

2.1 MOUNT WAVERLEY ACTIVITY CENTRE SPECIAL CHARGE (F17-6307.007)

Responsible Director: Russell Hopkins

RECOMMENDATION

That:

1. *Council resolves to give Notice of its Intention to Declare a Special Charge for the Mount Waverley Activity Centre, commencing 1 December 2022.*
2. *The following matters constitute the proposed declaration:*
 - a) *The Mount 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 Mount Waverley Activity Centre.*
 - b) *In declaring the Mount Waverley Activity Centre Special Charge, Council will be performing functions of:*
 - i. *encouraging and promoting economic sustainability, commerce, retail activity and employment opportunities in and around the Mount Waverley Activity Centre.*
 - ii. *providing good governance in its municipal district for the benefit and well being of the municipal community.*
 - c) *The total cost of performing the function and maximum amount of the Mount Waverley Activity Centre Special Charge to be levied is \$72,280 per annum, subject to any CPI adjustment. This equates to a maximum of \$361,400 over a period of five years, exclusive of any CPI adjustments.*
 - d) *The Mount Waverley Activity Centre Special Charge is to commence on 1 December 2022 and conclude on 30 November 2027.*
 - e) *The Mount 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. *1 to 11 Hamilton Walk, Mount Waverley*
 - ii. *1 to 79 Hamilton Place, Mount Waverley*
 - iii. *2 to 30 Hamilton Place, Mount Waverley*
 - iv. *275 to 283/303 to 329 Stephenson's Rd, Mount Waverley*
 - v. *258 to 316 Stephenson's Rd, Mount Waverley*
 - vi. *4 to 12 The Highway, Mount Waverley*
 - vii. *64 to 74 Virginia Street, Mount Waverley*
 - viii. *47 to 63 Wadham Parade, Mount Waverley*
 - f) *The criteria which forms the basis of the Mount Waverley Activity Centre Special Charge is the ownership of the land described area set out above.*
 - g) *The Mount Waverley Activity Centre Special Charge is to be assessed and levied on the following basis:*
 - i. *\$520.00 per annum for each rateable property comprising a single storey or ground floor premise;*

INTRODUCTION

The Mount Waverley Traders Association (MWTA) has requested that a Special Charge Scheme (Scheme) be introduced for the Mount Waverley Activity Centre (Centre), primarily based around commercial and retail strip areas of Hamilton Place, Hamilton Walk, Stephenson's Road, The Highway, Virginia Street and Wadham Parade, Mount 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 December 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 business 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.

DISCUSSION

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

Proposed MWTA Centre Special Charge

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

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

Content and purpose of MWTA Special Charge

The overall purpose of the Special Charge is for the promotion and marketing of the Centre in accordance with the MWTA 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 part-time Centre Coordinator
- Ongoing branding and marketing of the Centre
- Advocacy on behalf of the Centre
- Business Support
- Business communications including newsletters and emails.
- A MW3149 website and social media presence
- Special event marketing and promotion for Christmas, Valentine's Day, Easter, Mothers & Father's Day.

Area and amount of the Special Charge

The proposed Special Charge is to cover commercial and retail property generally within the area bounded by Wadham Parade in the north, Stephenson's Road/ The Highway in the east, Virginia Street to the south and Hamilton Walk and Hamilton Place to the west. A map of the area is provided at Attachment 4.

The proposed Scheme area includes 159 rateable properties. This is broken down into 119 ground floor premises and 40 first floor or above premises.

The allocation of benefit and proposed charge is:

Property location	Charge annuum	per	Total properties	Total collection
Ground floor	\$520		119	\$61,880
First floor and above	\$260		40	\$10,400
Total			159	\$72,280

Criteria for introducing a Mount Waverley Activity Centre 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 half of this year the MWTA has undertaken a series of consultations with traders in the Centre about the proposed Special Charge and their draft Business and Marketing Plan. The MWTA consultation

included a summary brochure and a consent/objection form. Refer to Attachment 3.

Whilst officers have been consistently very supportive of the MWTA 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 discrepancy between the interpretation of the MWTA consultation results by its consultant and the interpretation of those results by Council officers.

The MWTA and their consultant interpret the level of support for the proposed Special Charge at approximately 70%. However, the MWTA arrive at this figure by excluding 26 vacant/closed properties from the actual total of 159 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	Percentage
Support	74	47
Do not support	20	13
No response	47	29

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

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

The challenges are understandable and at the very least the MWTA 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.

There is a clear desire on the part of the MWTA to progress the Special Charge, particularly in light of the difficult trading situation of the past year. 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.

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 MWTA 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 \$72,280 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 MWTA. The MWTA will then use these funds for the marketing and promotion of the Centre.

The funds will be transferred to the MWTA on a quarterly basis, pro rata. An agreement will be entered into between Council and the MWTA which sets

the standards for management of those funds by the MWTA 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 6.30pm on 15 November 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 for Trader groups such as the MWTA to fund their activities independently of public funds. These Special Charge programs successfully operate through metropolitan Melbourne.

Whilst the MWTA has not totally 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 MWTA 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 MWTA.

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