



TOWN OF

Bassendean

AGENDA

Special Council Meeting

Tuesday 21 May 2024

Notice is hereby given of the Briefing Session
to be held in the Council Chamber

Administration Building

48 Old Perth Road, Bassendean, commencing at 5:30 pm

Meeting Information

About the Special Council Meeting

The Mayor will preside over the Special Council Meeting. In the absence of the Mayor, the session will be presided over by the Deputy Mayor.

The meeting is open to all members of the public, except during the consideration of matters deemed confidential in line with the Local Government Act 1995.

Recording and Live-streaming

All participation in the meeting, except for confidential business, will be audio recorded and live-streamed on the Town's website. The live stream will be archived and made available on the Town's website after the meeting.

Conduct at meetings

The Town is committed to ensuring our Council Meetings are a safe work environment, free of risks to the health and wellbeing of Elected Members, Officers and our community. Any person attending is required to be respectful, courteous and have due regard for individual rights and differences. Individuals may be asked to leave should their conduct adversely affect the health and safety of others.

By attending this meeting, you agree to abide by these conditions.

For any questions regarding the Briefing Session or any item presented in the agenda, please contact the Town of Bassendean at mail@bassendean.wa.gov.au.

Tune in to live streaming from the comfort of your own home by going to:
Town of Bassendean Council - YouTube

or if you miss it live, go to:
<https://www.youtube.com/channel/UC46mMs3D7vmHuO0ePibihhg>

Council Role

Each Report presented will identify what Council's Role is in the item

Advocacy	When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
Executive	The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
Legislative	Includes adopting local laws, town planning schemes and policies.
Review	When the Council operates as a review authority on decisions made by Officers for appeal purposes.
Quasi-Judicial	When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.
Information	For the Council/Committee to note.



1 Declaration Of Opening; Acknowledgment of Country; Acknowledgment of Visitors; Disclaimer	5
2 Announcements by the Presiding Person Without Discussion	5
3 Attendances and Apologies	5
4 Declarations of Interest	5
5 Presentations or Deputations	5
6 Statements by Members of the Public on Agenda Items	6
8 Reports	6
8.1 Annual Budget 2024/25 - Proposed Differential Rates.....	6
8.2 Budget Amendment - Land Asset Strategy	16
9 Closure	21

1 Declaration Of Opening; Acknowledgment of Country; Acknowledgment of Visitors; Disclaimer

Acknowledgement of Traditional Owners

The Town of Bassendean acknowledges the past and present traditional owners of the land on which we gather to conduct this meeting, and pays its respects to their Elders, both past and present.

2 Announcements by the Presiding Person Without Discussion

3 Attendances and Apologies

4 Declarations of Interest

5 Presentations or Deputations

Deputation requests can be submitted prior to the Briefing Session via the online form:
[Online Form - Request for Deputation » Town of Bassendean](#)

Further information can be found here:
[About Council Meetings » Town of Bassendean](#)

6 Statements by Members of the Public on Agenda Items 8 Reports

8.1 Annual Budget 2024/25 - Proposed Differential Rates	
Property Address	
Landowner/Applicant	
File Reference	RAT&VAL/FEECHAG/3
Directorate	
Previous Reports	
Authority/Discretion	Legislative Includes adopting local laws, local planning schemes & policies.
Attachments	1. Statement of Objects and Reasons for 2024-25 Differential Rates [8.1.1 - 4 pages]

Purpose

The purpose of this report is for Council to consider the imposition of differential general rates for 2024/25 for the purpose of giving local public notice, pursuant to section 6.36 of the *Local Government Act 1995* (the Act).

Background

Under the Act, a Local Government may receive revenue from rates levied on rateable land within its district to make up the budget deficiency. The Local Government is to impose a general rate on rateable land within its district and may do so uniformly or differentially. The rate is to be expressed as a rate in the dollar of the gross rental value (GRV) of the rateable land. Differential general rates may be imposed according to different characteristics, including the purpose for which the land is zoned, held or used, and whether or not the land is vacant land.

For the metropolitan area, the Valuer General assesses all properties within a local government every three years and determines the GRV for each property, which is the total annual rent a property might reasonably be expected to earn if it was rented out. For vacant land, the GRV is determined by applying a percentage (3% for residential and 5% for non-residential) to the unimproved value of the property.

The Town imposed differential general rates for the first time in 2021/22, with the creation of a “Vacant Land” Category, to impose a higher rate in the dollar on vacant land to encourage development. In 2022/23, the Town introduced a third differential rating category for Commercial and Industrial property, based on land zoned for these purposes. This was to raise additional revenue to meet the higher level of service costs associated with commercial and industrial properties and the localities within which they are situated.

It is proposed to continue with the three differential rating categories for 2024/25, which will assist in raising additional rates revenue for the Town while spreading the rate burden more fairly, minimising the impact of rate increases for residential property owners.

When imposing differential rates, a Local Government is required to publish a document describing the objects of, and reasons for, each proposed rate and minimum payment on its official website.

Proposal

For Council to approve the 2024/25 rate in the dollar and the minimum payment to be advertised by public notice as shown in Table One below.

Table 1: Proposed Differential Rates and Minimum Payment

Rating Category	Rate in Dollar in Cents	Minimum Payment (\$)
Improved – Residential	8.1758	1,183
Improved – Commercial and Industrial (GRV)	9.4021	1,183
Vacant Land – Residential, Commercial and Industrial (GRV)	12.2636	1,183

For Council to approve the Statement of Objects and Reasons for the proposed differential general rates for 2024/25.

Communication and Engagement

The 2024/25 Budget deliberations have taken into consideration the current and future needs of the Town with a focus on responsible financial management, in accordance with Council's Strategic Budget Policy. This has included several budget workshops with Councillors to detail the Town's revenue and expenditure estimates for the 2024/25 financial year, and a workshop to examine possible differential rating models on 9 April 2024 to fund the budget deficit.

Subject to approval of the recommendations in this report, the Town will publicly advertise the Statement of Objects and Reasons attached to this report, detailing the rates in the dollar and minimum payment shown in Table One and providing at least 21 days for submissions. All submissions received will be provided to Council for consideration before imposition of the proposed differential general rates and minimum payment.

Strategic Implications

Performance Area 5: Performance

9.1 Continuously improve operational performance and service delivery.

Comment

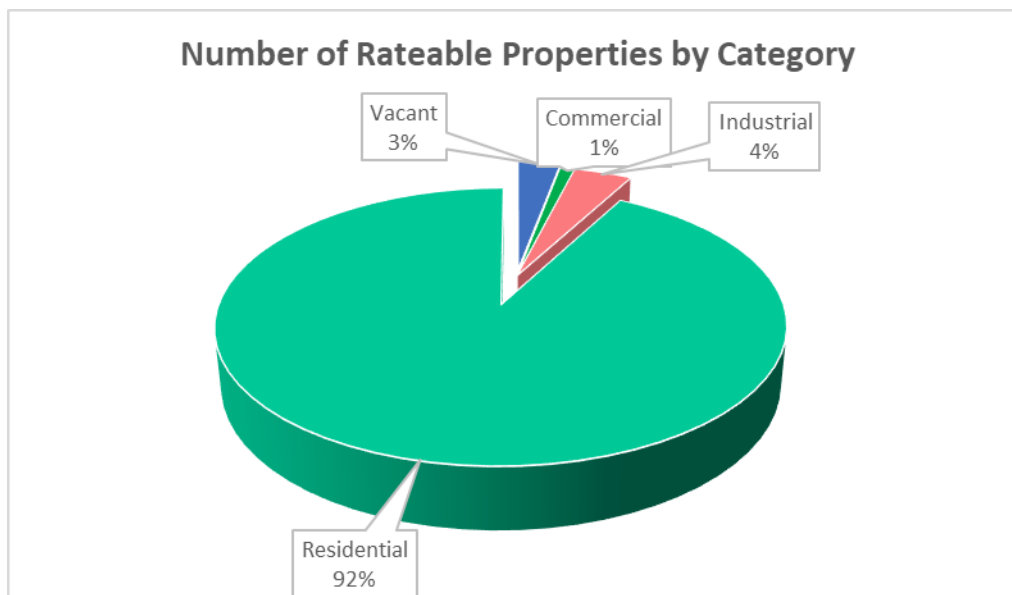
Triennial Revaluation

In 2023/24, Landgate provided updated GRVs for all rateable land within the Town, which will serve as the base for the next three years. Total GRV for properties within the Town rose by \$29,579,537 to \$191,248,032, representing an 18.3% increase over the previous valuation applicable from 2020/21.

Rateable Property Categories and Revenue

A comparison of rateable properties within the Town, using the Town’s current rates database, is shown in Chart 1.

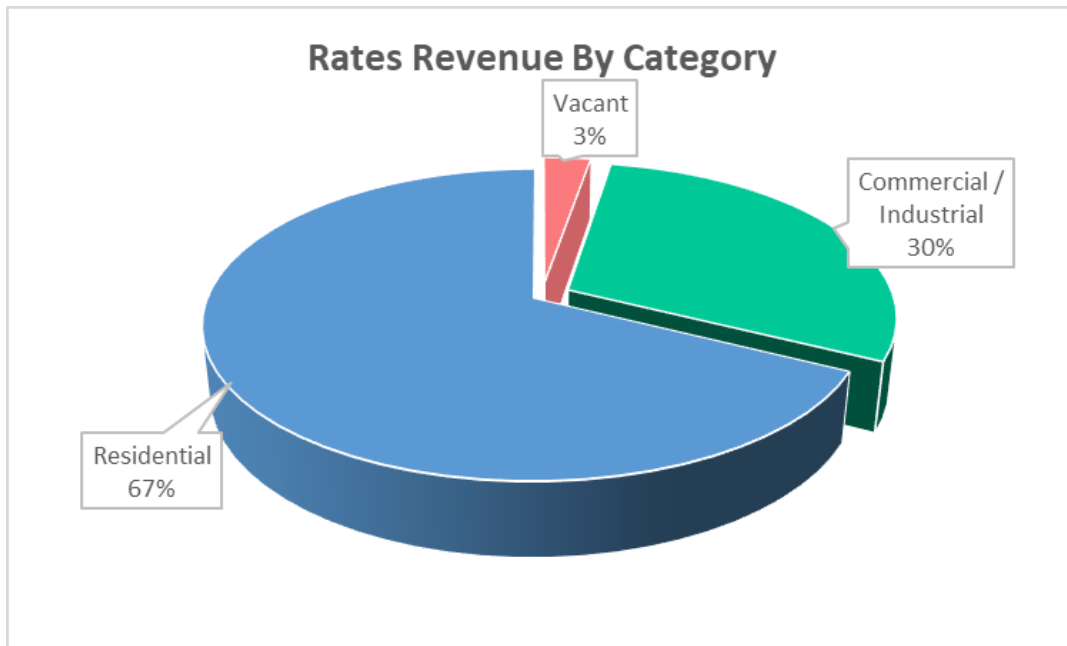
Chart 1: Rateable Properties by Category



Residential properties make up 92% of rateable properties within the Town, commercial and industrial properties account for a combined 5% and vacant land totals 3% of rateable properties.

Total revenue derived from each rateable property category, using the Town’s current rates database, is shown in Chart 2.

Chart 2: Rates Revenue by Category



The Town derives 67% of rates revenue from residential properties, 30% from industrial and commercial properties and 3% from vacant land.

Importantly, while residential properties account for 92% of all rateable properties within the Town, they produce 67% of the rates revenue derived by the Town. Commercial and industrial properties account for only 5% of all rateable properties within the Town but produce 30% of the rates revenue derived by the Town. This is because commercial and industrial properties generally have a higher GRV than residential properties.

It is important to note that the number of exempt and non-rateable properties within the Town increased from 346 to 385 during 2023/24.

Proposed Differential General Rates

The proposed rate in the dollar for 2024/25 is based on an increase of 5.63%, consistent with the Town’s Strategic Budget Policy which states that rate setting will be based on Perth annualised CPI plus a minimum of 2%, to allow for maintenance and development of the Town’s assets including reserve allocations for future asset replacements/upgrades.

The minimum payment is proposed to remain at \$1,183 for 2024/25 for all categories.

Councillors have reviewed the proposed capital and operational projects for 2024/25 and the broader capital works program and made difficult decisions to defer some projects and de-fund others. Councillors have also reviewed material operational expenses and collaborated with the administration to minimise operating costs without

unduly affecting service provision. Due to the ongoing trend of increasing costs in the macroeconomic environment, a reasonable rise in rates is necessary to finance the Town’s activities.

Economic Factors

The Consumer Price Index (CPI) for Perth shows a 3.4% increase in the last 12 months which is significantly lower than the year when CPI was 7.6%. The Town has seen considerable increases in the cost of goods and services during the current financial year.

Table 2: Capital City CPI Comparison

All groups, CPI, Index number and percentage changes

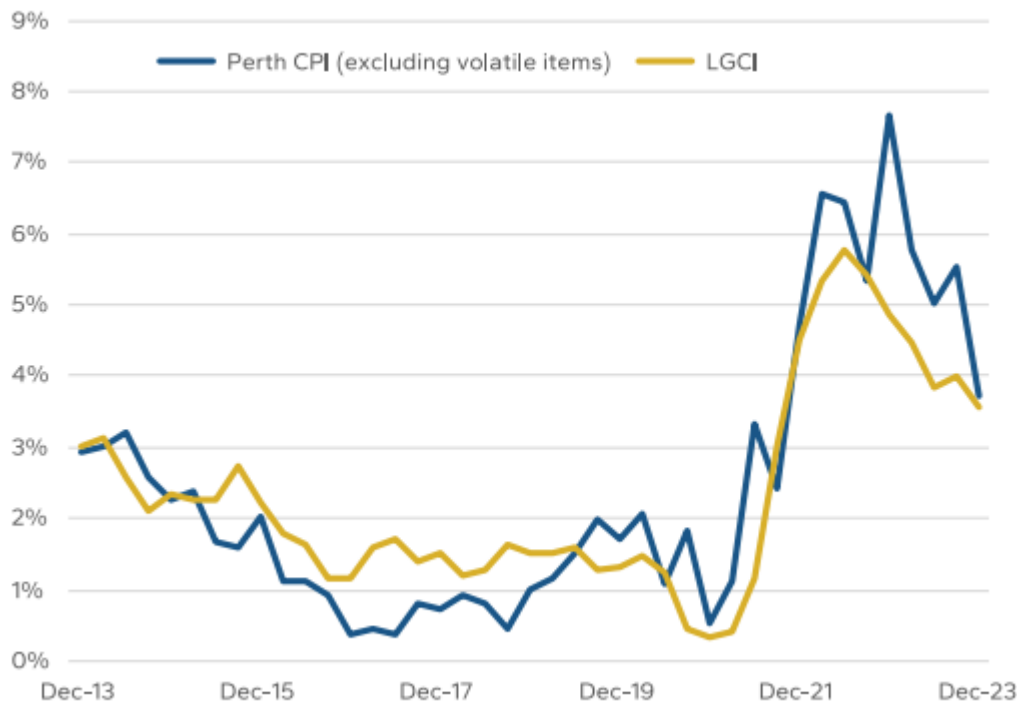
	Index number(a)		Percentage change (%)	
	Mar Qtr 2024	Dec Qtr 2023 to Mar Qtr 2024	Mar Qtr 2023 to Mar Qtr 2024	
Sydney	137.7	1.0		3.8
Melbourne	137.5	1.0		3.6
Brisbane	139.2	1.1		3.4
Adelaide	138.1	0.7		4.3
Perth	134.8	0.6		3.4
Hobart	138.1	1.0		3.1
Darwin	132.4	0.7		3.3
Canberra	135.6	1.0		3.3
Weighted average of eight capital cities	137.4	1.0		3.6

Source; Consumer Price Index, Australia, March Quarter 2024 | Australian Bureau of Statistics

The Local Government Cost Index (LGCI) offers a more specific measure for local government expenses, as the basket of goods is more closely aligned with local government consumption. The annual change in LGCI compared to the Perth CPI (excluding volatile items) is illustrated in Chart 3.

Chart 3: LGCI v Perth CPI Annual Change

LGCI vs CPI (excluding volatile items), Annual % Change



Source; WALGA Economic Briefing March 2024

The average annual increase in the LGCI is approximately 3.5%, showing a significant uptrend since late 2021 and a slight tapering from December 2022, with a forecasted increase to 3.9% by June 2024.

The annual increases in the town's rates have not kept up with rising costs, as indicated by both the Perth CPI and LGCI figures in Table 3.

Table 3: Rate in the Dollar increases compared with CPI/LGCI

Financial Year	Rate in the Dollar Increase %	Perth CPI % (All Categories)	LGCI %
2017/2018	2.5	1.1	1.3
2018/2019	0.9	1.6	1.5
2019/2020	1.0	0.1	0.3
2020/2021	0.0	4.2	4.0
2021/2022	1.4	7.4	6.4
2022/2023	4.0	4.9	4.4
2023/2024	7.00	3.4 (March 2024)	3.9 (March 2024)
Total	16.8	22.7	21.8
<i>2024/2025 Proposed</i>	5.63		

The Town has increased its rates by a total of 16.8% over the past seven years. During this time, both the Perth CPI and LGCI measures have also shown significant increases. It is unsustainable for the Town's cost structure to continue increasing more than the rate of rates revenue growth, as rates revenue is the main source of income for the Town.

In terms of the minimum payment, Council has deliberately kept increases to a as low as possible, including freezing the minimum payment for four consecutive years, to reduce the proportion of properties in the Town subject to the minimum payment, as illustrated in Table 4 below.

Table 4: Minimum Payment

Financial Year	Minimum Payment \$	Minimum Payment Increase %	Properties Subject to Minimum Payment %
2017/2018	\$1,085	0.9	19.2
2018/2019	\$1,095	0.9	18.3
2019/2020	\$1,106	Nil	17.9
2020/2021	\$1,106	Nil	32.8
2021/2022	\$1,106	Nil	28.0
2022/2023	\$1,106	Nil	21.7
2023/2024	\$1,183	7.0	15.1
2024/2025 (Proposed)	\$1,183	Nil	6.0

Implementing a minimum payment acknowledges that all property owners have an equal opportunity to benefit from the facilities and services provided by the Town, regardless of their property's value.

Statutory Requirements

Section 6.33 of the Act sets out the basis on which differential general rates may be based and states (in part):

- (1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —
 - (a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or
 - (b) a purpose for which the land is held or used as determined by the local government; or
 - (c) whether or not the land is vacant land; or
 - (d) any other characteristic or combination of characteristics prescribed.

- (3) In imposing a differential general rate, a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

Section 6.35 of the Act sets out the basis on which minimum payments may be based and states:

- (1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.
- (2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.
- (3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —
 - (a) 50% of the total number of separately rated properties in the district; or
 - (b) 50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.
- (4) A minimum payment is not to be imposed on more than the prescribed percentage of —
 - (a) the number of separately rated properties in the district; or
 - (b) the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.
- (5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.
- (6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —
 - (a) to land rated on gross rental value;
 - (b) to land rated on unimproved value; and
 - (c) to each differential rating category where a differential general rate is imposed.

Section 6.36 of the Act sets out the notice requirements and states (in part):

- (1) Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so.
- (2) A local government is required to ensure that a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).
- (3) A notice referred to in subsection (1) —
 - (a) may be published within the period of 2 months preceding the commencement of the financial year to which the proposed rates are to

- apply on the basis of the local government's estimate of the budget deficiency; and
- (b) is to contain —
 - (i) details of each rate or minimum payment the local government intends to impose; and
 - (ii) an invitation for submissions to be made by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters within 21 days (or such longer period as is specified in the notice) of the notice; and
 - (iii) any further information in relation to the matters specified in subparagraphs (i) and (ii) which may be prescribed; and
 - (c) is to advise electors and ratepayers that the document referred to in subsection (3A) —
 - (i) may be inspected at a time and place specified in the notice; and
 - (ii) is published on the local government's official website.
- (3A) The local government is required to prepare a document describing the objects of, and reasons for, each proposed rate and minimum payment and to publish the document on the local government's official website.
- (4) The local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.

Financial Considerations

The Town expects to raise rates revenue of \$16,256,221 during 2024/25, excluding interim rates, based on the differential general rates and minimum payment proposed in this report.

Risk Management Implications

Financial Risk

Medium

The main risks are the potential delay in approving the proposed rates or the adoption of a budget with lower rates. The first risk could lead to delayed issuance of Rates Notices, resulting in negative cash flow impacts and delays in implementing the proposed Capital Works Program. The second risk might necessitate a revision of the proposed Capital Works Program and planned operational projects.

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 8.1

That Council:

1. For the purpose of giving local public notice of its intention to impose differential general rates for 2024/25, approves the following rates in the dollar and minimum payment:

Rating Category	Rate in Dollar in Cents	Minimum Payment (\$)
Improved – Residential GRV	8.1758	1,183
Improved – Commercial and Industrial (GRV)	9.4021	1,183
Vacant Land – Residential, Commercial and Industrial (GRV)	12.2636	1,183

2. Approves the Statement of Objects and Reasons for the proposed differential general rates for 2024/25, attached to this report.

Voting requirements: Absolute Majority

8.2 Budget Amendment –Land Asset Strategy	
Property Address	
Landowner/Applicant	Town of Bassendean
File Reference	TBC
Directorate	Infrastructure
Previous Reports	OCM 2024-03-02/14 Item 12.8 Draft Amended Land Asset Strategy (Confidential)
Authority/Discretion	Executive The substantial direction setting and oversight role of the Council.
Attachments	<ol style="list-style-type: none"> 1. Survey Plan 2. Subdivision Plan 3. Subdivision approval

Purpose

The purpose of this report is for Council to approve a request for funding for Project - 122 Hamilton Street Retaining Wall, to facilitate progression of a resolution from the Land Asset Strategy.

Background

In October 2015, the Town conducted a detailed Site Investigation of Lot 271 Hamilton Street. The report classified the Site as ‘Contaminated - Remediation Required;’ A finding which was supported by the Department of Environment Regulations (DER) in May 2016. The classification required remediation to occur that would remove fragments of concrete, asphalt, uncontrolled fill, metals, and plastics from the Site. Groundwater was also assessed and deemed not suitable for abstraction due to high concentrations of Manganese.

In 2017 the Town engaged the services of Site Environmental and Remediation Services (SERS). SERS removed the contaminated fill by excavating and replacing approximately 1,500m³ of contaminated soil with clean fill. On completion the Site was reassessed and reclassified as ‘Remediated for Restricted Use.’ The Restricted Use remains due to groundwater containing manganese which cannot be addressed without further testing and remediation.

On completion of the above works, the Town constructed a retaining wall to level the site; a condition of the subdivision approval applied for by the Town in 2016. Works commenced in November 2017 and were completed by December the same year. These works created a ready pad for residential construction on the Lot as detailed in the image below.



The area to the Southwest of the newly constructed Lot was zoned Parks and Recreation under local planning scheme 10. There was a small lot, 8.5m wide abutting the newly created lot. Refer to **Attachment 1** - 170901 Statewest Survey Lot Boundary.

As part of the adopted Land Asset Strategy, Council resolved as follows in relation to Lot 8111 and 122(Lot 110) Hamilton Street, Bassendean;

That the Town seek to amalgamate the 443m² residential portion of Lot 8111 with 122 (Lot 110) Hamilton Street, so as to create a consolidated 1,843m² lot. Once created, that the Town dispose of the lot.

In accordance with the above resolution, in May 2021, a further subdivision application was approved by the Western Australian Planning Commission. Refer to **Attachment 2** – Subdivision Plan 06 May 2021. This granted the Town permission to amalgamate the smaller lot (Lot 112) into the larger Lot (Lot 110). This amalgamation expands the newly constructed residential property by 433m³, creating a new residential lot (shown as the black and white box in the image below) with an effective land total of 1,843m³.



A condition of the approval provided by the Western Australian Planning Commission (WAPC) in 2017 (**Attachment 3**) requires that:

1. *The land being filled, stabilised, drained and/or graded as required to ensure that:*
 - a. *Lots can accommodate their intended development: and*
 - b. *Finished ground levels at the boundaries of the lots(s) the subject of this approval match or otherwise coordinate with the existing and/or proposed finished ground levels of the land abutting: and*
 - c. *Stormwater is contained on-site, or appropriately treated and connected to the local drainage system. (Local government)*

Condition 1.b requires that the smaller Lot (Lot 112 as shown in **Attachment 1**) to be raised, levelled, and retaining to match that constructed in 2017.

The approval provided by WAPC contains a sunset clause that should conditions not be met within three (3) years of approval, the approval will become void and require a resubmission. Three (3) years from the date of approval is the 09 August 2024.

The Town has contacted the WAPC to seek extension of time for the works to be scheduled within the standards, however this was not supported.

No Capital or Operation Works budgets have been put forward for consideration prior to this report.

Proposal

To undertake the works required to clear the subdivisional approval and meet the August subdivisional approval deadline, the Town is seeking Council approval for a budget allocation to undertake the works utilising funding from the Land and Building Infrastructure Reserve.

On Approval, the Town can commence engagement of a contractor to undertake the works required, including pegging the boundary, excavation, and compaction for retaining wall placement, and finally the import of clean fill and compaction.

Communication and Engagement

On approval, Notification of Works will be issued to nearby residents that will be affected. This will be done with a minimum of 14 days' notice being provided. No further notifications or consultation is required beyond this.

Strategic Implications

Performance Area 3: Place

5.1 Responsible planning and development, with population growth concentrated around the town centre, train stations and transport corridors.

Comment

The progression of the proposed works is in accordance with the adopted Land Asset Strategy and will facilitate clearance of the subdivision for the amalgamation of the lots.

It should be noted that the required works may not be able to be completed in time to meet the subdivision approval requirements. In this event the Town would need to reapply for subdivision approval.

Statutory Requirements

Compliance with conditional subdivision approval.

Prior to construction of work the following will be required:

- BA3 – building permit
- BA4 – Certification of Design Compliance

Financial Considerations

The estimate for the works is \$80,000.

This includes:

- New cadastral boundary survey and marking - \$1,200
- Engineering (revising the existing documentation - \$300
- Private Building Certifier - \$500
- Limestone blocks (matching existing) - \$10,000
- Earthwork, demolition, clean fill, and compaction - \$45,800
- Disposal Fee (recycling existing limestone block) - \$12,000
- Building Permit - \$200
- Contingency - \$10,000

The proposal is to transfer the required funds from the Land and Building Infrastructure Reserve, which has sufficient funds to accommodate the proposed funds transfer. Should savings be realised they will be retained in the reserve.

Risk Management Implications

Financial Risk
Medium

The existing residential lot has been remediated however the smaller land parcel (Lot 110 Hamilton Street) may contain contaminated fill or general waste. Should this be discovered during excavation for the creation of the new retaining wall footings, additional costs will be incurred for removal.

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 8.2

That Council:

1. Authorises expenditure from its Municipal Fund of \$80,000, to undertake the required works as outlined in this report at 122 Hamilton Street, Bassendean, sufficient to meet the conditions of subdivision approval imposed by the Western Australian Planning Commission.
2. Notes that on completion of the works, expenditure incurred from the Municipal Fund will be reimbursed by way of transfer from the Land and Buildings Infrastructure Reserve.

Voting requirements: Point 1: Absolute Majority, Point 2: Simple Majority

9 Closure

The next Briefing Session will be held on Tuesday 21 May 2024 commencing at 6pm.

The next Ordinary Council meeting will be held on Tuesday 28 May 2024 commencing at 6pm.