

**1.4 GLEN WAVERLEY ACTIVITY CENTRE: SPECIAL CHARGE**

Responsible Director: Peter Panagakos

**RECOMMENDATION**

*That:*

1. *Council notes that:*

- a) *the Glen Waverley Traders Association (GWTA) has been canvassing traders in the Glen Waverley Activity Centre on the proposal for a Special Charge since December 2021.*
  - b) *trading conditions and Covid impacts on business have made consultation and contacting business owners difficult which may have contributed to the low level of trader engagement.*
  - c) *the GWTA has had some difficulty in contacting business and land owners and has not obtained written support from a majority of traders for the proposal.*
  - d) *the information submitted by the GWTA does not show either majority support or majority opposition to the introduction of the Special Charge.*
  - e) *the GWTA consultants interpretation of the “no response” and “awaiting response” as “support” potentially overstates the actual level of trader support for the proposed Special Charge and introduces a further element of risk of failure of the proposal should Council proceed to formal notice of the proposed Special Charge.*
  - f) *the officer assessment of the responses to the GWTA consultation process shows approximately 27% confirmed support, 6% not supporting and 67% either no response or vacant.*
  - g) *given the relatively low level of response indicating an objection to the proposed Special Charge and the difficulties experienced by the GWTA in undertaking consultation and obtaining feedback, although not without risk, there is some merit in undertaking a formal consultation process under the Local Government Act 1989.*
2. *Council resolves to give Notice of its Intention to Declare a Special Charge for the Glen Waverley Activity Centre, commencing 1 July 2022.*
3. *The following matters constitute the proposed declaration:*
- a) *The Glen Waverley Activity Centre Special Charge will be declared for the purpose of defraying marketing, management, business development and other incidental expenses associated with the encouragement and development of commerce, trade and associated employment in the Glen Waverley Activity Centre.*

- b) In declaring the Glen Waverley Activity Centre Special Charge, Council will be performing its functions of:*
- i. encouraging and promoting economic sustainability, commerce, retail activity and employment opportunities in and around the Glen Waverley Activity Centre; and*
  - ii. providing good governance in its municipal district for the benefit and wellbeing of the municipal community.*
- c) The total cost of performing the function and the maximum amount of the Glen Waverley Activity Centre Special Charge to be levied is \$107,750 per annum. This equates to a maximum of \$538,750 over a period of 5 years, exclusive of any CPI adjustments.*
- d) The Glen Waverley Activity Centre Special Charge is to commence on 1 July 2022 and conclude on 30 June 2027.*
- e) The Glen Waverley Activity Centre Special Charge will apply to all rateable land primarily used or adapted or designed to be used for retail, commercial or entertainment purposes, being the following land at ground level and above ground level:*
- i. 5-113 Kingsway, Glen Waverley*
  - ii. 2 – 110 Kingsway, Glen Waverley*
  - iii. 295 Springvale Road, Glen Waverley*
  - iv. 245-289 Springvale Road, Glen Waverley*
  - v. 40-54 Montclair Avenue, Glen Waverley*
  - vi. 161-193 Coleman Parade, Glen Waverley*
  - vii. 15-77 Railway Parade North, Glen Waverley*
  - viii. 52-60 O’Sullivan Road, Glen Waverley*
- f) The criteria which forms the basis of the Glen Waverley Activity Centre Special Charge is the ownership of the land described area set out above.*
- g) The Glen Waverley Activity Centre Special Charge is to be assessed and levied on the following basis:*
- i. \$500.00 per annum for each rateable property comprising a single storey or ground floor premise; and*
  - ii. \$250 per annum for each rateable property comprising a 1st floor or higher premise,*
- to be increased by an amount equal to the Consumer Price Index each year.*
- h) Council considers that there will be a special benefit to persons required to pay the Glen Waverley Activity Centre Special Charge because the viability of the Glen Waverley Activity Centre will be enhanced through increased commerce and business activity.*
- i) Council determines that the estimated proportion of the total benefits of the Glen Waverley Activity Centre Special Charge Scheme*

*(including all special benefits and community benefits) that will accrue as special benefits to all the persons who are liable to pay the Glen Waverley Activity Centre Special Charge is in a ratio of 1:1 (or 100%). This is on the basis that, in the opinion of Council, the community benefit is nil because expenditure of the Glen Waverley Activity Centre Special Charge is marketing, management and business development related and will accordingly only benefit the owners and occupiers of those properties included in the Glen Waverley Activity Centre Special Charge Scheme.*

*j) The Glen Waverley Activity Centre Special Charge will be levied by sending notices to the persons liable to pay it. Payments are to be made either in four instalments or a lump sum, in accordance with Council's general rate collection process.*

*4. Council's Chief Executive Officer be authorised to give public notice of the proposed declaration of the Glen Waverley Activity Centre Special Charge, in accordance with section 163 of the Local Government Act 1989.*

*5. Council appoints a Committee of Council comprising of the Mayor and Glen Waverley Ward Councillors to meet to consider the outcome of the public notice referred to in point 5 above, and to consider any submissions and hear any submitters requesting to be heard in accordance with Section 223 of the Local Government Act 1989, at 7.15pm on 12 July 2022 at the Monash City Council Civic Centre, 293 Springvale Road, Glen Waverley 7:00pm.*

*6. The Notice of Intention to declare the Glen Waverley Activity Centre Special Charge indicate that Council will consider the recommendation of the Committee of Council and determine whether to declare the Glen Waverley Activity Centre Special Charge at its Ordinary Meeting on 26 July 2022.*

*7. The proceeds of the Glen Waverley Activity Centre Special Charge be expended on activities and programs which:*

- a) provide incentives to shop and do business within the Glen Waverley Activity Centre;*
- b) strategically plan the fostering of business growth within the Glen Waverley Activity Centre;*
- c) enhance customer service, pride and excellence in business within the Glen Waverley Activity Centre; and*
- d) improve the commercial viability of the Glen Waverley Activity Centre.*

## **INTRODUCTION**

The Glen Waverley Traders Association (GWTA) has requested that a Special Charge Scheme (Scheme) be introduced for the Glen Waverley Activity

Centre (Centre), primarily based around commercial and retail strip areas of Kingsway, Coleman Parade, Railway Parade North, Montclair Avenue, O'Sullivan Road and Springvale Road, Glen Waverley.

This report outlines a proposal for Council to give public notice of its intention to declare a Special Charge for the defraying of expenses associated with the marketing and business development of the Centre from 1 July 2022 for a period of five years.

### **BACKGROUND**

Special Rates and Charges are provided for in the Local Government Act 1989. A Special Rate and Charge is levied against individual rateable properties in order to fund activities, functions or infrastructure that provides some special benefit to the properties included in the Scheme area.

A common use of this mechanism is for Council to introduce a Special Charge on behalf of a Traders group to then collect funds for the marketing and promotion of the shopping centre area. This can include the employment of a Centre Coordinator, advertising, events and minor infrastructure items that improve the overall attractiveness of the Centre and the businesses located there.

In the case of Special Charges for the promotion and marketing of shopping centres the full benefit of the activities of the Special Charge is deemed to accrue to the property owners and business operators so the full amount of the charge is collected from the owners of the rateable properties obtaining that benefit.

The most recent Special Charge in Monash was for the Pinewood Shopping Centre. This Special Charge concluded on 1 August 2020.

### **DISCUSSION**

The GWTA has requested Council to consider the introduction of the Scheme and that Council takes the necessary steps to declare the Special Charge. Attachment 1.

#### Proposed GWTA Special Charge

Since late 2021 the GWTA has been consulting with traders and property owners in the Centre on the development of the branding of the Centre and the potential introduction of a Special Charge.

As part of this proposal the GWTA has prepared a Business and Marketing Plan 2022-2027 and a summary document to explain the GWTA operations and what the proposed Special Charge would be used for. Attachments 2 and 3.



Content and purpose of GWTA Special Charge

The overall purpose of the Special Charge is for the promotion and marketing of the Centre in accordance with the GWTA Business and Marketing Plan 2022-2027.

This is proposed to be achieved through the Special Charge funding a range of actions and activities including:

- Employment of a Centre Coordinator
- Ongoing branding and marketing of the Centre
- Advocacy on behalf of the Centre
- Business Support
- A *G.WAV 3150* website and social media presence
- Graffiti removal from private property
- Maintenance of street tree lighting
- Special event marketing and promotion for Christmas, Valentine's Day, Easter, Mothers & Father's Day and Lunar New Year

Area and amount of the Special Charge

The proposed Special Charge is to cover commercial and retail property generally within the area bounded by O'Sullivan Road in the north, Springvale Road in the east, Kingsway and Bogong Avenue to the south and Bogong Avenue and Euneva Avenue to the west. A map of the area is provided at Attachment 4.

The proposed Scheme area currently includes 271 rateable properties. This is broken down into 160 ground floor premises and 111 first floor or above premises.

The allocation of benefit and proposed charge is:

Property location	Charge annum	per	Total properties	Total collection
Ground floor	\$500		160	\$80,000
First floor and above	\$250		111	\$27,750
Total			271	\$107,750

Criteria for introducing a Special Charge

For Council to declare a Special Charge, it must not receive formal objections from a majority of the persons who will be required to pay the Special Charge.

In the first quarter of this year the GWTA has undertaken a series of consultations with traders in the Centre about the proposed Special Charge and their draft Business and Marketing Plan. The GWTA consultation included a summary brochure and a consent/objection form. Refer to Attachment 3.

As noted above the proposed Scheme area includes 271 rateable properties. Information on the consultation undertaken by the GWTA includes a spreadsheet of all properties and the "status" of the response from owners and occupiers of them. This spreadsheet is provided at Attachment 5.

Whilst officers have been consistently supportive of the GWTA in pursuing the Special Charge, they have also been consistent in setting out the level of informal support that is normally required to provide a degree of confidence to traders and Council in proceeding to the formal notification stage.

There remains a significant discrepancy between the interpretation of the GWTA consultation results by its consultant and the interpretation of those results by Council officers.

The GWTA and their consultant interpret the level of support for the proposed Special Charge at approximately 60%. However, the GWTA arrive at this figure by excluding 70 vacant properties from the actual total of 271 and including verbal support and indications of head office support, as distinct from formal responses to the consultation.

In Council officers' view a more accurate interpretation of the results is to assess the responses in a more binary way and categorise responses in accordance with the following table:

Response	Number	%
Support	74	27%
Do not support	15	6%
No response	182	67%

Whilst these figures do not indicate a high level of support, neither do they indicate a high level of opposition to the proposed Special Charge.

The GWTA have clearly experienced difficulties in obtaining responses from the majority of property owners and businesses to their proposal. The GWTA has advised that this has been in a large part due to the difficulties in trading conditions with many business operating on reduced hours, reduce staff and not being able to contact business or property owners.

The challenges are understandable and at the very least the GWTA have shown that there is more confirmed support than confirmed objection to the

proposal. Of course, there is a significant proportion of those surveyed who have remained silent on the issue.

Whilst there is no clear high level of support, there is a clear desire on the part of the GWTA to progress the Special Charge, particularly in light of the difficult trading situation of the last 6 months and the overall lack of any response from the majority of businesses. In addition as the proposed Special Charge is a relatively modest amount and works will commence for the SRL in the next few years, on balance it is considered there is merit in proceeding to the formal process.

If Council is to proceed to formal consultation it is important to note that the consultation is not without risk of significant objection but this is the purpose of the consultation process required by the *Local Government Act 1989* and, on balance, this is considered an appropriate way forward in these challenging circumstances.

### ***POLICY IMPLICATIONS***

The implementation of the Special Charge is consistent with the Council Plan 2021-2025 and *“Growing Prosperity through Diversity” Economic Development Strategy & Action Plan. 2018*, which encourage active business associations in Activity Centres.

In particular *Section 2.3 Retail and Commercial Activity Centres of the Economic Development Strategy recognises that Monash Retail and Commercial Activity Centres are at the core of our neighbourhoods providing localised access to products, services and employment.*

Objective 2.3 Support the ongoing development of contemporary, vibrant and economically viable retail and commercial Activity Centres.

#### Planned and Current Actions

- Encourage and provide support for the establishment of sustainable and active Traders Associations in Activity Centres
- Administer special charge schemes for marketing, promotion and business development for established trader group special charge levies

### ***SOCIAL IMPLICATIONS***

The declaration of a Special Charge for the Centre will enable the GWTA to create a calendar of events throughout the year and generally promote the Centre. These events will be designed to increase the vibrancy of the Centre and bring the community in for special occasions including Father’s Day, Mother’s Day, Christmas, Easter and Valentine’s Day.



**FINANCIAL IMPLICATIONS**

The proposed Special Charge will generate approximately \$107,750 each year. These funds are designated specifically to the further promotion and marketing of the Centre and the facilitation of business development and networking opportunities for people operating businesses in the Centre.

Council, in establishing the Special Charge scheme, will essentially act as an agent for collecting and overseeing the expenditure of the funds for GWTA. The GWTA will then use these funds for the marketing and promotion of the Centre.

The funds will be transferred to the GWTA on a quarterly basis, pro rata. An agreement will be entered into between Council and the GWTA which sets the standards for management of those funds by the GWTA to ensure that the funds are acquitted in accordance with the Business Plan and the Local Government Act.

**CONSULTATION**

Should Council resolve to proceed with the Notice of Intention to Declare a Special Charge for the Centre a consultation process is undertaken in accordance with Section 223 of the *Local Government Act 1989*. This requires a minimum notification period of 28 days and the provision of the formal Notice of Intention to Declare a Special Charge to all properties proposed to be liable to pay the Special Charge.

Property owners and occupiers in the Scheme area can make a submission to Council for consideration under Section 223 of the Act following publication of the public notice.

Any submissions received will be considered by a Committee of Council at 7.00pm on 12 July 2022.

In addition, those who are responsible for payment of the Special Charge can object to its declaration under s 163B of the Act and apply to the Victorian Civil and Administrative Tribunal for review of the application of the Special Charge to their property under s 185 of the Act.

**CONCLUSION**

Special Charges are a common method of Trader groups such as the GWTA to fund their activities independently of public funds. These Special Charge programs successfully operate through metropolitan Melbourne.

Whilst the GWTA has not been able to obtain or demonstrate clear and definite support from the majority of traders and property owners through

their initial, informal consultation there has also not been a strong opposition to the proposal.

The GWTA has set out a clear Business and Marketing Plan for the funds collected through the Special Charge. The formal consultation on the proposed Special Charge will allow all traders and property owners in the Centre to review and consider the benefits of the Special Charge and the activities of the GWTA.

Accordingly, it is considered appropriate to proceed to the formal notification process for the proposed introduction of a Special Charge for the Centre.