

7.1 Adoption of 2004/2005 Annual Budget

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|------------------------------|-----------|--------------------|-------------|
| Ward: | Both | Date: | 7 July 2004 |
| Precinct: | All | File Ref: | FIN0025 |
| Attachments: | - | | |
| Reporting Officer(s): | M Rootsey | | |
| Checked/Endorsed by: | J Giorgi | Amended by: | |

OFFICER RECOMMENDATION:

That the Council APPROVES BY AN ABSOLUTE MAJORITY:

- (i) *the adoption of the Annual Budget for the year ending 30 June 2005 as distributed with this Agenda and "Laid on the Table";*
- (ii) *the Budget 2003/2004 surplus to be transferred to the Capital Reserve to fund future capital works;*
- (iii) *a general rate of 8.24 cents to be applied to all rateable property in the Town of Vincent for the year ending 30 June 2005;*
- (iv) *a minimum rate of \$464 for the year ending 30 June 2005, notwithstanding the general rate set out in (iii) above;*
- (v) *the following payment dates for payment of rates by instalments:*
 - (a) *Due Date/first instalment 7 September 2004;*
 - (b) *second instalment 8 November 2004;*
 - (c) *third instalment 6 January 2005; and*
 - (d) *fourth instalment 8 March 2005;*
- (vi) *a charge of \$4.00 per instalment for payment of rates by instalments, to apply to the second, third and fourth instalment in accordance with Section 6.45(4) of the Local Government Act 1995 and Regulation 67 of the Local Government (Financial Management) Regulations 1996;*
- (vii) *an interest rate of 5.5% to be imposed on instalments, to apply to the second, third and fourth instalment in accordance with Section 6.45(3) of the Local Government Act 1995 and Regulation 68 of the Local Government (Financial Management) Regulations 1996;*
- (viii) *an interest rate of 11% to be imposed on overdue rates in accordance with Section 6.51(1) of the Local Government Act 1995 and Regulation 70 of the Local Government (Financial Management) Regulations 1996;*
- (ix) *an interest rate of 11% to be imposed on overdue amounts due to the Town in accordance with Section 6.13 of the Local Government Act 1995;*
- (x) *the gross rental valuations as supplied by the Valuer General totalling \$159,777,123 to be recorded in the Rate Book for use in the 2004/05 financial year;*
- (xi) *the Statutory Budget and Schedules Notes as shown in Section 4 (pages 4.1 to 4.34) of the Annual Budget;*
- (xii) *the capital works budget as shown in Section 5 (pages 5.1 to 5.8);*

- (xiii) *the detailed Operating Budgets as shown in Section 6 (pages 6.1 to 6.93) of the Annual Budget;*
- (xiv) *the Reserve Fund Budget for the financial year ending 30 June 2005 as set out on page 4.25 of the Annual Budget;*
- (xv) *the adoption of a rubbish charge of \$206 per 240 litre bin per annum for a weekly service for all non rateable property receiving the service; and*
- (xvi) *the Hire Fees and Charges as set out in Section 8 (pages 8.1 to 8.17) of the Annual Budget for the financial year ending 30 June 2005.*

BACKGROUND:

The Town's administration in conjunction with the Elected Members have been preparing the Budget for 2004/2005 in keeping with the Council's Strategic Plan, Principal Activities Plan and adopted Works Programmes.

An Elected Members Forum on the Draft Budget 2004/2005 was held on the 15 May 2004.

The Draft Budget was approved for community comment at the Special Council meeting of the 5 May 2004. The Town again this year continued with budget consideration in an open Council Meeting to allow for transparency of the process, greater accountability and to allow members of the public to listen to the debate.

DETAILS:

1. Overview

The Town of Vincent 2004/2005 Annual Budget presents an extensive Capital Work Programme structured around existing Council adopted programmes. This, together with a financially sound operating budget will allow the Town to continue to maintain and improve on its existing service provision.

The Budget has been prepared to restrict any proposed rate increase to within inflationary estimates.

The Budget provides funds for a financial year of consolidation to focus on existing work programmes; this year will see a reduction in funds available from Reserve funds. In particular the Capital Reserve which in previous budgets has been a source of funds for infrastructure projects, but now with existing commitments is at a level where it is recommended that it be retained for unplanned or emergency items.

The format of the Capital Budget has been changed to illustrate the links of the budgeted items to the Key Result Areas and Action Plans in the Strategic Plan 2004-08.

This shows that funds are being allocated in accordance with the Strategic Directions of the Town.

The following assumptions have been made in the preparation of the Annual Budget 2004/05:

- Estimated rate of inflation 2.5%
 - Salaries estimates based in accordance with Local Government Award band level increases, Consumer Price Index (CPI) and market forces
 - Maintain existing level of funding for existing adopted programmes
 - No additional permanent staff positions, in line with the Independent Organisational Review (IOR) recommendations
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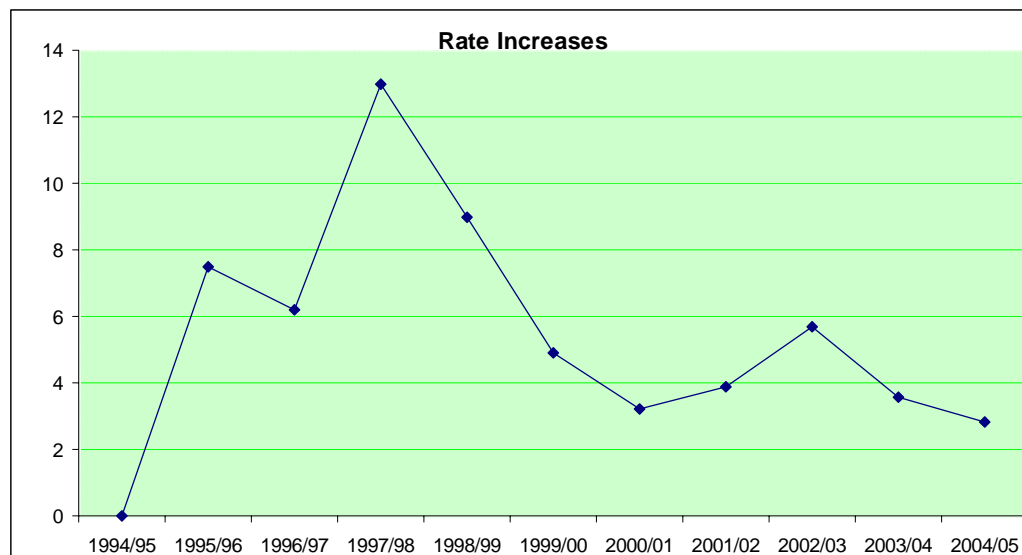
- No additional Planning projects are included in this budget, which is also in line with IOR recommendations
- Reduced funding from Reserve Funds, in particular the Capital Reserve

2. Key Financial Summary

The key financial features for this Budget for 2004/2005 are:

- Increase in the rate in the dollar of 2.81%
- Increase in budget rate income yield from previous year of 4.11%
- Rate revenue required \$13,662,193
- Rate in the dollar 8.24 cents with a minimum rate of \$464
- Operating revenue from other sources \$8,533,980
- Operating expenditure \$23,679,059
- Depreciation charges \$5,369,013
- New Capital Works Programme of \$4,604,270
- Reserve funding programme of \$2,629,742
- New Operating Costs of \$172,000

The graph below shows the percentage rate increases in the Town since its inception.



3. Capital Works

The significant new items in the Capital Works Programme greater than \$100,000 include:

| | |
|--|-----------|
| Road Works - Rehabilitation | |
| Walcott Street – Hill to Redfern | \$400,000 |
| Green Street – Tyler to Banksia | \$190,000 |
| London Street – Green Street to Gill Street | \$215,000 |
| Commercial Precincts Upgrade | |
| William Street - Brisbane Street to Newcastle Street | \$250,000 |
| Streetscape Improvement | |
| Brisbane Street – Streetscape upgrade | \$150,000 |

In addition the Town of Vincent continues to provide its ongoing funding for its established Capital Works Programmes.

| | |
|--|-----------|
| Slab Footpath Programme | \$350,000 |
| Right of Way Programme | \$300,000 |
| Road Resurfacing Programme | \$215,000 |
| Car Parking Upgrade (Car Parking Strategy) | \$209,000 |
| Playground Upgrade Programme | \$90,000 |
| Park Furniture Upgrade | \$10,000 |

Other Major Capital Works will include the following:

- Installation of parking tickets machines in Newcastle Street between Loftus and Carr Streets

Parks Development

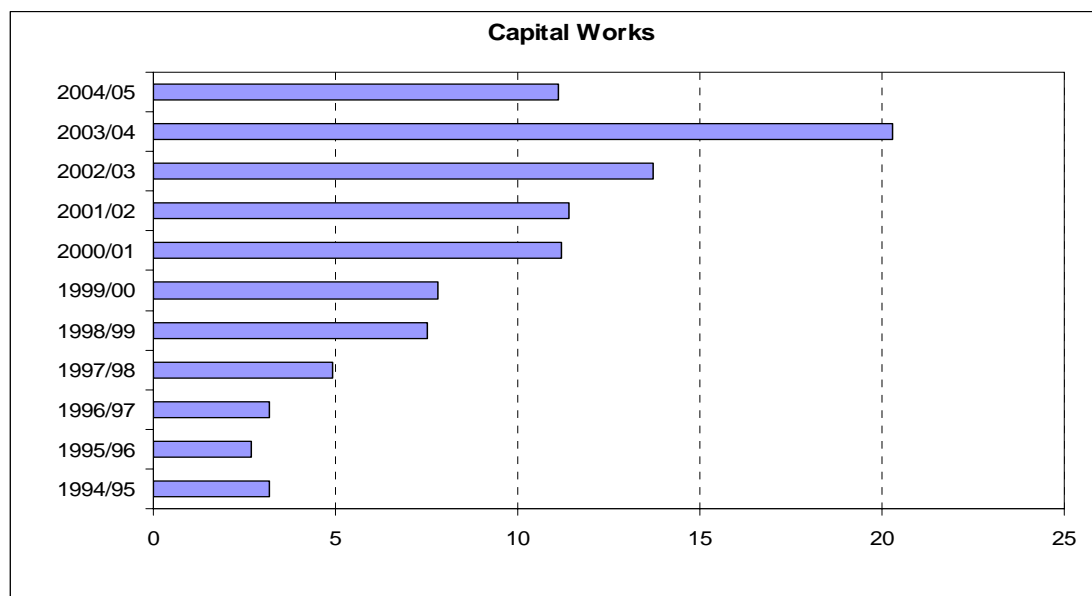
- The commencement of Stage 1 of the lake monitoring/remedial works in Hyde Park
- Completion of public open space at Leederville Oval
- Completion of landscaping works at Loton Park

Parks Furniture

- The upgrade of the Hyde Park Stage
- Refurbishment of existing barbeque units in various parks and reserves

Streetscape Improvements

- Newcastle Street – Loftus to Charles Street Stage 1 of 2
- Oxford Street brickpaving final stage 3.



4. Rates

The Budget as presented requires a 2.81% increase in the dollar.

The Budget proposes a single general rate of 8.24 cents in the dollar for the 2004/05 period and a minimum rate of \$464 will apply for 2004/05 year.

Rates notices will be scheduled to be distributed by the 3 August 2004.

The **objective** of the minimum rate is to ensure that all ratepayers make at least a reasonable contribution towards the cost of services provided to ratepayers and properties within the Town. Without the minimum rate there would be wide range in rate relativities with some properties with lower gross rental values only paying a fraction of the rates paid on higher valued properties, while receiving the same level of services.

The **objective** of the rate in the dollar of 8.24 cents of gross rental value is to raise the balance of funding necessary to cover the Budget deficit after adjustment for the yield from the minimum rate.

Payment of Rates

The Local Government Act 1995 provides for ratepayers to pay rates by four instalments. The due dates for each instalment are:

| | |
|--------------------------|-------------------------|
| First Instalment | 7 September 2004 |
| Second Instalment | 8 November 2004 |
| Third Instalment | 6 January 2005 |
| Fourth Instalment | 8 March 2005 |

To cover the costs involved in providing the instalment programme the following charge and interest rates apply:

| | |
|--|-----------------------|
| Instalment Administration Charge | \$4.00 |
| (to apply to second, third and fourth instalment) | |
| Instalment Interest Rate | 5.5% per annum |
| Late Payment Penalty Interest | 11% per annum |

Pensioners registered with the Town for rate concessions do not incur the above interest or charge.

Rates Incentive Prize

The Town will again provide a service of rates incentive prizes to encourage payment of rates in full in the 35 day period.

- A Commonwealth Bank cash prize to the value of \$1,000.
 - Overnight Refresher Accommodation Package at the Novotel Langley plus buffet breakfast for 2 in the Gazebo Restaurant.
 - One night Breakaway Package at the Esplanade Hotel, Fremantle plus breakfast for 2 in the Atrium Garden Restaurant
 - One night's accommodation at Hotel Northbridge in a Superior Queen Spa room.
 - One night's accommodation at Hotel Grand Chancellor in a Superior room plus buffet breakfast for 2 in the Seasons on Wellington Restaurant.
 - One night's accommodation at Saville Park Suites Perth for 2 people in a luxury One Bedroom Suite, including complimentary parking
 - Travel Directors voucher up to the value of \$1,000 for an escorted adventure for 2005
 - Four \$50.00 vouchers to be redeemed at Siena's Pizzeria-Ristorante-Caffe
 - Twenty \$30 vouchers to be redeemed at Shockwaves Hair Design
 - One \$50 voucher for Oxford Street Books
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Rates Comparison

The following table list similar or nearby municipalities and compares residential rates adopted by the Town of Vincent in 2003/04 with rates adopted by other Councils in that year.

RATES COMPARISON 2003/2004

| Municipality | Residential Rate (Cents) | General Minimum | Residential Rubbish | Total Account on GRV \$10440 | Variation |
|-----------------------------|--------------------------------|--------------------|------------------------|------------------------------------|-------------|
| <i>Perth</i> | 5.1490 | 360 | 120 | 658 | -21.4% |
| <i>Mosman Park</i> | 7.0030 | 585 | 0 | 731 | -12.6% |
| <i>Claremont</i> | 7.1100 | 650 | 0 | 742 | -11.2% |
| <i>Cambridge</i> | 7.3710 | 540 | 0 | 770 | -8.0% |
| <i>Melville</i> | 5.7150 | 415 | 170 | 767 | -8.3% |
| <i>Canning</i> | 5.8600 | 380 | 156 | 768 | -8.2% |
| <i>Fremantle</i> | 7.6683 | 545 | 0 | 801 | -4.3% |
| <i>Cockburn</i> | 6.2341 | 438 | 169 | 820 | -2.0% |
| <i>Stirling</i> | 6.4650 | 488 | 148 | 823 | -1.6% |
| <i>Joondalup</i> | 6.7184 | 450 | 126 | 827 | -1.1% |
| Vincent | 8.0100 | 451 | 0 | 836 | 0.0% |
| <i>East Fremantle</i> | 8.0500 | 520 | 0 | 840 | 0.5% |
| <i>Victoria Park</i> | 8.1140 | 499 | 0 | 847 | 1.3% |
| <i>Peppermint Grove</i> | 6.6058 | 600 | 175 | 865 | 3.4% |
| <i>Wanneroo</i> | 7.2075 | 466 | 127 | 879 | 5.2% |
| <i>Nedlands</i> | 6.6250 | 739 | 198 | 890 | 6.4% |
| <i>Subiaco</i> | 6.9955 | 405 | 180 | 910 | 8.9% |
| <i>Rockingham</i> | 7.3919 | 482 | 150 | 922 | 10.2% |
| <i>South Perth</i> | 7.4000 | 535 | 150 | 923 | 10.3% |
| <i>Gosnells</i> | 7.6170 | 484 | 137 | 932 | 11.5% |
| <i>Kalamunda</i> | 7.3400 | 418 | 182 | 948 | 13.4% |
| <i>Bayswater</i> | 7.9291 | 480 | 185 | 1013 | 21.1% |
| <i>Belmont</i> | 8.2473 | 530 | 168 | 1029 | 23.1% |
| <i>Kwinana</i> | 8.7589 | 462 | 134 | 1048 | 25.4% |
| <i>Bassendean</i> | 10.2171 | 603 | 0 | 1067 | 27.6% |
| <i>Swan</i> | 8.8400 | 485 | 140 | 1063 | 27.1% |
| <i>Mundaring</i> | 9.6230 | 514 | 148 | 1153 | 37.8% |
| <i>Armadale</i> | 10.1284 | 606 | 145 | 1202 | 43.8% |

5. New Operating Items

In addition to the Capital Works Programme \$172,000 of new operating items have been included in this year's budget.

Details of the new operating items include the following.

Additional funds to complete the Town Planning Scheme Amendments and Policies, these additional funds are required as a result of a budget adjustment during the year of \$50,000 to fund the Leederville Masterplan.

The preparation of a Conservation Plan for the Beatty Park Leisure Centre as a result of its listing on the Heritage State Register.

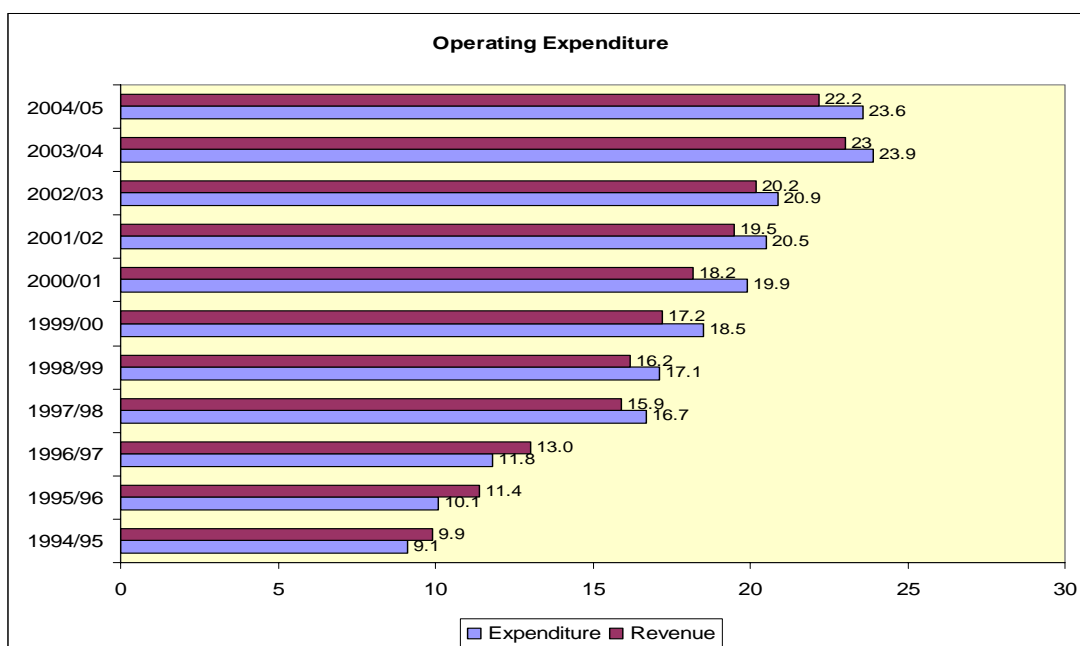
An amount has been listed to undertake an extensive customer service survey of residents in the Town during this financial year.

Other operating items include items listed on our specified maintenance programmes which will be undertaken during the financial year at Council owned properties in the Town.

6. Operating Budget

This year's Budget has seen an increase in the operating budget. This is in due, in the main, to a significant increase in the depreciation charge, which is as a result of the major construction projects and completed in the previous financial year. Also contributing to the increase are the following items:

- The charge for triennial revaluation which we have been advised we will receive in April 2005. This charge has doubled as a result of the removal of 50% subsidy of this service by the State Government.
- Maintenance costs for new areas including Loton Park, Loton Park forecourt and surrounds, the Members Equity Stadium Car Park and Leederville Oval Public Open Space which were not included in previous budgets.



7. Emergency Services Levy (ESL)

The Emergency Services Levy (ESL) appeared on rate notices for the first time last year.

The levy applies to all properties in the State and is based on the Gross Rental Value (GRV) of a property. A separate rate in the dollar applies, last year the rate in the dollar was 0.88 cents. The rate in the dollar for the next financial year is 0.147 cents.

The amount of the ESL levy will increase this year, as last year was a year of transition and the levy only applied from 1 January 2004. Up to that date the funding of FESA services was accounted for in household insurance premiums.

8. Interest on General Debtors

The Town of Vincent will impose a late payment interest of 11% per annum on overdue sundry debtor accounts.

LEGAL/POLICY IMPLICATIONS:

The Local Government Act 1995 Section 6.2 requires each local government to prepare and adopt, in the form and manner prescribed, an annual budget prior to 31 August of each year.

CONSULTATION/ADVERTISING:

The Draft budget was advertised for public comment. At the close of the advertising period on the 9 June 2004, two submissions were received and these are shown in Appendix 7.1 attached to this report.

As part of this process, this year a community workshop was held to provide information of the budget process and procedures as well as having input into the budget. This workshop was held on the 21 April 2004 and was attended by seven (7) members of the public.

STRATEGIC IMPLICATIONS:

The preparation and adoption of the annual budget is in keeping with the Council's Strategic Plan 2003-2008 *Key Result Area 4.8 "The Town's Budget is prepared, issued and monitored in accordance with Council needs and statutory requirements and associated action plans."*

COMMENTS:

The Budget provides for a comprehensive Capital Works Programme, whilst maintaining and improving the Council's existing services and programmes. The Annual Budget 2004/2005 is presented for adoption.

APPENDIX 7.1

**PUBLIC COMMENTS ON
DRAFT BUDGET 2004-05**

1. **Dudley Maier, Chatsworth Road, Highgate**

Additions

The Town should phase in changes to GRV's as part of the next triennial revaluation. Funds should be set aside this year to have the necessary IT system changes made so that the changes can be phased in for the 2005/06 financial year. The cost of these changes should not be significant.

Officer's Comment

This matter can be investigated however currently no Local Government in the State phases in GRV's as part of the triennial revaluation.

The Town would require the support of other users of the corporate system for the enhancement to be undertaken. Interim rating issues would require to be resolved.

Reductions or changes

Oxford St - infill brick paving (Capital - page 4) from \$35,000 to nil

This project is wrong for two reasons. It is contrary to the water sensitive urban design principles that the Town is progressively adopting (see the report from the Executive Manager Technical Service, 7 October 2003, Item 10.2.1) and seems to be against good town planning principles in that it is promoting a continuous commercial feel along the length of Oxford Street rather than encouraging nodes at each end.

Officer's Comment

The work is in the final stage of Council approved works programme.

Parks Development - Loton Park (Capital - page 5) From \$60,000 to nil

Only \$140,000 of the \$460,000 budget was spent at the end of April. No major work has occurred in the park since the beginning of the year. There should be more than sufficient funds from the existing budget to fund the remaining work.

Officer's Comment

The final contractor claim has absorbed committed funds. The budgeted funds are required to finalise the landscaping component of the project.

Business Precents Upgrade - Mt Hawthorn (Carry forwards - page 20)

This should be retitled 'Business Precincts Upgrade' and should be allocated on a needs basis. The Mt Hawthorn business precinct is in better shape than most other business areas in the Town having undergone a massive upgrade in the last years of the City of Perth. In addition, the \$30,000 listed for the 'Mt Hawthorn Centre Strategy' should be expanded to all business precincts. Failing that, it should be allocated on a needs basis.

Officer's Comment

The Town completed the Oxford Centre Strategy in 2000. It was considered most appropriate that the next centre study should be nearest to the Oxford Centre, that being the Mount Hawthorn Centre. However it may be considered desirable to enable flexibility for the use of these funds to remove specific reference to Mt Hawthorn. Council has already allocated some funds to the Fitzgerald Street project.

Community Arts Programme (Operating - page 73) From \$25,000 to \$10,000

This programme consistently is underspent. The budget has been \$25,000 pa over the last two years yet the estimated expenditure has only been \$1,000 and \$7,000 each year. While the position of 'Arts Officer' has been vacant for part of the year the estimated salary for the 2003/04 year is still 88% of the budget so the vacancy can not be used to explain the significant under expenditure. A budget of \$10,000 will provide more than was spent this year and will allow the Arts Officer to come up with proposals for the 2005/06 year to present to Council. Basically, this sort of funding should be justified, not funded on a 'we might come up with a good idea' basis.

The consistently poor financial performance in the 'Community Arts Programmes' area over the last few years highlights the need for the \$8,000 investment in the Cultural Plan to be expedited.

Officer's Comment

The Arts Officer is currently in the process of developing a programme for the full utilisation of the allocated funds.

Multicultural Festival (Operating - page 73) From \$18,000 to nil

This was a failure last year - it was poorly attended and is of questionable value anyway. We shouldn't be putting money aside 'just in case'. I also question the need to promote 'multiculturalism' in a highly diverse community like ours. I could see merit if there were isolated cultural groups in an otherwise homogeneous community, but not here.

I believe that there are discussions about providing a multicultural aspect to the Oxford Street Festival. If this can be agreed to in the budget timeframe then some of the \$18,000 could be used there. If not, the item should be scrapped.

Officer's Comment

The comment made is subject to the acknowledgement that the community is diverse, justifies the requirement for funds allocated to celebrate the Town's cultural diversity. The funds allocated should be retained, the format of the celebrations can be reviewed. Initial discussions are being held with regard to involvement in the Leederville Festival.

Rotary Fair (Operating - page 73) From \$10,000 to nil

The Town should bite the bullet and stop funding the 'Fair'. It is over-commercialised and contributes very little to the community. I have yet to hear a single word in its favour from the local community. The most common gripes are about the excessive commercial nature and damage to the park.

The feeling can best be captured by the comments of the elderly mother of a friend of mine. Elderly mothers love going on family outings, even if it was to the local abattoir. All this lady could say was “well that wasn’t worth the trip” (to the Fair, not the abattoir).

Officer’s Comment

This is a significant community event which is well attended and funds are used for the benefit of the community groups. Report to Council is provided before the Town proceeds with funding.

Residential parking NSL season (Operating - page 76) From \$15,000 to \$5,000

This item was probably included prior to the restructuring of the soccer league and has remained in the budget as an oversight. Even if the shortened ‘trial season’ happens next year the cost will be significantly less than the budgeted \$15,000.

Hopefully, if there are special events at the stadium the contract with Allia will stipulate that they will pay the extra costs associated with parking management.

Officer’s Comment

Funds to be retained to cover the cost of the use of temporary Rangers and any other costs associated with operational start up of the next soccer league. An interim soccer season is proposed for January to March 2005, however specific details are unavailable.

Unclassified-Property-Sundry (Operating - page 88)

There is \$7,000 expenditure listed for ‘Securing/Cleaning substandard buildings’ yet there is no associated revenue. The fact that it refers to ‘substandard buildings’ indicates that these are not the Town’s buildings. In which case, the costs should be recovered from the owner.

Similarly, the ‘Demolition of buildings and fences’ has \$5,000 expenditure listed but no revenue.

If these items relate to private property there should be matching revenue; if not, they should be significantly reduced.

Officer’s Comment

Funds to be retained at budgeted level, recovery of funds for owners is minimal in these situations.

Question

HQ page 24 - what exactly are the ‘Accommodation Expenses’ of \$68,850? Do these include any operating component?

Officer’s Comment

The amount of \$68,850 includes the operating component of \$45,000.

General Comments

It is disappointing to see that the format of the budget is the same as last year in that 'Accommodation Expenses', 'Building Costs' and the like are shown as a single line yet depreciation is shown in detail. The loss of information can clearly be seen when looking at the cost of Hyde Park on page 54. 'Park/Building' costs of \$326,600 are summarised on a single line yet we can find out that 'plant and equipment depreciation' is \$38 and 'fencing depreciation' is \$33, amongst others.

Depreciation should be aggregated to a single line - it's not as if there is any discretion anyway. The other costs should be listed at the same level they were in previous years and they should clearly be grouped into recurrent and non-recurrent. A clear example of where the staff have needed to get around this loss of information can be found on pages 75 and 76 where 'Street Cleaning' and 'Traffic Signs and Control Equipment' have been split into components.

Officer's Comment

The reporting details requested are currently held in a subsidiary corporate system module and we are working with the software supplier to provide the reporting flexibility to incorporate this detail in the budget reporting.

With regards to Beatty Park, I believe that the Revenue estimates are overly optimistic. It is also a concern to see the projected outcome for 'Health and Fitness' drop so much from this year's projection. It is also a concern to see the Aerobics Room and Aquarobics projected to make a loss. Hopefully the feasibility study will recommend ways to turn this around or to close these undertakings.

Officer's Comment

Beatty Park Management are of the opinion that revenue targets are achievable and are committed to attaining them.

The explanation for the reduction in the Health and Fitness projected targets from last year is due to a review of the allocation of the indirect revenue amounts.

2. Leederville Community Action Group

We notice in the draft budget that there was an amount for \$250,000 under Commercial Street Upgrade for Oxford Street-Vincent Street to Leederville Parade which has been deleted.

Officer's Comment

The amount was not supported by the Executive Management Team and was deleted from the Draft Budget to await the outcome and fundings of the Leederville Master Plan.

We now have the Leederville Master Plan without a budget allocation in the 2004/2005 draft budget to progress and implement any strategies that come from this plan. Also there has not been a substantial budget allocation to progress the Oxford Centre Strategy since 2000.

Officer's Comment

The Master Plan will be prepared in alignment with the Community Visioning process. This process will focus on the various commercial centres and funds will be allocated on 2005/06 budget for identified implementation of the findings.

We do not accept that the 'round about' at the corner of Leederville Parade and Oxford Street has been part of any Oxford Centre Strategy funding from the Town of Vincent as a check through previous budgets and council minutes clearly shows it was funded by a Federally Funded Black Spot Grant (attached is a photocopy from a Council document).

Officer's Comment

Project funded by Federal Government - Roads to Recovery Programme, work in Leederville and projects have to be nominated by the Town.

We do not accept that monies to be spent on Leederville Oval in the 2004/2005 draft budget should be used to justify spending in the Leederville District such as:

- Car Parking upgrade inside Leederville Oval \$36,000
- Window security screens to complete building security \$6,000
- Upgrade grandstand balustrading and emergency lighting \$20,000
- Bin compound adjacent west outside public toilet \$1,500
- Function hall kitchens-vinyl floor coverings \$4,000
- East side new tick building \$20,000

Officer's Comment

Funds allocated to Leederville Oval are for this project. If money was not spent on the redevelopment of Leederville Oval the Town would have been required to allocate funds for a utilised and 'run down' facility with no benefits to the Leederville area.

We do not accept that \$54,000 under Commercial Precinct Upgrade in the 2004/2005 draft budget, Vincent Street-outside Leederville Oval (DSR building) should be used to justify expenditure in the Leederville District. This is clearly an on cost to the DSR building.

Officer's Comment

Funds to improve the infrastructure of Vincent Street will be of benefit to the Leederville area and not only the new DSR building. The DSR building will in itself bring a significant number of employees and associated visitors in to the Leederville business area.

We do not believe that any shortfall in funding for the redevelopment of the Centre for Sporting Excellence (Leederville Oval) should be used to justify spending in the Leederville District. This was part of the Leederville Oval redevelopment and there was funding from other sources. If there is a short fall of funding for the Leederville Oval redevelopment and the Town of Vincent utilise ratepayers funds for this shortfall then we do not believe this is a legitimate reason to claim funds have been spent within the Leederville District.

Officer's Comment

The Leederville Oval Public Open Space will be passive recreation for the public whilst at the same time linking Vincent to Richmond Street and is therefore justified spending in the Leederville area.

We do not accept that the deficit of \$150,000 in the 2004/2005 draft budget for Leederville Oval should influence any budget allocations within the Leederville District. We believe that as a Centre of Sporting Excellence the AFL, WAFL and/or the State Government should fund the shortfall, not the ratepayers of the Town of Vincent.

Officer's Comment

The deficit figure of \$150,000 includes \$143,062 depreciation which is a non cash item, therefore 'ratepayers' funds are not being used.

Within the draft 2003/2004 budget we can not find any submission for any Business Precinct Upgrade in Mt Hawthorn. In the final 2003/2004 budget under Commercial Precinct Upgrade "Mt Hawthorn", there is an allocation for \$320,000 which has been placed into a reserve fund. In a sense of fairness within the Town of Vincent we ask that the Leederville District be afforded the same allocation to implement the Oxford Centre Strategy and the forthcoming Leederville Master Plan (attached are photocopies from Council documents).

Officer's Comment

The Draft Budget prepared for each year does not include any carried forward items. The final adopted Budget includes estimated amounts for items to be carried forward. The amount for the Commercial Precinct Upgrade Mt Hawthorn was a carried forward budget item from the previous year. The amount of \$320,000 was not placed into reserve funds. The Commercial Precinct Upgrade Mt Hawthorn \$320,000 is to be funded from the Capital Reserve.

8. CLOSURE