Busselton Dunsborough Times on the 14th June 2019 and Busselton Dunsborough Mail on the 19th June 2019 with respect to the Notice of Intention to Levy Differential Rates for the 2019/2020 financial year. Copies were also placed on City's public notice boards at City's Administration Centre, Southern Drive, Busselton and both the Public Libraries (Busselton and Dunsborough). The proposed general rate increase advertised for 2019/2020 financial year was 3.95%.

Ratepayers and Electors were invited to make a submission to Council in relation to the proposal. Submissions closed 4:30pm Monday 10th July 2019.

In accordance with section 6.36 of the Local Government Act 1995, Council is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.

At the closing of the submission period only one formal submission had been received, being from McMahon Mining Title Services Pty Ltd. It is acknowledged however that there has been a number of other opinions tendered through various mediums that do not qualify as formal submissions.

The McMahon Mining Title Services Pty Ltd submission (published under separate cover) indicated concern around mining tenements differential rates and in particular, minimum payments. There is no differential rating category for mining tenements as they are rated as UV Commercial with only minimum payments raised on each mining tenement. It is considered that this submission does not warrant any change in minimum payments as:

- The minimum payment set by Council is to ensure all rateable properties contribute fair and equally to the City's budget;
- A mining tenement is not considered to be any different to other rateable properties;
- Apart from rates the City receives no other direct financial benefits from mining tenements.
- It is not acceptable that the City be financially burdened by reducing rates due the State Government increasing mining tenement license rentals; and
- Any reduction in mining tenement rates would mean an additional financial burden on other ratepayers by contributing more towards the City's budget.

OFFICER COMMENT

The 2019/2020 budget as presented for consideration is reflective of the documents workshopped with Elected Members during June 2019, and incorporates amendments determined during that process.

At the end of the workshops Council requested officers to endeavour to reduce the 2019/2020 rate increase to 3.95%.

The budget has continued to be amended subsequent to the workshops, to reflect matters that have arisen during the intervening period. Whilst these amendments could have been deferred from inclusion in the budget and raised for consideration as part of this report, it is felt that presenting the Council with a complete and balanced budget is a preferable option. This has been the process in the past.

The majority of these changes have been of an operational accounting treatment nature only. The only subsequent amendment which is considered to be of specific interest is the sale of Lot 122 Kent St for \$2,700,000. There is no net impact to the budget from this sale as the funds are to be transferred to the Performing Arts Convention Centre Reserve.

This plus any other minor adjustments has not resulted in any change to the amount to be transferred to the Contingency Holding Account.

Carryover Items

The 2019/2020 budget reflects carryover items totalling \$1,263,448. These primarily relate to capital works which have been commenced in the 2018/2019 year and are carrying over to the 2019/2020 financial year; and the Meelup Coastal Carpark (as presented at the budget workshops). These items form a substantial part of the 2018/2019 financial year closing surplus of \$1,751,076.

The Surplus is made up as follows:

Carryover Items	\$1,263,448	to be utilised in 2019/2020 Budget
Additional 2 Days pay during 2019/20	\$ 295,000	to be utilised in 2019/2020 Budget
New Infrastructure Development Reserve	<u>\$ 192,628</u>	Transfer to Reserve 2019/2020 *
	<u>\$1,751,076</u>	

* To be transferred into the New Infrastructure Development Reserve as per Council Resolution.

Rates

The Council has previously adopted its Long Term Financial Plan (LTFP) 2018/19 to 2027/28. The LTFP details the City's financial position over the next ten years and incorporates the financial implications of the City's Asset Management Plans, Corporate Business plan and other plans as they impact the LTFP.

A rate increase averaging 3.95% is being considered for the 2019/20 financial period to fund:

- An additional 0.50% increase in footpath and cycle way funding.
- An additional 0.50% increase in road upgrading funding.
- An additional 0.40% increase in community owned buildings and halls funding.
- An additional 0.30% increase in finance and borrowing costs.
- An additional 0.30% increase in maintenance for new assets such as parks, drainage and roads etc. that the City is to take ownership of.
- A 0.15% increase has been factored into cover general growth.
- A 1.8% increase to cover general Local Government costs. (E.g. Power, water construction costs etc.)

Revaluations:

The standard annual revaluation of Unimproved Valuations (UV) has been completed by Landgate Valuation Services (LVS) and will be effective from the 1st July 2019. There are no significant UV valuation changes evident.

Both Unimproved and Gross Rental Valuations determine the distribution of total rate burden between Ratepayers. Whilst Council can control the total amount of rates to be collected, it is unable to determine what an individual property valuation will be and therefore what rate amount it will contribute.

Where a properties UV valuation has increased then the overall rate increase will usually be above the proposed average 3.95% increase. Conversely where a properties UV valuation has decreased then the overall rate increase will usually be below the proposed average 3.95% increase.

Further valuation information can be obtained at the following LVS websites:

Property Valuations Landing Page –

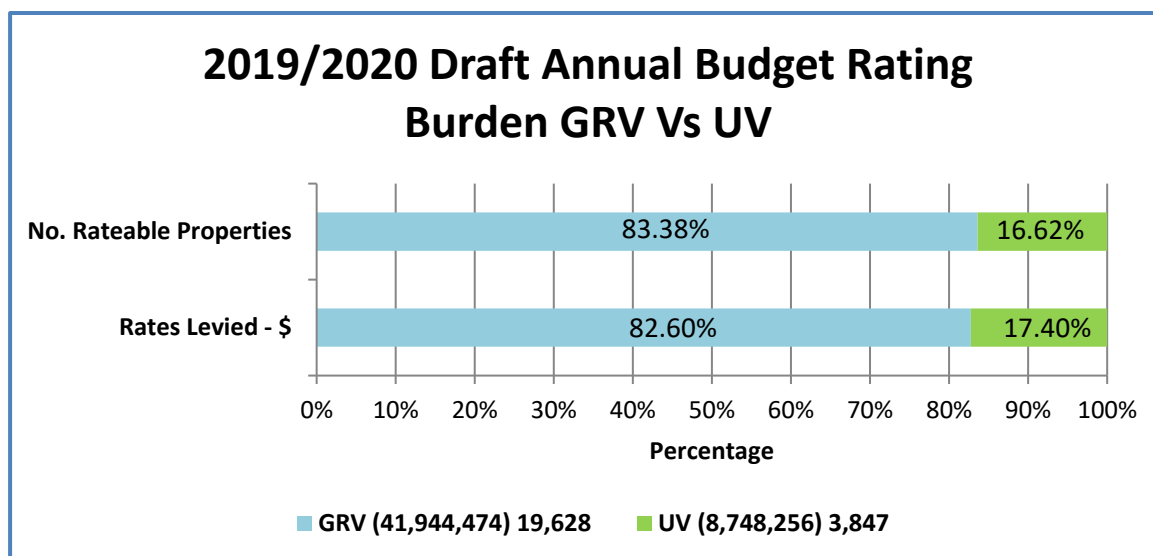
<https://www0.landgate.wa.gov.au/property-reports/property-valuations>

GRV & UV Videos –

<https://www0.landgate.wa.gov.au/property-reports/property-valuations/videos-grv-uv>

Objections –

<https://www0.landgate.wa.gov.au/property-reports/property-valuations/lodging-an-objection>

**Waste Charges**

There is to be an increase in waste charges however this has been kept to a minimal amount. Below are details of this increase:

Charge Type	2018/2019	2019/2020	Increase
Refuse Removal Commercial	\$ 165	\$ 169	\$ 4
Refuse Removal Domestic	\$ 165	\$ 169	\$ 4
Recycling Fees - Domestic	\$ 80	\$ 82	\$ 2
Recycling Fees - Commercial	\$ 80	\$ 82	\$ 2

Waste Avoidance and Resource Recovery Act Charges (WARR Act)

There has also been a further increase in the WARR Act charge from \$48 to \$ \$49.

Proposed Borrowings

The 2019/2020 draft annual budget includes \$150K in proposed new borrowing, for the following purposes:

⇒ Community Groups Self Supporting Loan (\$150K)

A Self Supporting Loan amount of \$150k has been included in the budget for provision of loan funding to other community groups, enabling them to borrow funds at lower interest rates through support of the City. Liability for the repayment of the loans remains with the community group. These loans are considered on request.

New Reserves

The following two new reserves have been added to the 2019/20 budget;

1. Vasse Sports Pavilion Building Reserve
Purpose: To provide funding for the construction, major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.
2. Other Infrastructure (Drainage, Signage etc.) Reserve
Purpose: To provide funding for the major maintenance and renewal of other infrastructure related to drainage signage and other associated road works.

Additionally, some minor changes have been made to the wording of the Reserve Purposes for a small number of the Reserves and these have been incorporated into the 2019/20 Draft Budget.

Variance Reporting Threshold – 2019/2020 Financial Year

Whilst not directly relevant to the budget adoption, Regulation 34(5) of the Local Government (Financial Management) Regulations requires that in each year, a local government adopts a percentage or value, calculated in accordance with Accounting Standard AASB1031 - Materiality, to be used for reporting material variances.

It is preferable that the Council determines this percentage or value as part of its annual budget adoption process, such that this reporting threshold is known prior to the compilation of the initial Statement of Financial Activity report each financial year.

Accounting Standard AASB1031 states that; *"general purpose financial reporting involves making decisions about the information to be included in general purpose financial reports and how it is presented. In making these judgements, considerations of materiality play an essential part. This is because the inclusion of information which is not material or the exclusion of information which is material may impair the usefulness of the information provided to users"*.

The Standard also suggests quantitative thresholds in the consideration of the materiality of variances, as follows:

- a) *An amount which is equal to or greater than ten percent (10%) of the appropriate base amount may be presumed to be material unless there is evidence or convincing argument to the contrary; and*
- b) *An amount which is equal to or less than five percent (5%) of the appropriate base amount may be presumed not to be material unless there is evidence or convincing argument to the contrary.*

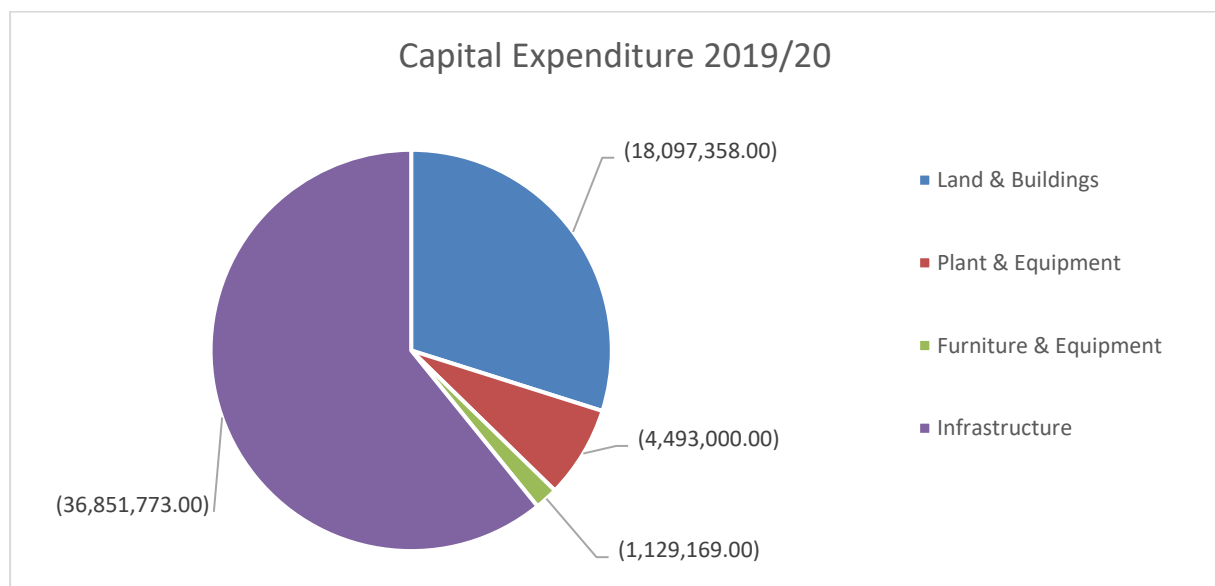
The Council has historically adopted a [+/- 10%] variance reporting threshold, with reportable variances resulting from timing differences and/or seasonal adjustments to be reported on a quarterly basis. It is considered that reporting threshold is reasonable, and ensures that the Council remains fully informed of the City's financial performance on a month by month basis. Consequently, this report recommends that the currently adopted variance reporting threshold and methodology be readopted in respect of the 2019/2020 financial year.

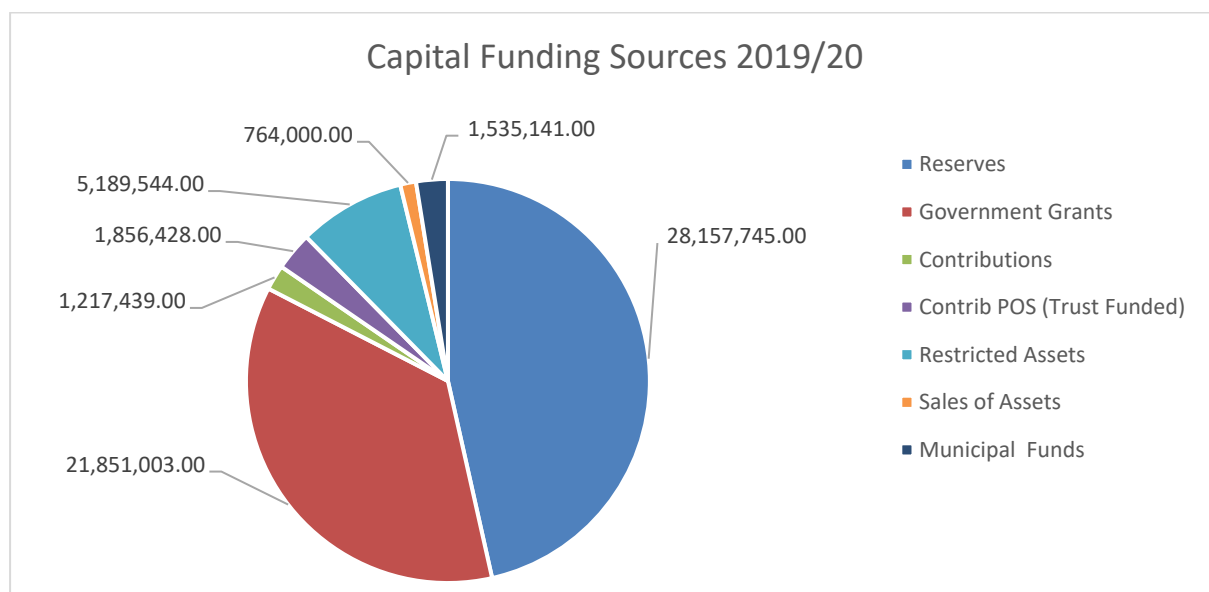
2019/2020 Annual Budget – Highlights

The budget as presented for adoption reflects a balanced position as at 30 June 2020, and comprises all of the amendments and additions as detailed in this report. The following provides a synopsis of relevant budget highlights:

Total expenditure is in the order of \$142.67m including approximately \$60.5m in capital expenditure and includes the following capital expenditure items:

Infrastructure	\$36.8M
Land and Buildings	\$18.1M
Plant and Equipment	\$4.5M
Furniture and Office Equipment	\$1.1M
TOTAL	\$60.5M





Description	2019/20 Budget
Airport Terminal Stage 2 (B9716)	\$12,500,000
Busselton Senior Citizens (B9407)	\$1,163,450
Buildings – Other (Various)	\$4,233,908
Plant and Equipment (Various)	\$4,493,000
Furniture and Equipment (Various)	\$1,129,169
Busselton Foreshore (Various)	\$3,127,170
Lou Weston Oval – Courts (C3186)	\$1,883,400
Busselton Jetty (C3497)	\$1,700,000
Footpath & Cycle Ways Construction (Various)	\$1,572,615
Drainage (Various)	\$193,251
Car Parking Construction (Various)	\$719,342
Bridges Construction (Various)	\$1,720,000
Townscape Construction (Various)	\$836,221
Boat Ramps Construction (Various)	\$500,810
Beach Restoration (Various)	\$1,260,669
Parks, Gardens and Reserves (Various)	\$4,011,110
Cemetery Capital Works (Various)	\$204,425
Sanitation Infrastructure (Various)	\$3,342,990
Main Roads Projects (Various)	\$4,193,233
Roads to Recovery Projects (Various)	\$2,312,635
Eastern Link Projects (Various)	\$3,150,000
Council Roads Initiative Road Projects (Various)	\$3,551,093

<u>Major Road Infrastructure Projects</u>	2019/20 Budget
Eastern Link - Busselton Traffic Study	\$2,500,000
Yoongarillup Road - Reconstruct & Widen (Western Section) Narrow Seal	\$1,478,100
Causeway Road / Rosemary Drive Roundabout	\$1,406,680
Peel & Queen Street Roundabout Service Relocation	\$750,000
Wonnerup South Road - Reconstruct and Widening (narrow seal)	\$705,465
Wonnerup South Road - Reconstruct and Widening (narrow seal)	\$624,535
Ludlow-Hithergreen Road Safety Improvements	\$576,500
King Street - Reconstruction, Drainage & Asphalt Overlay	\$518,000
Peel Terrace (Stanley Pl/Cammilleri St Intersection Upgrade)	\$425,912
Kaloorup Road Reconstruct and Seal Shoulders	\$420,000
Roundabout to Eastern Link Bridge	\$300,000
Ford Road Reconstruct and Asphalt Overlay	\$290,000
Fairway Drive - Intersection Works	\$270,000
Peel Terrace (Brown Street Intersection Upgrades)	\$245,849
Hovea Crescent - Asphalt Overlay, Kerb & Intersection Works	\$216,000
Yoongarillup Road - Reconstruct Intersection at Vasse Highway	\$210,000
Eastern Link Shared Path & Environmental Offsets	\$200,000
Carey Street - Asphalt Overlay & Kerb	\$175,000
William Drive - Asphalt Overlay, Kerb & Drainage	\$171,992
Ford Road Environmental Studies and Allocation	\$150,000

As illustrated above, the 2019/2020 draft budget includes a wide range of capital projects, which will benefit the City's ratepayers. This is in addition to recurrent operational funding allocations to support a wide range of community services and initiatives. It is therefore considered that the 2019/2020 budget reflects excellent value for money, whilst also being attentive to the desires and aspirations of the community, as reflected in the Council's Strategic Community Plan 2017 (Review 2019).

Fees and Charges

To enable the Council's Schedule of Fees and Charges to become effective from the commencement of the financial year, the Schedule is required to be adopted in advance of 30 June each year.

At its meeting of 8 May 2019, the Council adopted its Schedule of Fees and Charges for the 2019/2020 financial year.

Pursuant to Section 6.19 of the Act, local public notice was given and the Schedule of Fees and Charges came into effect from 1 July 2019.

Since this time several minor changes have been made to the Schedule of Fees and Charges as follows:

- Overdue Holiday Home Correspondence fee in the amount of \$35 added as new fee;
- Rates Instalment Option Administration Fee included in the list (has not been in the past) and increased from \$4 per instalment (or a total of \$12) to a flat \$18;
- Low Risk Bond fee of \$200 reinstated;
- Swim Club membership fee discount increased from 20% to 25% concession;
- Library Scanning of document fee of 20c deleted.

In addition, it is requested that a new fee being for the Purchase of an Audio Recording of a Council meeting in the amount of \$15 be added. Please note that this fee has not been included in the Schedule of Fees and Charges as included in the Budget papers, but is reflected in the Schedule included separately as Attachment C in this report.

CONCLUSION

In accordance with the principles expressed in the Long Term Financial Plan and relevant Council Policies, the 2019-2020 Budget has been drafted with a long term view of the needs of the City and its residents in mind. As illustrated in this report, the budget includes a significant level of capital projects which will be of benefit to the City's ratepayers. Many of these projects are aligned with Council's Strategic Community Plan 2017 (Review 2019), and as such reflect the aspirations of the community.

It is therefore recommended that the Council adopts its 2019/2020 draft annual budget as presented.

OPTIONS

The Council may determine to amend the budget as presented for adoption.

The Council may also determine to amend the recommended variance reporting threshold in respect of the statutory Statement of Financial Activity Statement reporting.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The 2019/2020 annual budget will become effective immediately consequent to adoption by the Council.

OFFICER RECOMMENDATION 1

1. That Council agrees it has sufficiently considered the formal submissions received with respect to the Notice of Intention to Levy Differential Rates for the 2019/2020 financial year.

OFFICER RECOMMENDATION 2

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

1. That the Council adopts its 2019/2020 annual budget as attached, which incorporates the following:
 - Statement of Comprehensive Income by Nature or Type
 - Statement of Comprehensive Income by Program
 - Statement of Cash Flows
 - Rate Setting Statement by Program
 - Notes to and Forming the Budget
 - Budget Program Schedules

2. That the following general rates, differential rates, specified area rates and minimum payments, along with other charges, impositions and concessions as specified in the Memorandum of Imposing Rates and Charges and as is contained within the draft annual budget be adopted by the Council for imposition upon all applicable rateable properties within the district of the City of Busselton for the 2019/2020 financial year, in accordance with the provisions of the Local Government Act and subject to all necessary pre-requisites and protocols there under.

Description	Rate in the \$	Minimum Payment \$
<u>Zone Groups (GRV)</u>		
Residential	9.8489c	\$1,375
Residential – Vacant Land	9.8489c	\$1,375
Residential Holiday Homes	10.8339c	\$1,430
Industrial	11.3732c	\$1,375
Industrial – Vacant Land	11.3732c	\$1,375
Commercial	11.3732c	\$1,375
Commercial – Vacant Land	11.3732c	\$1,375
<u>Land Use Groups (UV)</u>		
Primary Production	0.4404c	\$1,375
UV Rural	0.4455c	\$1,500
UV Commercial	0.8037c	\$1,375
<u>Specified Area Rates</u>		
Port Geographe	1.5719c	N/A
Provence GRV	1.4462c	N/A
Provence UV	0.0143c	N/A
Vasse GRV	1.8385c	N/A

3. A rate payment instalment option fee of \$18.00 in accordance with section 6.45 (3) of the Local Government Act 1995.
4. An interest rate of 5.5% per annum on rates paid by instalments in accordance with section 6.45 (3) of the Local Government Act 1995.
5. An interest rate of 11% per annum on all outstanding rates in accordance with section 6.51 (1) of the Local Government Act 1995.
6. In accordance with regulation 64(2) of the Local Government (Financial Management) Regulations 1996, the following Instalment options:

Option 1 - Payment in full by a single instalment

1st 11 September 2019

Option 2 - Payment in full by four instalments

1st 11 September 2019

2nd 11 November 2019

3rd 13 January 2020

4th 13 March 2020

7. The following annual Refuse Collection and Recycling charges for the City of Busselton for the 2019/2020 financial year:
 - a) Commercial Waste Charges \$169
 - b) Domestic Waste Charges \$169
 - c) Recycling Collection Charge - Domestic \$82
 - d) Commercial Recycling Collection Charge \$82
8. In accordance with Section 66(1) Waste Avoidance and Resource Recovery Act 2007) and, in accordance section 66(3) of the WARR Act, apply the minimum payment provisions of section 6.35 of the Local Government Act 1995, imposes a Waste Infrastructure Rate as follows:
 - a) GRV General Properties – Rate in the dollar: 0.001 Cents, minimum \$49
 - b) UV General Properties – Rate in the dollar: 0.0004 Cents, minimum \$49
9. Pursuant to section 6.11 of the Local Government Act 1995, Council adopt the reserves and reserve fund budget contained at note 7 of the budget including amendment of some Reserve Purposes and the inclusion of two new reserves:
 - a) Vasse Sports Pavilion Building Reserve
Purpose: To provide funding for the construction, major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.
 - b) Other Infrastructure (Drainage, Signage etc.) Reserve
Purpose: To provide funding for the major maintenance and renewal of other infrastructure related to drainage signage and other associated road works.
10. Councillors fees and allowances as follows;
 - a) Councillor Annual Sitting Fees \$29,910
 - b) Mayor Annual Sitting Fee \$41,788
 - c) Mayor's Allowance \$80,129
 - d) Deputy Mayor's Allowance \$20,032
 - e) Telecommunications and Information Technology Allowance \$3,500.
11. Reaffirms the adoption of its Schedule of Fees and Charges for the 2019/2020 financial year, as amended and comprised within the 2019/2020 Draft Annual Budget document, with the addition of the a new fee being for the Purchase of an Audio Recording of a Council meeting in the amount of \$15.
12. That pursuant to Regulation 34(5) of the Local Government (Financial Management) Regulations, the Council adopts a material variance reporting threshold with respect to financial activity statement reporting for the 2019/2020 financial year as follows:
 - a) Variances equal to or greater than 10% of the year to date budget amount as detailed in the Income Statement by Nature and Type/ Statement of Financial Activity report, however variances due to timing differences and/or seasonal adjustments are to be reported on a quarterly basis; and
 - b) Reporting of variances only applies for amounts greater than \$25,000.

7. CLOSURE