BUSINESS PLAN

Section 3.59 of the Local Government Act 1995 (WA)
Major Trading Undertaking and Major Land Transaction

1. OVERVIEW

The City proposes to enter into the major trading undertaking and major land transaction described in this Business Plan.

2. DEFINITIONS

In this Business Plan, unless otherwise defined or the context otherwise appears:

Term	Definition
Business Plan	This document.
City	City of Subiaco ABN 84 387 702 890.
LGA	*Local Government Act 1995 (WA)*.
Regulation	Local Government (*Functions and General*) Regulation
Crown	Government of Western Australia

3. BACKGROUND

Soon after the City's establishment in 1897, cars began driving on our streets and needed a place to park. Advances in manufacturing reduced the price of vehicles resulting in the need to manage demand. Parking on crown land, predominately road reserve, is managed by the City. Parking on freehold land is managed by the City or a private operator.

This Business Plan relates to all land where the City manages parking.

The City (SubiPark) manages over 13,000 parking bays; inclusive of fees during high demand and, at most locations, free during low demand (after 5pm weekdays and all weekend).

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Managing parking demand benefits businesses, staff, customers and visitors, particularly around the shopping, entertainment and hospital precincts. Parking revenue, together with other alternate revenue streams, puts downward pressure on rates. The City is one of the few WA Local Governments with rate revenue less than half total revenue.

Parking management is undertaken in accordance with a range of legislative requirements, together with Council Policy 4.1 – Parking Control and administered in accordance with the Parking Precinct Plans (Plans). The Plans are reviewed regularly, most recently at the 22 October 2024 Ordinary Council Meeting.

Parking management predates the introduction of the Local Government Act 1995 (LGA) and s3.59 business plan requirements. Revenue associated with parking management averages $4.95m, delivering approximately 9% of total revenue.

A Business Plan, in accordance with s3.59 of LGA, must be prepared before the City commence a major trading activity. Regulation 9 (1)(a) defines a major trading undertaking as the lessor of (i) $5m or (ii) 10% of the lowest operating expenditure described in subregulation (2). At present parking management does not meet the major trading definition, although it may at some time in the future.

Regulation 8A (1)(a) defines major land transaction as the lessor of (i) $10m or (ii) 10% of the lowest operating expenditure incurred by the local government from its municipal fund in the last completed financial year. Although each individual property may not meet the definition of a major land transaction, the combined value would exceed the definition of a major land transaction.

It may be argued a business plan is not yet required; however, it is prudent and good practice to prepare a business plan for public comment. Following statewide advertising, Council may proceed (or not) with the business plan.

If Council determine to proceed with the business plan (major trading and major land) the decision does not trigger any action, rather it facilitates future Council decision(s). A future Council may progress a multideck car park or a mixed-use development with car parking, would still need to fulfil the requirements of s3.58 – Disposing of property, lease or sale.

In summary and for clarity, Council has not considered any proposals, rather this business plan facilitates Council considering future proposal(s).

4. MAJOR TRADING UNDERTAKING AND MAJOR LAND TRANSACTION

This business plan has been prepared to facilitate the continuation of parking management by the City as a major trading undertaking, and as a major land transaction by facilitating parking management through the purchase, lease, licence, sale and/or development of land.

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5. REQUIREMENTS OF A SECTION 3.59 BUSINESS PLAN

The business plan must include an overall assessment of the major trading activities and major land transaction and details of:

a) its expected effect on the provision of facilities and services by the local government;
b) its expected effect on other persons providing facilities and services in the district;
c) its expected financial effect on the local government;
d) its expected effect on matters referred to in the local government's current plan for the future of the district;
e) the ability of the City to manage the performance of the transaction; and
f) any other matter prescribed for the purposes of this subsection.

5.1 Expected effect on the provision of facilities and services by the local government.

The business plan does not indicate any specific impact the provision of facilities and services by the City, rather facilitates future Council decisions to continue to effectively manage parking as a major trading undertaking as well as consider the future adjustments to the use of land owned by the City (major land transaction).

5.2 Expected effect on other persons providing facilities and services in the district.

As this business plan does not provide any specific action, it is not expected to impact on other persons providing facilities or services in the district.

However, future Council decisions may (or not) impact on other persons and organisations that engage in parking management. Wilson Parking and other private land owners provide a range of private parking locations that may be impacted, negatively or positively by future Council decisions.

5.3 Expected financial effect on the local government.

Revenue associated with parking management averages $4.95m per annum, representing approximately 9% of total revenue. This business plan does not add any specific actions and therefore this business plan will not have a financial effect on the City. However, future Council decisions are likely to have a financial effect on the City and that effect would form part of the plan presented to Council for its consideration.

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5.4 Expected effect on matters referred to in local government's current plan for the future of the district.

The proposal is expected to assist the City to demonstrate the following Council Plan objectives:

Pillar	Objective
Connected Community	Provide multipurpose facilities and creative spaces that inspire our community.
Liveable Places	Shape vibrant precincts through place-based projects, contemporary urban design, and activated public spaces
Liveable Places	Deliver an innovative and sustainable active transport network.
Leading Organisation	Elevate the City's responsive leadership, strong governance and business excellence.

5.5 The ability of the local government to manage the performance of the transaction.

As described earlier, the business plan does not provide any specific actions, however future decisions of Council may. The City has access to staff and contractors whom have the capability to manage the performance of any future transactions that result from this business plan.

5.6 Any other matter prescribed for the purpose of this subsection.

There are no further matters prescribed although to assist, an attachment is included to list the current properties utilised for parking, noting this will change with each new decision of Council.

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