

# **SERVICE AGREEMENT**

## **SPECIFIED AREA RATES**

**BETWEEN**

**CITY OF JOONDALUP (The City)**

**AND**

**ILUKA HOMEOWNERS ASSOCIATION INC. (IHA)**

**1 July 2019 – 30 June 2022**

**FOR THE PROVISION OF  
ENHANCED LANDSCAPING SERVICES  
TO ILUKA**

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### **ATTACHMENTS**

Attachment A: SPECIFIED AREA RATES (SAR) POLICY

## 1.0 PURPOSE AND SCOPE OF THE AGREEMENT

- 1.1 Pursuant to section 6.37 of the *Local Government Act*, the City is able to impose a specified area rate and provide specific services for the benefit of ratepayers and residents of the area.
- 1.2 The purpose of this Agreement is to define the area to be maintained to an enhanced standard and to document the level of service to be provided to the area.
- 1.3 The Iluka Homeowners Association (IHA) is an incorporated body which represents the ratepayers and residents of the area.
- 1.4 The area subject of this Agreement is the suburb of Iluka ("The Suburb").
- 1.5 The Parties to the Agreement are the City and the IHA.
- 1.6 The City manages and maintains landscapes within the Estate, which are made up of parks, verges adjacent to parks and median strips. The IHA requires that all landscaped areas within the Estate are maintained to a standard of quality that enhances the presentation of the landscapes above and beyond the standard service delivery funded by rates. This standard may be achieved with the collection of Specified Area Rates ("SARs") to cover the cost of providing the enhanced services.
- 1.7 The City has a policy in relation to the implementation and management of Specified Area Rates Programs, adopted by Council in March 2010 and amended in 2015 (see Attachment A – Specified Area Rates).
- 1.8 Services will be provided by the City to landscaped areas within Iluka, which are listed and mapped in the relevant Service Review document.
- 1.9 This Agreement is effective for a period of three years from the date of signing by all Parties and records the terms and conditions to which the Parties have agreed. It may only be amended by the written agreement of both Parties.

## **2.0 SERVICE REQUIREMENTS**

2.1 Refer to the approved annual Service Review document.

## **3.0 SCHEDULED MONITORING**

3.1 Formal quarterly inspections will be undertaken by the City to assess the presentation of the estate and to inform Key Performance Indicators (KPIs).

3.2 Joint evaluation inspections may be considered by the City upon request from the IHA.

3.3 Customer Request Management (CRM) reports for the previous twelve months will be discussed at the annual service review.

## **4.0 KEY PERFORMANCE INDICATORS (KPIs)**

4.1 Turf evaluation scores shall average between 2 and 3 for areas inspected at each formal quarterly inspection.

4.2 Garden bed evaluation scores shall average between 2 and 3 for areas inspected at each formal quarterly inspection.

4.3 The annual cumulative average for the evaluations at each of the following locations within the estate shall be scored between 2 and 3 to meet the requirements of this service level agreement.

4.4 KPI quarterly inspection results shall be approved by the authorised representative of the IHA.

## 5.0 KPI DETAILS

5.1 Turf will be evaluated on:

- Height
- Quality (clean cut edge to garden beds and pathways)
- Colour and consistency
- Finishing around structures, features, facilities and furniture
- Weeds

5.2 Garden beds will be evaluated on:

- Weeds/litter
- Coverage
- Appearance/amenity value

5.3 Each specified location will be assessed, with a score achieved for each component (turf and garden beds) of the evaluation (where applicable) at:

- Sir James McCusker Park
- Discovery Park
- Pattaya Park
- Atma Park
- Blackpool Park
- Shenton Avenue Verge

## 6.0 KPI SERVICE DELIVERY

6.1 Should the quarterly or annual cumulative KPI's (4.1, 4.2 or 4.3) not meet the required score of two (2), the City will have 28 days to rectify the areas identified and undertake a review of the assessment results. The revised assessment results will be presented to the IHA for approval.

6.2 Failure to meet the required standards after the review may result in a dispute between both parties. This will be managed in accordance with the dispute resolution process detailed in Part 12.

## **7.0 LIST OF LANDSCAPE AREAS TO BE SERVICED**

7.1 Refer to the relevant approved Annual Service Review document.

## **8.0 SERVICE LEVELS AND ASSOCIATED COSTS – ANNUAL SERVICE**

8.1 Refer to the relevant City approved Service Review for annual costs and services to be provided.

## **9.0 ANNUAL REVIEW OF COSTS AND SERVICES**

9.1 SAR service review undertaken by the City is to be provided to the IHA by 7 November each year.

9.2 SAR service delivery and cost is to be confirmed and accepted by the IHA in writing by the end of November each year. This will apply to services and associated costs for the following financial year, commencing on 1 July.

9.3 Review of the SAR services and costs can only be undertaken on an annual basis to ensure sufficient funds can be budgeted by the City and contributions collected from the specified area rates.

9.4 Setting the SAR levy on Rates will be as per the SAR policy (Attachment A).

## **10.0 PUBLIC LIABILITY INSURANCE**

10.1 In accordance with measures taken to offer Public Liability Insurance cover to all ratepayer groups within the City, the City of Joondalup has put in place a Public Liability Policy through QBE to cover Iluka Homeowners Association Inc.

10.2 The policy is a General Public and Products Liability Insurance Policy with a Liability Limit for Public Liability of \$10,000,000 for any one occurrence and Products Liability of \$10,000,000 any one occurrence and in the aggregate any one Period of Insurance.

10.3 The policy covers all activities undertaken by the Association in accordance with normal operational terms of the SAR.

10.4 Any amendments or changes to this policy will be provided to IHA in writing by the City.

## **11.0 PUBLIC RELATIONS**

11.1 During the course of work the City shall ensure that all employees or contractors engaged by the City are courteous to all members of the public with whom they come into contact.

11.2 All enquiries or requests regarding service levels will be solely managed and reported on by the City.

## 12.0 DISPUTE RESOLUTION


- 12.1 A dispute is defined as an occurrence and/or circumstance requiring resolution and action where the IHA have notified the City of an issue and are unable to mutually reach agreement with operational representatives from the City within five (5) working days.
- 12.2 Declaration of a dispute requires written communication of the matter(s) in question, from one party to the other which requires a written reply within five (5) working days of declaration.
- 12.3 The Manager Operation Services or IHA Representative has ten (10) working days from the date of reply to resolve the dispute. Following expiration of this timeframe if the dispute is still not resolved the issue shall be referred to the following levels of authority until a solution is reached:
- Jointly between the Director Infrastructure Services and the IHA and if not resolved;
  - By the City of Joondalup's Chief Executive Officer who shall be the final arbiter.

## 13.0 TERMINATION OF THE AGREEMENT AND SAR

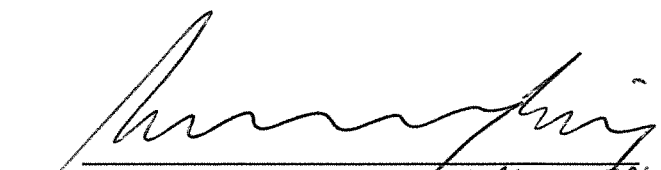
- 13.1 The power to impose and to terminate a SAR rests with the City and will be considered on its merits as and when required in line with the adopted Specified Area Rates policy.

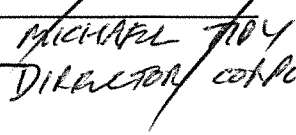
## 14.0 SIGNATORIES - AGREEMENT EXECUTION

We, the undersigned, agree to the terms and conditions of this agreement.

  
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**SHEILA DALY**  
Chairperson  
Iluka Homeowners Association Inc.

18-02-2019  
Date

  
\_\_\_\_\_  
~~GARRY HUNT PSM~~  
Chief Executive Officer  
City of Joondalup

  
**MICHAEL JOY**  
DIRECTOR CORPORATE SERVICES.

17/3/19  
Date



## Specified Area Rating Policy

### Council Policy

#### Responsible Directorate: Corporate Services

**Objective:** To provide guidance on the circumstances under which a Specified Area Rate may be applied and the arrangements for the management and control the Specified Area Rate collected.

#### 1. Statement:

A Specified Area Rate may be imposed under Section 6.37 of the *Local Government Act 1995* for the purpose of meeting the cost of providing a higher standard of landscaping, capital infrastructure, specific work, service or facility that the Council considers has benefited or will benefit the ratepayers or residents within the proposed Specified Area or that they have contributed or will contribute to the need for that higher standard, improvement, work, service or facility.

#### 2. Details:

##### 2.1. Imposition of Specified Area Rating:

The Council may consider applying a Specified Area Rate under the following circumstances.

- a. In a new land development area, the developer has provided a higher standard of landscaping than the standard that the City would normally expect to be provided and for which the City would normally accept responsibility for ongoing maintenance. In this circumstance, the following will apply:
  - i. The landscaping standard and the proposal to fund the higher level of ongoing maintenance by a Specified Area Rate must be agreed between the developer and the City prior to the proposed landscaping being implemented.
  - ii. It will be conditional on the developer marketing the properties as having a Specified Area Rate applying in addition to the general rates levied by the City.
  - iii. It will be conditional on an incorporated property owners' body being formed representing property owners within the proposed Specified Area Rate area to be responsible for representing property owner interests between it and the City in relation to the Specified Area Rate.



- b. An incorporated body representing the property owners of an established area requests that the City provides a specific work, service or facility to their area to be funded by a Specified Area Rate imposed on the property owners. In this circumstance, the following will apply:
  - i. If the Council considers the proposal has merit, then, prior to a Council decision on such a proposal, the City will provide appropriate supporting information to conduct a survey of all proposed affected property owners.
  - ii. It is solely at the Council's discretion as to whether or not it will agree to impose a Specified Area Rate, however, the Council will not consider agreeing to a proposal unless the survey results show majority support by more than 40 per cent of all property owners surveyed.
- c. For any area to be considered for a Specified Area Rate, whether as a result of (a) or (b) above, it must be a reasonable size in terms of the number of properties and defined by clear and discernible geographic boundaries which may include main streets, or natural features. It shall be of a sufficient size and encompass an area significant enough that the Council believes a Specified Area Rate can be effectively applied. A Specified Area Rate will not be considered for a minor area such as a single property, small group of properties, or a single street. As a general guide, it is expected that a Specified Area Rate area would include no less than 100 properties.
- d. It is a condition for any Specified Area Rate to be imposed that there will be a representative property owners' group operating as an incorporated body, open to membership of all property owners in the Specified Area Rate area. The body will meet regularly to discuss the issues related to the services provided as part of the Specified Area Rate arrangement. The City will provide representation to attend meetings of the body to provide technical advice with respect to the services and the operation of the Specified Area Rate.

## 2.2. Management of the Specified Area Rate:

- a. City representatives will consult with the representative property owners' group on a regular basis in relation to the operation of the Specified Area Rate. The program of works and services proposed to be funded by the Specified Area Rate in a financial year will be agreed between representatives of the City and the representative property owners' group prior to the adoption by the Council of the budget for that year. If capital infrastructure items are requested through this process, consideration of the capital costs and ongoing operational costs associated with the maintenance of the item/s will be given before Council determines whether or not to approve their installation.
- b. The gross amount to be imposed for the Specified Area Rate is to be ascertained from the agreed program of works and services as part of the City's annual budgeting process. Consideration will be given to any surplus Specified Area Rate funds held in reserve from prior years when determining the gross amount to be imposed.
- c. The gross amount of the Specified Area Rate that needs to be raised is to be apportioned between the properties within the Specified Area based on the gross rental value applicable to each property and will be imposed in addition to the general rate levied by the Council.

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- d. The delivery method of the work, service or facility the subject of the Specified Area Rate arrangement will be determined at the sole discretion of the City.
  - e. The City will remain at all times the custodian of the Specified Area Rate and will administer the funds collected in compliance with the relevant provisions of the *Local Government Act 1995*, as amended, including establishing a reserve fund to hold any unspent or surplus funds at the end of the financial year.
  - f. The City will ensure that there are appropriate management arrangements in place to maintain its relationship with the representative property owners' group, that there are processes to deal with concerns and issues raised by property owners in regard to the Specified Area Rate and to inform property owners of the City's requirements in regard to the operation of the Specified Area Rate. For any issue not able to be resolved by other means, Council will determine the matter at its sole discretion.

### 2.3. Termination of a Specified Area Rate Arrangement:

- a. The power to impose and to terminate a Specified Area Rate rests with the Council and will be considered on its merits as and when required.
- b. A Specified Area Rate will be considered for termination if it is established, to the satisfaction of the Council, that any of the following apply:
  - i. The representative property owners' group has ceased to operate, whether through loss of incorporation, loss of office bearers and/or membership, or through failure to meet on a regular basis to discuss the issues related to the services provided as part of the Specified Area Rate arrangement.
  - ii. The representative property owners' group no longer represents all of the property owners affected by the Specified Area Rate.
  - iii. The representative property owners' group has, by a formal process at a duly constituted meeting of the group, resolved that it no longer wishes to continue with a Specified Area Rate arrangement.
  - iv. It is no longer appropriate, necessary or viable to continue to provide the additional services and to levy the Specified Area Rate.
- c. Once a Specified Area Rate arrangement is terminated, the service level in the area concerned will revert back to the normal service level. Where there was no previous normal service level (such as a new development that started as a Specified Area Rate area) it shall be that which the City may determine, at its sole discretion, is an appropriate normal level of service for the area.
- d. If, for any reason, a Specified Area Rate arrangement terminates, it shall be effective from the conclusion of the financial year in which that occurs, unless it occurs prior to the adoption of the budget for that year, in which case it will be effective immediately. Any unspent or surplus funds held in reserve at the termination of the Specified Area Rate arrangement will be dealt with in accordance with the provisions of Section 6.37 the *Local Government Act 1995* relating to Specified Area Rates and Section 6.11 relating to reserve funds.

- d. The delivery method of the work, service or facility the subject of the Specified Area Rate arrangement will be determined at the sole discretion of the City.
- e. The City will remain at all times the custodian of the Specified Area Rate and will administer the funds collected in compliance with the relevant provisions of the *Local Government Act 1995*, as amended, including establishing a reserve fund to hold any unspent or surplus funds at the end of the financial year.
- f. The City will ensure that there are appropriate management arrangements in place to maintain its relationship with the representative property owners' group, that there are processes to deal with concerns and issues raised by property owners in regard to the Specified Area Rate and to inform property owners of the City's requirements in regard to the operation of the Specified Area Rate. For any issue not able to be resolved by other means, Council will determine the matter at its sole discretion.

### 2.3. Termination of a Specified Area Rate Arrangement:

- a. The power to impose and to terminate a Specified Area Rate rests with the Council and will be considered on its merits as and when required.
- b. A Specified Area Rate will be considered for termination if it is established, to the satisfaction of the Council, that any of the following apply:
  - i. The representative property owners' group has ceased to operate, whether through loss of incorporation, loss of office bearers and/or membership, or through failure to meet on a regular basis to discuss the issues related to the services provided as part of the Specified Area Rate arrangement.
  - ii. The representative property owners' group no longer represents all of the property owners affected by the Specified Area Rate.
  - iii. The representative property owners' group has, by a formal process at a duly constituted meeting of the group, resolved that it no longer wishes to continue with a Specified Area Rate arrangement.
  - iv. It is no longer appropriate, necessary or viable to continue to provide the additional services and to levy the Specified Area Rate.
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Creation Date: March 2010  
Amendments: CJ093-05/12, CJ149-08/15  
Related Documentation: • *Local Government Act 1995*