

7.3 Kew Junction Shopping and Business Centre - Marketing and Business Development Fund

Executive Summary

Purpose

The purpose of this report is for Council to consider submissions and objections received following public notice of Council's intention to declare a special rate and charge for a marketing and business development fund for the Kew Junction Shopping and Business Centre (**Centre**) and to determine whether to declare the Proposed Kew Junction Special Rate and Charge Scheme (**Proposed Scheme**).

Background

The Kew Junction Shopping and Business Centre's current five year special rate and charge scheme is due to expire on 30 June 2022. The scheme funds marketing and business development initiatives in the Centre. The Kew Junction Business Association (**KJBA**) requested Council declare a renewed special rate and charge scheme to apply for five years from 1 July 2022 to 30 June 2027.

On 28 March 2022, Council resolved to commence the statutory process to declare the Proposed Scheme by giving public notice of the Proposed Scheme in response to the KJBA's request. Public notice of the Proposed Scheme was made in The Age newspaper on 2 April 2022 and on Council's website and individual notices were sent to each person who will be liable to pay the Special Rate and Charge. Council invited submissions and objections regarding the Proposed Scheme to be lodged by 6 May 2022.

Key Issues

The following is a summary of the submissions and objections to the Proposed Scheme received during the public notice period:

Submissions

Council received six submissions in response to the public notice from six property owners within the scheme area.

Each of the submissions received indicated opposition to the Scheme.

Objections

Any person who is liable for or otherwise required to pay the special rate or charge is entitled to object in writing. Council received four valid objections from such persons, who represented four properties, indicating opposition to the Proposed Scheme.

Of the objections received, all had a right to object in their right as owners, or by providing documentary evidence of their right to object based on liability for the Special Rate and Charge. Council officers were able to establish a right to object for four rateable properties to which the objection relates by matching the submitter or company names with Council's rates record of property owners, or because of evidence provided with the submission. As such, Council officers consider bona fide objections were made with respect to a total of four properties. This equates to 0.7% of the 577 rateable properties in the Proposed Scheme. Because objections were received in respect of fewer than 50% of those properties to be included in the Scheme, Council may resolve to declare the Proposed Scheme.

Implications of submissions

The objectors also made submissions in response to the Proposed Scheme.

The concerns about the Proposed Scheme identified in the objections and submissions are summarised in the table below.

Reason for objection	No reason provided	Affordability (incl. COVID-19 impacts)	Request for exemption (used for residential purpose)
Number of properties represented	1	4	1

A copy of the submissions received are contained within **Confidential Attachment 6** to this report.

Council officers consider that the low number of submissions and objections may be attributed to the value provided by the KJBA in support of businesses throughout COVID-19, increasing communication and information sharing and seeking to identify ways to support them throughout these unprecedented times. The KJBA also introduced a number of new initiatives to drive spending in businesses over the past five years and the Marketing Coordinator consistently spent time regularly visiting businesses, including office suites, face to face to engage businesses in the KJBA's activities and provide a more personalised service.

The submission from the owner of 427 High Street, Kew states there is no current or proposed commercial use for the property and there is no reasonable basis having regard to this, for the Scheme to apply to the property. Council's Revenue and Property team have confirmed this property recently changed status to a residential property. Therefore, 427 High Street, Kew should be exempt as the land is not used for commercial purposes and, as such, the property will not form part of the Proposed Scheme based on its current use. However, if the use were to change during the life of the Proposed Scheme such that it is "used, or adapted or designed to be used for commercial purposes" the applicable rate or charge will apply.

Council officers are of the opinion, with the exception of the removal of 427 High Street, Kew from the Proposed Scheme, the submissions received do not warrant any change to the declaration of the Proposed Scheme.

Further consideration is given to the submissions in Section 4 of the report.

Declaration of the Proposed Scheme will ensure support for a comprehensive marketing and business development program, which will provide a special benefit for businesses and commercial property owners in the Centre.

If declared, the Proposed Scheme will apply for five years commencing 1 July 2022 and ending on 30 June 2027 and will raise approximately \$255,000 in the first year, with a total levy of approximately \$1,275,000 expected over five years. The amount levied will increase each year consistent with the March quarter Consumer Price Index (All Groups, Melbourne) ("CPI") which will be applied to the rate in the dollar and the minimum and maximum charges, along with any increases in the Capital Improved Value ("CIV") of rateable properties during the life of the Proposed Scheme.

Confidentiality

Confidential information is contained in **Attachment 6**, as circulated in the confidential section of the agenda attachments, in accordance with Section 66(2)(a) and the definitions of 'confidential information' in Section 3(1) of the Local Government Act 2020. The information relates to personal information, being information which if released would result in the unreasonable disclosure of information about any person or their personal affairs.

Council has obtained legal advice on 24 May 2022, which has been considered as part of preparing this report.

Officers' recommendation

That Council resolve to:

1. Receive and note the written and verbal submissions and objections.
2. Declare the Kew Junction Special Rate and Charge in accordance with Section 163 of the Local Government Act 1989 ("the Act") as follows:
 - a) a Kew Junction Special Rate and Charge be declared for a period of five years commencing on 1 July 2022 and concluding on 30 June 2027.
 - b) the Kew Junction Special Rate and Charge be declared for the purpose of defraying expenses of advertising, promotion, centre management, business development and other incidental expenses associated with the encouragement of commerce in the Kew Junction Shopping and Business Centre (Centre), which:
 - i. Council considers is or will be of special benefit to those persons required to pay the Kew Junction Special Rate and Charge; and
 - ii. arises out of Council's functions of:
 - encouraging and promoting economic sustainability, commerce, retail activity and employment opportunities in and around the Kew Junction Special Rate and Charge area and the broader municipal district; and
 - providing good governance in its municipal district for the benefit and wellbeing of the municipal community.
 - c) the Kew Junction Special Rate and Charge so declared will be assessed and levied in accordance with the following:
 - i. **in Primary Area (Zone 1)** - in the first year a rate of 0.05 cents in the dollar of the Capital Improved Value (CIV) of each rateable property in the area subject to the Kew Junction Special Rate and Charge, subject to the following minimum and maximum charges per occupancy per annum.

Precinct	Minimums per annum
<p>Primary Area (Zone 1):</p> <p>This zone includes ground and upper level properties on High Street and associated side streets generally between Kew Recreation Centre and Princess Street and the Kew Junction intersection and along Cotham Road between Gellibrand Street and the Kew Junction intersection, as shown on the boundary plan for the Kew Junction Special Rate and Charge.</p>	<p><u>Ground level</u> Minimum - \$409</p> <p><u>Upper level/s</u> Minimum - \$204</p>

- ii. **in Secondary Area (Zone 2)** - in the first year a rate of 0.03189 cents in the dollar of the Capital Improved Value (CIV) of each rateable property in the area subject to the Kew Junction Special Rate and Charge, subject to the following minimum charges per occupancy per annum.

Precinct	Minimums per annum
<p>Secondary Area (Zone 2):</p> <p>This zone includes ground and upper level properties on High Street between Ridgeway Avenue and Highbury Grove to the south and between Kew Recreation Centre and 427 High Street to the north and south and north west of the Kew Junction intersection as well as properties north of Walton Street and adjacent properties in Walpole Street, Charles Street, corner of Cotham Road and Derrick Street and Queen Street Kew, as shown on the boundary plan for the Kew Junction Special Rate and Charge.</p>	<p><u>Ground level</u> Minimum - \$204</p> <p><u>Upper level/s</u> Minimum - \$155</p>

- iii. The quantum of the rate in the dollar of the CIV of each rateable property in the area, and the quantum of the minimum charges, will be adjusted on 1 July 2023 and on each anniversary of that date by the March quarter Consumer Price Index (All Groups, Melbourne) ("CPI") during the 12 months preceding the end of that March quarter.
- iv. The CIV of each parcel of rateable land is the CIV of that parcel of land at the time of levying the special rate and charge in each year.

The CIV may change in the period during which the Kew Junction Special Rate and Charge is in force, reflecting any revaluations and supplementary valuations which take place.

- d) the area for which the special rate and charge is so declared is the area highlighted in the plan annexed to this report as (Attachment 2) ("the Area"):
 - e) the land in relation to which the Kew Junction Special Rate and Charge is so declared is all land within the Area primarily used or adapted or designed to be used for commercial purposes.
 - f) the total cost of performing the function and the total amount of the special rate and charge to be levied is: approximately \$255,000 in the first year with a total levy of approximately \$1,275,000 over the five years of the scheme, having regard to adjustments in the CIV of the rateable properties and the application of CPI to the rate in the dollar and minimum charges as described in paragraph 2(c) of this resolution or such other amount as is lawfully levied as a consequence of this resolution.
 - g) the benefit ratio, being the estimated proportion of the total benefits of the Kew Junction Special Rate and Charge to which the performance of the function or the exercise of the power relates (including all special benefits and community benefits) that will accrue as special benefits to all of the persons who are liable to pay the Kew Junction Special Rate and Charge, is 100%, as the community benefit is considered to be nil.
 - h) the criteria to be used as the basis for declaring the Kew Junction Special Rate and Charge is ownership of any land described in paragraph 2(e) of this resolution.
 - i) the owners of the land described in paragraph 2(e) of this resolution will pay the Kew Junction Special Rate and Charge on the same date or dates as Council's general rates are due.
 - j) Council will, subject to the Local Government Act 1989, require a person to pay interest on any special rate and charge which that person is liable to pay and has not been paid to the date specified for its payment.
- 3. Notify each person who made a submission or objection of Council's decision and reasons for the decision.
 - 4. Write to the owners and occupiers of properties within the Kew Junction Special Rate and Charge scheme advising them of the decision embodied in this resolution and associated appeal rights.
 - 5. Authorise the Director Community Support to enter into an agreement with the Kew Junction Business Association in relation to expenditure of the Kew Junction Special Rate and Charge scheme proceeds.
 - 6. Authorise the Director Community Support to levy the Kew Junction Special Rate and Charge in accordance with Section 163(4) of the Local Government Act 1989.

Responsible director: Carolyn McClean, Director Community Support

1. Purpose

The purpose of this report is for Council to:

- consider submissions and objections received following public notice of its intention to declare a special rate and charge for a marketing and business development fund for the Kew Junction Shopping and Business Centre (Centre), and
- determine whether to declare the Proposed Kew Junction Special Rate and Charge Scheme (Proposed Scheme).

2. Policy implications and relevance to community plan and council plan

Activity centres play an important economic and community role in the City of Boroondara. There are over 5,000 businesses in 53 centres in the municipal district. Council recognises the valuable role a special rate and charge scheme plays in providing support for commercial centres in Boroondara and provides support to facilitate the preparation and implementation of these schemes.

The Boroondara Community Plan 2021-2031 notes a key theme as 'Local Economy' which contains strategies such as 'Local retail precincts provide a gathering point for residents and attract shoppers through supporting initiatives which encourage a range of businesses needed by the community', 'shopping centres and strips are hubs of community activity through activating local shopping precincts', and 'local visitation is increased through showcasing and promoting local shopping and attractions'.

The Proposed Scheme also supports Council's Economic Development and Tourism Strategy 2016-2021 and its key objective to 'facilitate the development of best in class neighbourhood shopping centres throughout the City'. A related action in this regard is to 'continue with the special rate and charge scheme program and associated support and liaison with trader associations and groups to optimise business development and marketing in key shopping centres.

3. Background

Kew Junction has been designated as one of three "Activity Centres" in Clause 21.08 of the Boroondara Planning Scheme which states 'Activity centres are well established, vibrant centres that provide a wide range of activities. They provide a destination for commercial activity for those within the City of Boroondara as well as neighbouring cities.

The Centre is expected to continue to be a:

- focal point for a wide range of economic and social activities, including retail, commercial offices, community and civic facilities, as well as leisure and entertainment uses, and
- successful and vibrant shopping centre serving the needs of local residents and visitors.

A special rate and charge scheme was first introduced in the Centre in 1998 and there have been successive special rate and charge schemes declared since. During this time, the Kew Junction Business Association (KJBA) has implemented the schemes with Council's oversight and has undertaken a wide range of activities associated with the promotion and marketing of the Centre.

The Centre's current five year special rate and charge scheme is due to expire on 30 June 2022. The scheme funds marketing and business development initiatives in the Centre. The KJBA has requested Council declare a renewed special rate and charge scheme to apply for five years from 1 July 2022 to 30 June 2027.

During the past five years, the Centre has experienced a significant increase in marketing and promotional activity undertaken by the KJBA and supported by the marketing and business development fund. These include:

- employing a Marketing Coordinator for the Centre
- marketing, advertising and promoting the Centre
- improving the online presence of the Centre and its businesses through the launch of a new and updated website
- posting every day on Kew Junction Instagram and Facebook channels, running social media competitions to attract more likes to the accounts and increase the reach of Kew Junction messaging
- pivoting many events online during COVID-19 and maintaining a strong social media presence including ongoing promotion of local businesses
- monthly member newsletters
- member surveys
- organising events in the precinct e.g., Christmas, Easter, Halloween, Valentine's Day, MusiKfest Kew, bi-yearly Progressive Dinner, Mother's Day, Father's Day, Health, Beauty & Fitness Month, Professional Services Month and networking events
- running the affordable School Holiday Program every holiday, which also donates 50% of funds raised to local charities
- contributing to Council's graffiti management program
- running quarterly networking events to support business owners
- building closer ties with Council, the local community and school groups including the launch of Spend Local and Get Back – a program where charities and groups can spend in Kew and get \$1 for every \$10 spent
- liaising and advocating on behalf of the Centre with Council and relevant agencies
- streetscape improvements including two new murals.

As part of the Proposed Scheme, with the support of Council, the KJBA conducted a business survey with traders in 2021 and prepared the Kew Junction Strategic Business Plan 2022-2027 (Strategic Plan) which articulates a vision, implementation actions and a budget for the Centre (**Attachment 3**).

The Strategic Plan aims 'to continue to develop Kew Junction as a thriving, vibrant and fun place to be. The centre will be a busy local focal point with a great range of shops, offices and community facilities for the many people who work, shop or visit there. The centre will grow as new developments are finished and more people move into the area.'

In support of the vision, the Strategic Plan has identified a number of key specific goals aimed at keeping the Centre viable and growing, including to:

- provide tangible benefits to KJBA members
- manage an effective and efficient KJBA
- build strong relationships amongst member businesses and strengthen connections with the local community
- attract new businesses to the area and maintain a high occupancy level
- partner with Council and advocate for positive change to the streetscape and amenities
- continue to run a range of events; and
- continue brand strengthening actions including online and social media activities.

If the Proposed Scheme is declared, it will assist the KJBA in implementing strategies and actions to realise the vision and objectives as set out in the Strategic Plan in the coming years. This includes business recovery as a result of COVID-19, marketing, public relations, special events, business development as well as administrative and governance responsibilities.

The Strategic Plan estimates the cost of undertaking the proposed marketing, community and business development initiatives outlined in the Strategic Plan will require an annual budget of approximately \$255,000 in 2022/23, with Consumer Price Index (CPI) increases each year.

If declared, the Proposed Scheme will provide funds to assist the KJBA in competing with other single owner hard-top centres, such as Chadstone, Doncaster and the CBD, some of which have marketing and promotions budgets which are understood to be over \$1,000,000 per year.

In the interests of supporting the ongoing viability of the Centre, the KJBA formally wrote to Council on 13 September 2021 (**Attachment 4**) requesting that Council renew the Current Scheme, which is due to expire on 30 June 2022. A plan of the Proposed Scheme area (**Attachment 2**) and details of the Proposed Scheme (**Attachment 1**) are further discussed in the next section of this report.

Special rate and charge schemes are active in seven other shopping centres within Boroondara and support marketing and promotional activities. They reflect an important co-operative initiative between Council and the respective trader associations in continuing to actively promote and support local businesses and the ongoing viability of the shopping centres.

Public notice of the Proposed Scheme

There are currently 577 rateable properties included in the Proposed Scheme area. At its meeting on 28 March 2022, Council resolved to give notice under Section 163 of the *Local Government Act 1989* ("the Act") of its intention to declare a special rate and charge for the Centre.

On 2 April 2022, Council gave public notice of the Proposed Scheme and provided written notice to affected owners and occupiers.

Council invited submissions and objections regarding the Proposed Scheme to be lodged by 6 May 2022 and six submissions and four objections were received. Council officers have considered the submissions and further discuss the findings in the following section of this report. >>

4. Outline of key issues/options

The request for a special rate and charge scheme to fund promotion, marketing and business development activities in a shopping centre must be considered by Council in line with the provisions of the Act. The Act contains several requirements to be followed by Council when considering whether to declare a special rate and charge scheme. These primarily relate to the method of calculating the levy (**Attachment 1**) and the consideration of submissions and objections (**Attachment 5**).

Section 163A of the Act entitles any person to make a submission in relation to Council's proposal to declare the Scheme.

In accordance with Section 223(1)(d)(i) of the Act, Council or a committee of the Council must consider all submissions and reports made in respect of the Scheme.

Further, a person who is required to pay the special rate and charge is entitled to exercise a right of objection pursuant to Section 163B of the Act. This right of objection is in addition to the right to make a submission.

Ordinarily, it is the owner of a property who has the right to object to a Proposed Scheme, as they are liable to pay the special rate or charge. However, an occupier (tenant) may object (instead of the property owner) if the occupier submits documentary evidence with their objection showing it is a condition of their lease requiring the occupier to pay any special rate/charge for the property.

In accordance with Section 163B(6) of the Act, Council cannot proceed to introduce a special rate or charge if Council receives objections from persons who will be required to pay the special rate or special charge in respect of a majority of the rateable properties on which the special rate or special charge would be imposed.

Submissions to the Proposed Scheme

Council received six submissions which expressed concern about the Proposed Scheme, each from the owner of property that will be subject to it.

Objections to the Proposed Scheme

Council received four valid objections representing four properties indicating opposition to the Proposed Scheme.

Of these objections, all had a right to object in their right as owners, or by providing sufficient documentary evidence of their right to object based on liability for the Special Rate and Charge.

Council officers were able to establish this by matching the submitter or company names with Council's rates record of property owners, or because of the provision of other documentary evidence. Accordingly, Council considers these to be bona fide objections.

The submissions objecting to the scheme from the occupier of (Level 5) 232 High Street, Kew and the owner of 406/89-91 High Street, Kew are not considered valid objections as they did not provide documentary evidence of their right to object.

Officers provided a further opportunity for submitters to provide the required documentary evidence however this did not result in the receipt of any further documentation.

The valid objections equate to 0.7% of the 577 rateable properties in the Proposed Scheme. Even if the invalid submissions were treated as valid, the proportion of properties that object to the Scheme would represent approximately 1% of the 577 rateable properties in the Proposed Scheme. Because fewer than 50% of the properties in respect of which the Scheme would be imposed lodged an objection, Council is permitted to declare the Proposed Scheme but must still consider the concerns raised.

Analysis of the submissions and objections

In addition to objecting to the inclusion of certain properties within the Proposed Scheme, each submission and objection received by Council made comments regarding the Proposed Scheme. Council must consider these comments prior to determining whether to declare the Proposed Scheme.

The reasons for objecting to the Proposed Scheme are summarised in the table below.

Reason for objection	No reason provided	Affordability (incl. COVID-19 impacts)	Request for exemption (used for residential purpose)
Number of properties represented	1	4	1

a) No reason provided

One submission received opposed the Proposed Scheme without providing any reason stating they should be "able to object on their own grounds without requiring documentary evidence."

Council officers' analysis

This submitter did not believe they should be required to provide evidence or a specific reason for their objection to be considered. This submitter's general opposition to the Proposed Scheme is noted.

b) Affordability including COVID-19 impacts

One submission received stated that “due to Covid during the last 2 years maintaining the office has been extremely difficult with rates, Body Corporate fees, and other utility fees totalling over \$10,000 per annum, another added fee will make it impossible to retain this office.”

Three identical submissions from one owner in respect of three separate rateable properties included in the Proposed Scheme stated that the owner does not support the Scheme as an additional cost / rate that is having to be paid on top of rates.

Council officers' analysis

While financial hardship is not a consideration in determining whether to introduce a special rate and charge scheme, if the Proposed Scheme is introduced, individual rate payers may request relief from Council on the grounds of financial hardship. It is important to note evidence would need to be produced by the ratepayer in support of the request, and a decision will be made at Council's discretion.

In addition to there being relief available for ratepayers experiencing financial hardship, it is considered the collective marketing program organised by the KJBA would be a key measure to continue promoting the Centre, improving its trading performance and overall commercial appeal. So, while it comes at a cost to each person liable to pay the Special Rate and Charge, Council officers note that the Scheme will confer special benefits on each person liable to pay it.

c) Request for exemption (used for residential purpose)

One objection received stated there is no current or proposed commercial use for the property and it should therefore not be included in the Proposed Scheme.

Council officers' analysis

The Proposed Scheme only applies to land that is "used or adapted or designed to be used for commercial purposes".

In this instance, Council officers have determined the property is used for residential purposes, and not commercial purposes, and therefore recommend this property be excluded from the Proposed Scheme. However, if the subject property changes its use during the life of the Proposed Scheme such that it is “used or adapted or designed to be used for commercial purposes”, the Special Rate and Charge will apply. >>

5. Consultation/communication

On 2 April 2022, a Public Notice declaring Council's intention to introduce a Kew Junction Special Rate and Charge for a marketing and business development fund was published in The Age newspaper and on Council's website. In addition, a letter was sent to all affected property owners and occupiers outlining the details of the Proposed Scheme and providing information on how a submission or objection could be made. Submissions and objections were required to be lodged by 6 May 2022.

Four valid objections and six submissions were lodged in respect of a total of six properties that will be subject to the Proposed Scheme. This equates to approximately 1% of the 577 rateable properties in the Proposed Scheme.

If Council decides to declare the Proposed Scheme, all affected property owners and occupiers will be notified of Council's decision and appeal rights under Sections 185 and 185AA of the Act.

6. Financial and resource implications

If declared, the Proposed Scheme will be in place for a period of five years between 1 July 2022 and 30 June 2027. The Proposed Scheme has been designed to reflect the varying level of special benefit likely to be derived by various properties, depending on their location within the precinct.

In the first year of the Proposed Scheme, the total amount to be raised is estimated to be \$255,000 with a total amount of approximately \$1,275,000 expected over five years. The amount levied is likely to increase each year given the application of the CPI to the rate in the dollar and the minimum and maximum charges, along with likely increases in the CIV of rateable properties over the life of the Proposed Scheme.

Administration of the Proposed Scheme (if declared) will take place through Council collecting the Kew Junction Special Rate and Charge proceeds and then distributing them to the KJBA in two instalments each year to spend in accordance with their strategic and annual business plans.

The provision of Scheme funds to the KJBA will be in accordance with the terms of an agreement entered into between Council and the KJBA, which will impose obligations regarding the use of Scheme funds and reporting to Council.

The costs of administrative time involved in establishing the Proposed Scheme, ensuring the funds are collected and approving business plans and financial reports upon which the expenditure is based is accommodated within the Local Economies team departmental budget.

7. Governance issues

The list of prescribed human rights contained in the Victorian Charter of Human Rights and Responsibilities has been reviewed and it is considered the proposed actions contained in this report present no breaches of, or infringements upon, those prescribed rights.

The officers responsible for this report have no direct or indirect interests requiring disclosure.

If Council chooses to declare the Proposed Scheme, the administration of the KJBA will be subject to an agreement between Council and the Association.

8. Social and environmental issues

Supporting the continuing viability of local shopping centres through promotion and marketing funds provides a positive impact on community and social wellbeing by offering the local community places for interaction and convenient access to services.

Successful and vibrant local shopping centres provide the local community with accessible services and the need to travel less to obtain goods and services, and in doing so, provide an environmental benefit.

9. Evaluation and review

If the Proposed Scheme is declared, Council will enter into an agreement with the KJBA in relation to expenditure of the proceeds.

Under this agreement, the KJBA will be required to submit an annual budget and business plan to Council for approval prior to each financial year. The KJBA will also be required to provide financial statements and reports and a member of the Local Economies team will attend the KJBA's Annual General Meeting.

Payment of Scheme funds to the KJBA will be dependent upon the KJBA complying with its obligations under the agreement. This ensures a level of accountability concerning the use of Scheme funds.

10. Conclusion

The process outlined in this report provides a summary of submissions received following public notice of Council's intention to declare a special rate and charge for a marketing and business development fund for the Kew Junction Shopping and Business Centre for the purposes of Council's consideration of declaring the scheme.

The request before Council represents an ongoing commitment by the KJBA to a coordinated approach to promoting the Centre and ensuring its continued long-term viability. It is considered the continuation of the special rate and charge scheme through the Proposed Scheme is an appropriate and important cooperative initiative between the KJBA and Council that will confer a range of benefits on the persons required to pay the Special Rate and Charge.

Manager: Nick Lund, Manager Liveable Communities

Report officer: Lucinda Bakhach, Lead Local Economies

ATTACHMENT 1

Details of the Proposed Kew Junction Special Rate and Charge**Duration**

It is proposed that the Kew Junction Special Rate and Charge (**Proposed Scheme**) for the Kew Junction Shopping and Business Centre (**Centre**) be declared for a period of five years commencing on 1 July 2022 and concluding on 30 June 2027.

Purpose

The Proposed Scheme will be declared for the purpose of defraying expenses of advertising, promotion, centre management, business development and other incidental expenses associated with the encouragement of commerce in the Centre, which Council considers is or will be of special benefit to those persons required to pay the special rate and charge.

Council will administer the Proposed Scheme and levy and collect payments. These payments will then be distributed to the Kew Junction Business Association (**KJBA**) to fulfill the purposes outlined above through its administrative, marketing, engagement and promotional activities.

The proceeds from the Proposed Scheme may also be spent on administrative and management costs. For example, the KJBA may employ a part-time bookkeeper to assist with preparation of the budget and financial records relating to the Proposed Scheme, the salary of whom may be paid for out of the Proposed Scheme funds.

The role of such a person is limited to management and administration of the Proposed Scheme, and may not extend to the carrying out of the KJBA's affairs generally.

The above activities are all associated with the encouragement of commerce, retail and professional activity and employment at the Centre. The Proposed Scheme renewal will enhance the viability of the precinct as a commercial, retail and professional area through increased economic activity. This, in turn, will confer a special benefit on all of the commercial properties located in and around the Centre that are liable to pay the Kew Junction Special Rate and Charge.

Area

The Proposed Scheme will apply to all rateable properties located in the relevant area within the Centre that are used, adapted or designed to be used primarily for commercial purposes.

The Proposed Scheme area is shown in the plan of the Kew Junction Special Rate and Charge Area. The area can be generally described as follows:

- (i) Primary Area (Zone 1): This zone includes ground and upper level properties on High Street and associated side streets generally between Kew Recreation Centre and Princess Street and the Kew Junction intersection and along Cotham Road between Gellibrand Street and the Kew Junction intersection Kew as shown on the boundary plan for the Kew Junction Special Rate and Charge.
- (ii) Secondary Area (Zone 2): This zone includes ground and upper level properties on High Street between Ridgeway Avenue and Highbury Grove to the south and between Kew Recreation Centre and 427 High Street to the north and south and north west of the Kew Junction intersection as well as properties north of Walton Street and adjacent properties in Walpole Street, Charles Street, corner of Cotham Road and Derrick Street and Queen Street Kew as shown on the boundary plan for the Kew Junction Special Rate and Charge.

ATTACHMENT 1

Maximum Total Levy

Before declaring a scheme, Council must determine the “total amount” of the special rate and charge to be levied. The total amount may not exceed the maximum total amount calculated by the formula:

$$R \times C = S$$

where –

R is the benefit ratio, being the estimated proportion of the total benefits of the scheme to which the performance of the function or the exercise of the power relates (including all special benefits and community benefits) that will accrue as special benefits to all of the persons who are liable to pay the special rate and charge;

C is the total cost of the performance of the function or the exercise of the power; and

S is the maximum amount that may be levied from all persons who are liable to pay the special rate and charge.

Benefit ratio – ‘R’

A further formula is used to determine the benefit ratio (R):

$$\frac{\text{TSB (in)}}{\text{(out) + TCB}} = R \text{ TSB (in) + TSB}$$

TSB (in) is the estimated total special benefit for those properties that Council proposes to include in the scheme.

TSB (out) is the estimated total special benefit for those properties with an identified special benefit that Council does not propose to include in the scheme.

TCB is the estimated total community benefit.

This formula is found in the *Ministerial Guideline on Special Rates and Charges* published in September 2004.

With respect to the total special benefits, it is determined that all rateable properties used, adapted or designed to be used primarily for commercial purposes in the Centre (as generally described above in the section under “Area”) will receive a special benefit from all of the activities undertaken with funds raised under the Proposed Scheme.

With respect to community benefits, there are no community benefits included in the Proposed Scheme. Any benefits to people visiting the businesses in the Centre are included in the special benefits conferred on those businesses.

The calculation of the benefit ratio is therefore as follows:

$$\frac{1.0 (100\%)}{1.0 (100\%) + 0 + 0} = 1.0 (100\%)$$

Total cost of the service – ‘C’

ATTACHMENT 1

The total cost of the Proposed Scheme is \$1,275,000 or such other amount as is lawfully levied as a consequence of the declaration. This figure is estimated by the KJBA based on their previous expenditure, and five year strategic business and financial plan.

Maximum amount – ‘S’

Having calculated the total cost and the benefit ratio, the maximum total levy, in accordance with section 163(2A) of the *Local Government Act 1989*, is \$1,275,000 or such other amount as is lawfully levied as a consequence of the declaration. Council intends to levy this amount under the Proposed Scheme.

Apportionment

The determination of apportionment criteria (or the basis of distribution of the Kew Junction Special Rate and Charge) is a separate process from the calculation of the maximum total levy.

It is proposed that the Kew Junction Special Rate and Charge will be assessed and levied as follows:

- (i) Primary Area (Zone 1) - in the first year a rate of 0.05 cents in the dollar of Capital Improved Value (**CIV**) of each rateable property in the Proposed Scheme area, subject to the following minimum charges per occupancy per annum:

Precinct	Minimums per annum
Primary Area (Zone 1): This zone includes ground and upper level properties on High Street and associated side streets generally between Kew Recreation Centre and Princess Street and the Kew Junction intersection and along Cotham Road between Gellibrand Street and the Kew Junction intersection as shown on the boundary plan for the for the Kew Junction Special Rate and Charge.	<u>Ground level</u> Minimum - \$409 <u>Upper level/s</u> Minimum - \$204

- (ii) Secondary Area (Zone 2) - in the first year of the special rate and charge scheme, a rate of 0.03189 cents the dollar of Capital Improved Value (CIV) of each rateable property in the Proposed Scheme area subject to the following minimum charges per occupancy per annum.

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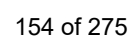
Precinct	Minimums per annum
<p>Secondary Area (Zone 2):</p> <p>This zone includes ground and upper level properties on High Street between Ridgeway Avenue and Highbury Grove to the south and between Kew Recreation Centre and 427 High Street to the north and south and north west of the Kew Junction intersection as well as properties north of Walton Street and adjacent properties in Walpole Street, Charles Street, corner of Cotham Road and Derrick Street and Queen Street Kew as shown on the boundary plan for the for the Kew Junction Special Rate and Charge.</p>	<p><u>Ground level</u> Minimum - \$204</p> <p><u>Upper level/s</u> Minimum - \$155</p>

It is further proposed that the persons liable to pay the Kew Junction Special Rate and Charge will do so on the same date/s as Council's general rates are due, and that they be required to pay interest on any amount which has not been paid.

The quantum of the rate in the dollar of the CIV of each rateable property in the area, and the quantum of the minimum charges, will be adjusted on 1 July 2023 and on each anniversary of that date by increasing the quantum by the percentage increase in the March quarter Consumer Price Index (All Groups, Melbourne) (CPI) during the 12 months preceding the end of that March quarter.

The CIV of each parcel of rateable land is the CIV of the parcel of land at the time of levying the Kew Junction Special Rate and Charge in each year. The CIV may change in the period during which the Proposed Scheme is in force, reflecting any revaluations and supplementary valuations which take place.

Proposed Kew Junction Special Rate and Charge Scheme Area 2022 - 2027 (the Plan)





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Kew Junction Strategic Business Plan 2022 - 2027

Prepared by

Kew Junction Business Association

December 2021



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1. INTRODUCTION**PURPOSE OF THIS REPORT**

The purpose of this report is to outline a five-year Strategic Business Plan for the Kew Junction Activity Centre. The Plan provides a consolidated vision for the centre together with an integrated set of strategies to achieve the vision in areas such as the centre's business development, marketing and public relations, community development, physical improvements, management, communication and finance.

PURPOSE OF THE BUSINESS ASSOCIATION

The incorporated association represents owners and business operators in approx. 577 properties at Kew Junction. The Statement of Purposes of the Association has been reviewed during the preparation of the Business Plan and is re-stated as follows:

- *To direct and manage funds collected for marketing and business improvement in the centre*
- *To consider the marketing benefit of the activity as a paramount decision making criteria. This is key, front and centre of our decision process*
- *To organise marketing, promotion, business and community development programs to enhance the centre*
- *To promote the centre to local target markets via use of web and social media platforms*
- *To facilitate member meetings and networking events*
- *To communicate regularly with members*
- *To assist and advise business in the centre on techniques to improve their performance*
- *To lobby Council and Government for improvements in the appearance and operation of the centre*
- *To liaise with Council on matters of mutual concern to improve the centre*

HOW THE BUSINESS ASSOCIATION OPERATES

The Business Association operates through a Committee of Management and a Marketing Manager employed under contract on a part time basis normally in the region of 30 hours a week (more at peak event times). The Association is funded by a special rate levied by the City of Boroondara. Approx 1 – 2 times a year, the Association applies for grants from the City of Boroondara and other Government bodies. Details of the Committee and Marketing Manager, as well as the special rate, are provided in the Appendix.

HOW THE REPORT WAS PUT TOGETHER

The Business Plan has been prepared, in a consultative process involving businesses in the centre (via face-to-face events, member, local shopper and resident interactions and surveys), including consideration of:

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- The Statement of Purposes, Rules and management/financial reports of the Kew Junction Business Association
- Results of Member Survey conducted in 2021
- Results from resident/local shopper survey conducted in 2021
- Feedback from members at networking events
- Visiting members on the strip weekly and including any feedback from these visits
- Feedback from local community members
- Feedback from local schools
- Feedback from members of the public
- Comments and recommendations from businesses in the centre
- Comments and recommendations from retailers in the centre
- Comments and recommendations from shoppers in Kew Junction
- Comments and recommendations from business customers in Kew Junction

2. MARKETING & PR ACTIVITIES**VISION**

The vision is to continue to develop Kew Junction as a thriving, vibrant and fun place to be. The centre will be a busy local focal point with a great range of shops, offices and community facilities for the many people who work, shop or visit there. The centre will grow as new developments are finished and more people move into the area.

PRINCIPLES & VALUES

The principles and values that are important to the Business Association are sustainability, diversity, connection and accountability in relation to building a stronger business community in Kew Junction.

THE MARKETING ACTIVITIES THAT BENEFIT KEW JUNCTION

The special marketing and business development rate for Kew Junction has been in place for more than 24 years. Over that period, there has been a range of special promotional events, advertising in the local media, development of the “Heart of Kew” brand, and business networking activities.

A major focus of marketing activity in recent times has been to take advantage of the emerging global trends in communication i.e. social media and web strategies such as Facebook, Instagram and website-driven campaigns as opposed to printed collateral. It is therefore faster responding, more personalised, cheaper to pursue, constantly changing and more dynamic in every sense to traditional methods.

Other activities include events/campaigns at Christmas, Easter, Halloween, School Holiday programs and more recently, the introduction of MusiKfest Kew and twice-yearly Progressive Dinner.

Quarterly networking events will continue to run in Kew, however, they will now focus on feeding off a larger city, State or National event, as these types of events, in the

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past, have attracted a lot more attendees. For example, during Australian Open we will have a networking event that has a tennis player guest speaking.

KJBA will also continue to run online campaigns to promote specific industries or events ie Health, Beauty & Fitness and Professional Services months and Mother's and Father's Days. Running these online allows us to promote a large number of our Kew businesses and also, boost our social media, which is important for future messaging.

An Annual General Meeting brings retail and commercial businesses together, giving members the opportunity to meet their neighbours, learn about fellow businesses and determine how they can benefit from cross promotion.

The Marketing Manager connects with businesses regularly through emails, newsletters, social media, events and face to face visits on a fortnightly basis.

Implemented activities are monitored and evaluated regularly through ticket responses to competitions and events; measurement of the type and location of businesses participating at the business networking nights and through anecdotal comments.

The results of the feedback have an important influence on the shape of the strategies in the Business Plan.

STRATEGIES AND ACTIONS

The following set of strategies and actions aim to realise the Vision for Kew Junction. The key priorities over the next five years will be on developing a community feel for Kew, working with local schools, clubs and groups to expand our reach, feeding off larger events to make our campaigns even bigger and promoting each and every one of the businesses within our boundary. The Association seeks to continue communicating and connecting well with businesses and the local community, in and around the centre.

COMMUNITY & BUSINESS DEVELOPMENT

The Kew Junction Business Association works hard to build strong relationships amongst member businesses and strengthen connections with the local community. The key goals include;

- Work constructively with businesses and retailers throughout the centre towards the common goal of having a prosperous and thriving Kew Junction
- Connecting local businesses, enhancing a sense of camaraderie and community
- Through continued events and member communications, effectively offer the platform for a strong, unique local community hub
- Over time, these repeated and effective activities will strengthen community connections and consumer loyalty to the centre

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- Continue to involve community organisations, schools and charities in the promotional activities and fundraising opportunities
- Organise, in different business venues, quarterly business networking events that feed off a state or national event and that are casual, friendly and educational
- Facilitate training sessions and access to services for businesses to improve their business offering

ATTRACTING NEW BUSINESSES

To ensure a thriving main street that attracts shoppers, Kew Junction Business Association has identified the need to attract new businesses to the area and maintain a high occupancy level. The Association believes it is important to be proactive about the future and works with real estate agents and property developers to assist in achieving the recommended vision for the centre.

The Kew Junction Business Association has adopted the following measures to impact upon occupancy levels:

- Developed a trader pack that outlines all that is available to businesses, should they move into the area. This is published on the Kew Junction website so any potential renters can see it and landlords and real estate agents have hard copies they can hand to interested parties
- Offered a signage subsidy on external, permanent signage for new businesses moving into the area that gives the new business owner 50% off their signage cost, up to \$500 plus GST. Landlords and real estate agents use this as another selling point when attracting potential renters

BRANDING

The Centre Coordinator has worked hard to develop the “Heart of *KEW*” brand over the last few years. This brand is used on the Kew Junction Business Association website, facebook, instagram accounts and on all promotional and communications materials. This brand is popular and name recall is high. Continuous brand strengthening activities will continue throughout the calendar year.

MARKETING

Aims of marketing Kew Junction are:

1. To encourage more people to shop in Kew Junction
2. To ensure that locals are learning about all the different businesses in the area that they can shop in
3. To introduce new businesses
4. To promote specials/offers/news of existing businesses
5. To develop a community feel at Kew Junction
6. To encourage the businesses to shop, promote and work with each other



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7. To work with local groups, schools and charities to support them, so they may send their members/families to Kew Junction to shop
8. To have locals feel that Kew Junction is an exciting hub where interesting things are always happening
9. To run regular events that promote the precinct and encourage locals (and those further afield) to visit the Kew business trading area
10. Drive traffic into Kew by having annual Marketing events that people recognise and associate with Kew Junction

EVENTS

Events run in Kew Junction are:

Jan, Apr, Jun & Sep – school holidays programs

Every school holidays we run a holiday program where parents can drop their kids off for 2 hours and hopefully, take the opportunity to work in a café, have a coffee or lunch or do their shopping while they're in the street. We run this event to add to the community feeling and have people know they can rely on Kew Junction to support them. We also run these events to bring people to the area in what is traditionally a quiet time for Kew Junction.

School holiday program runs every term and 50% of all tickets sold every term are donated to a local charity in Kew.

February – Valentine's Day Giveaway

We encourage people to shop for a Valentine's Gift, book a restaurant or a stay in Kew for Valentine's. Anyone fulfilling these requirements are entitled to complete an entry form that puts them in the draw for a luxury weekend in Vic, with 5 to be won.

March – Kew Progressive Dinner

The Kew Progressive Dinner involves people booking three courses at three different participating Kew restaurants in one night. A ticket is only \$59 and includes the three courses, and a drink at each course. The March event is run in conjunction with Melbourne Food & Wine Festival.

April – Easter Hunt

Kids look for hidden chicks in shop windows of participating businesses (approx. 60) and mark on a map where they saw them. When they find 20 they see the Easter Bunny to claim their big Easter egg.

May – Mother's Day

Social media competition where people can win one of 20 x \$250 vouchers for their Mum or Grandma for Mother's Day. Vouchers can only be spent in chosen KJBA businesses. The aim of this competition is to bring more excitement to Kew, have people shopping in Kew and increase the likes, reach and engagement of social media – so follow-on posts reach more feeds.

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May – MusikFest Kew

A month of varied musical acts booked to play in the many venues around Kew including restaurants, cafes, galleries and more.

June – Professional Services Month

Online event, run over Facebook and Instagram, where we put particular emphasis on all the Professional Service businesses in the area. Previously we ran competitions where members of the community won vouchers to be used in these professional services businesses. However, due to a lack of interest, we now put this money towards helping these services in different ways that are more beneficial for the owners/managers of the businesses. For instance, we run free professional head shot days, where they can get a new or updated head shot for use in their business marketing and we run reviews of their LinkedIn profiles to help them update it.

July – Family Disco

A family disco held in the Kew Court House (or other large venue) where families can all attend and dance together.

September – Father's Day

Social media competition where people can win one of 20 x \$250 vouchers for their Dad or Grandad for Father's Day. Vouchers can only be spent in chosen KJBA businesses. The aim of this competition is to bring more excitement to Kew, have people shopping in Kew and increase the likes, reach and engagement of social media – so follow-on posts reach more feeds.

September – Pre-Grand Final Networking Evening

Our Grand Final Networking events have been developed to allow for networking between the local businesses and to facilitate learning as guest speakers can talk on topics like motivation, working as a team and more. The events also bring a sense of excitement to the area by having a high-profile speaker speaking.

October – Kew Progressive Dinner

The Kew Progressive Dinner involves people booking three courses at three different participating Kew restaurants in one night. A ticket is only \$59 and includes the three courses, and a drink at each course.

October – Halloween

We offer in-store trick or treating on Oct 31 to encourage a sense of community in the Junction and have families thinking the area is interesting and exciting, plus, with parents visiting the stores with their kids for trick or treating, they are introduce/re-introduce them to the different businesses in the area. Businesses involved have been encouraged to develop a 'treat' to hand to parents (a special/offer) that would encourage them to come back to shop in their respective stores.

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We also have on-street entertainers and have secured a triennial grant for 2020, 21 and 22 to set up a Haunted House in Kew Court House.

November – Health, Fitness and Beauty month

Online event, run over Facebook and Instagram, where we put particular emphasis on all the Health, Beauty and Fitness businesses in the area. We run competitions where people can win \$100 vouchers to their favourite Health, Beauty or Fitness store, in addition to posting tips, FB Lives, specials and offers from these businesses.

December – Christmas event

We run a Christmas Market & Family Fun Day along the main street of Kew Junction, as there is a distinct lack of gift stores in Kew. This gives locals the opportunity to come and make Christmas present purchases. We also have free rides for kids (on the side streets), side show alley, petting zoo, pony rides and Santa present, generally bringing a wonderful sense of merriment and community to the area.

We also host Photos with Santa on 2 x Saturdays for people to bring their kids or dogs to get a photo with Santa. The photos are infinitely more affordable than Shopping Centres, allowing people to feel Kew Junction is helping them out this Christmas and they receive them digitally so they can share them with friends/family. All money raised at this event is donated to local Charity, e.motion21.

We will also look to running other events throughout the course of year that were introduced during COVID lockdowns including trivia nights and Friday night music livestreaming sessions.

SOCIAL MEDIA

The purpose of the social media is:

1. Promote the community feel of Kew Junction
2. Profile individual businesses in the Kew Junction Business Association on a rotating basis
3. Encourage followers to Shop Local
4. Promote the monthly events
5. Promote local events, specials, offers and news – to encourage locals to shop/visit the area

3. VOICE TO COUNCIL – ADVOCATING FOR CHANGE

PHYSICAL IMPROVEMENTS

- The Kew Junction Business Association seeks to partner with council and advocate for positive change to the streetscape and amenities available in the area, namely
- Consult with Council regarding car parking arrangements for the whole centre
- Continue on with our plan to introduce much more street art to Kew – to improve the look of the area, reduce graffiti and, also, make Kew a place

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people want to visit. We have plans for more murals and, also an 'art walk' where people can download a map and walk Kew looking for smaller, subversive art pieces

4. THE FUTURE DIRECTION

KEW JUNCTION BUSINESS ASSOCIATION – THE NEXT 5 YEARS

Building on the strengths gained over the last four years, with a talented and dedicated Marketing Manager and, of late, a more stable Committee, the Business Association believes it is well placed to pursue the following ambitious goals over the next few years:

The recommended strategies to sustain the management and communication processes are:

- Continue to strengthen the Heart of Kew brand
- Provide some form of reward for members of the executive to acknowledge their hard work and ensure a level of continuance
- Continue to address the needs of businesses and retailers as two separate groups because they have different needs
- Continue to invest a great deal of effort into web and social media platforms
- Continue to elect an active Committee each year. Work to ensure that there is an appropriate representation on the Committee from different types of businesses in different parts of the centre
- Actively develop a succession plan for the filling of executive positions on the Committee, and have that plan in place before each Annual General Meeting
- Organise regular short meetings of the Committee to direct and monitor the agreed program of activities, and ensure that the Committee operates with effective governance processes (e.g., established systems and processes)
- Continue to ensure that businesses in the centre work together as a team by communicating with them regularly through newsletters, emails, text messages, and face-to-face visits
- Ensure that there continues to be a high degree of transparency and accountability in the Association's activities
- Organise continuous feedback loops and improvement strategies with members and locals
- Maintain a partnership relationship with the City of Boroondara on issues such as streetscape improvements and maintenance in the centre and car parking

**ATTACHMENT 3****5. MANAGEMENT & IMPLEMENTATION**

For the success of an ongoing business development and marketing program in Kew Junction, it is critical to sustain a strong business association with a professional part-time Marketing Manager and a focus on governance and a professional and effective communication process.

MARKETING MANAGER

It is imperative that the Business Association continues to employ a part-time Marketing Manager to undertake the marketing, business development and community development activities.

The key tasks to continue to be undertaken in this role, in conjunction with the Committee, should include:

- Enhancement of the branding and exposure of Kew Junction
- Strategic marketing of the centre
- Organisation of special promotional events during a year
- Regular communication with businesses through newsletters, emails, visits
- Maintenance of strong relationships with local community groups
- Building strong relationships with local business people and residents so as to continue to foster momentum with the centre during times of promotions and develop stronger loyalty from these groups towards the centre
- Facilitation of business building seminars and other training programs to motivate and educate individual businesses to make improvements to their businesses
- Ongoing liaison with Boroondara City Council on matters of mutual concern
- Apply for relevant grants

6. MONITORING & EVALUATION

The degree of achievement of the actions outlined in the Business Plan is evaluated at regular intervals. Key performance indicators include:

- Extent of completion of projects specified in the Business Plan
- Extent of business involvement in initiatives
- Member engagement with the Association
- Business participation in activities and promotions
- Business and customer perceptions about the success of activities
- Financial accountability
- Member Surveys issued to capture member feedback

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- Newsletters dispatched to share member news and communicate updates
- Member representation on the Kew Junction Website
- Maintaining an ever-changing database
- Member promotion on Facebook
- Member promotion on Instagram
- Continuation of an effective business networking group

The Business Association prepares an evaluation report at the end of each financial year. The report addresses the degree of compliance with the performance indicators outlined above. It is submitted to Council as part of the accountability requirements for the program. It also used as a basis for developing an effective action program for the following financial year.

7. FINANCIAL STRATEGY & ACCOUNTABILITY

Major annual components of the budget will include the following activities:

- Networking events
- Key promotional events
- Ongoing website activity
- Ongoing Facebook activity including advertising
- Ongoing Instagram activity
- Ongoing Brand maintenance and development
- Marketing research
- Current database maintenance
- Newsletters
- Community development through support for community organisations
- Employment of a Marketing Manager

A financial report, outlining expenditure against a designated budget for each project area of the Association's program, will continue to be provided regularly at monthly Committee meetings.

An audit of the Association's annual income and expenditure will continue to be prepared at the end of the financial year and presented at the Association's AGM as well as to the City of Boroondara.

Funding of the program is to be obtained primarily from the special rate.

It is estimated that the cost of undertaking the proposed marketing, community and business development initiatives outlined in the Strategic Business Plan will be approximately \$255,163 in the first year of the scheme with consumer price index (CPI) increases per annum. A strategic breakdown of the overall budget in 2022 - 2027 among key activities is estimated as follows



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FINANCIAL BREAKDOWN

A proportional breakdown of the overall budget among key activities is estimated as follows:

• Halloween promotional event	\$15,000
• Christmas promotional event	\$80,000
• School holidays promotional events	\$35,000
• Easter promotional events	\$10,000
• Mother's & Father's Day promotional events	\$10,000
• Business/community development programs	\$70,000
• Management and communication	\$85,000
• Social Media continuous promotion	\$20,000
• Website continuous running and maintenance and updating	\$10,000
• Database maintenance	\$6,000
• Member communications platform and frequent communications throughout the year – emails, newsletters, updates etc.	\$5,000

It is important to have an ongoing and secure source of funding to cover the costs of the proposed initiatives.

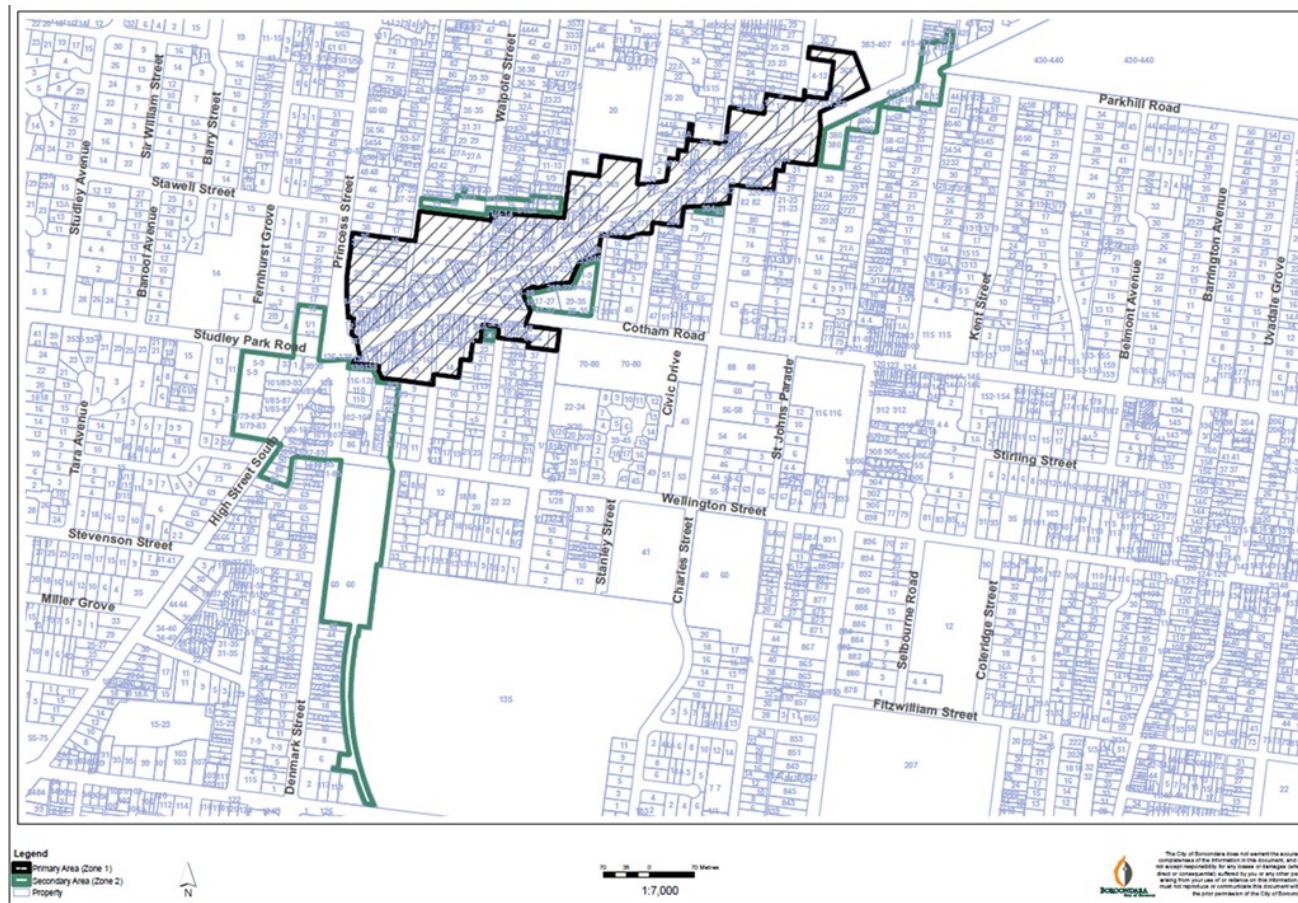
In relation to the next 5 years:

- The current rate in the \$ for Zone 1 has been reduced from 0.06198 to 0.0005 subject to CPI increases annually. There are no changes to Zone 2 or the minimums overall.
- There are very no changes to the zone boundaries proposed.
- There is a reduction in the minimum charges in the Primary area proposed.

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Kew Junction Scheme Area 2022 - 2027



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APPENDIX

- APPENDIX 1; PROFILE OF THE CENTRE**
APPENDIX 2; STRENGTHS AND WEAKNESSES
APPENDIX 3; MANAGEMENT COMMITTEE
APPENDIX 4; SPECIAL RATE DETAILS

The Appendix provides more background information on the Kew Junction centre, its strengths and weaknesses, the Management Committee, Centre Coordinator and special rate details.

APPENDIX 1; PROFILE OF THE CENTRE –

Kew Junction is designated by the State Government as one of Melbourne's 79 Major Activity Centres. Located approximately five kilometres east of the Melbourne CBD, Kew Junction is one of the largest activity centres in the City of Boroondara. Its landmark is the intersection of five roads (Studley Park Rd, Princess St, High St, Denmark St, and Cotham Rd) with its cluster of tall buildings. It encompasses retail and commercial premises on each of the five roads near the intersection, but principally High Street from south-west of the intersection eastwards to the Kew Recreation Centre. An Activities Plan of the centre is illustrated below:



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The centre's primary catchment area extends within a radius of about five kilometres from the centre. There continues to be a high level of affluence and conservatism in this area.

There is a reasonable range of industries in the centre, a breakdown of which can be seen below:

Category	Total businesses	Percentage
Professional, Scientific and Technical Services	220	25%
Rental, Hiring and Real Estate Services	122	14%
Construction	102	11%
Health Care and Social Assistance	90	10%
Financial and Insurance Services	70	8%
Accommodation and Food Services	52	6%
Other Services	44	5%
Retail Trade	41	5%
Wholesale Trade	36	4%
Administrative and Support Services	33	4%
Education and Training	18	2%
Transport, Postal and Warehousing	15	2%
Arts and Recreation Services	11	1%
Information Media and Telecommunications	10	1%
Manufacturing	10	1%
Agriculture, Forestry and Fishing	7	1%
Electricity, Gas, Water and Waste Services	5	1%
Public Administration and Safety	3	0%
Mining	2	0%
TOTAL	891	100%

* based on Aust Business Registration data

The overall vacancy rate is 5%. This is an acceptable level for a large and diverse mixed-use centre, especially given we are in the middle of COVID and multiple lockdowns.

APPENDIX 2; STRENGTHS AND WEAKNESSES

The key issues and opportunities are summarised in the following SWOT analysis:

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**Strengths**

- Proximity to the Melbourne CBD
- Availability of public transport provided by tram and bus services
- Close to private schools
- Landmark centre
- Range of supermarket and specialist retail businesses
- Strong business services niche
- Strong health services niche
- Active business association
- Strong brand recognition
- Relatively low vacancy rate
- Strong local community
- Property development in the area
- Affluent and predominantly Anglo Saxon catchment area with a relatively stable population
- Diversity of restaurants
- Banking – we have all the branches located in the heart of Kew making it a financial hub out of the city
- Achieve extensive marketing and promotions with a limited special rate budget, for a centre of this size

Weaknesses

- No convenience goods shops
- Limited fashion, jewellery and footwear shops esp for the younger market
- Clearways
- Traffic congestion at times
- Attracting varied businesses ie. 3 barbers
- Physical issues such as a very elongated centre, physical separation of the northern and southern sections and lack of beauty, colour and a consistent approach to tree planting and other green scapes

Opportunities

- Businesses in the centre working together
- Getting businesses to see wider opportunities in the centre that are in their interests to pursue
- Stronger business mix
- More car parking
- Traffic improvements
- Generation of more funds for the marketing/development program
- Community building – stronger connections with the community
- Amplifying local events by marrying them with state or national events
- More engagement with the business services sector in the centre
- Emerging markets such as the opportunities provided by the increasing number of retirement villages in the main catchment area

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- Introduce more murals and an art walk to increase the beauty and colour of the street and attract visitors

Threats

- Increasing competition from other nearby centres providing more goods and services that are similar to the niche markets established at Kew plus offer much of what we don't have
- Inappropriate development in the centre without adequate provision of car parking
- The preoccupation amongst business owners to focus on their own business limits their availability to participate
- Fear of the loss of good businesses because of increasing property rental levels
- State and local government decisions such as the clearway extensions undermine the centre
- Overall parking situation is a difficulty

APPENDIX 3; MANAGEMENT COMMITTEE

The Committee of the Business Association and Centre Coordinator is comprised of the following participants:

- President – Con Barbayannis, Star Pharmacy
- Vice President – Denise Hall, Xclusive Business Brokers
- Secretary – Amanda Harrington, Scanlon Carroll
- Treasurer – Nikki Schwarz, Schwarz & Reynolds
- Committee – Ray Orr, MBE Kew
- Centre Coordinator – Alli Price

APPENDIX 4; SPECIAL RATE DETAILS

The Business Association is funded primarily by a special rate. The number of rateable properties in the centre is approximately 577 for 2022 - 2027. Charges will apply to the area as follows:

Primary Area (Zone 1) - a rate of 0.05 cents in the dollar of Capital Improved value (CIV) of each property subject to the minimum charge per occupancy per annum (ground level \$409 and upper level \$204) and

Secondary Area (Zone 2) - a rate of 0.03189 cents in the dollar of Capital Improved value (CIV) of each property subject to minimum charge per occupancy per annum (ground level \$204 and upper level \$155).

The Consumer Price Index (All Groups, Melbourne) applied each year to allow for likely further cost increases over the term of the rate.



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Kew Junction Business Association
Suite 123, 16 Cotham Rd, Kew 3101
Ph: 0422 033 714

ABN: 163 779 97532

City of Boroondara
Private Bag 1
Camberwell VIC 3124
Attention Mr Nick Lund, Economic Development Department

Dear Mr Nick Lund,

Kew Junction Business Association Marketing and Business Development Fund

The current five-year Marketing and Business Development Fund concludes on 30 June 2022. On behalf of the Kew Junction Business Association, I request that Council initiates the process to renew the charge and/or rate to enable the Association to continue promotion and business development of the Kew Junction Shopping and Business Precinct.

The proposed special rate and charge has been developed in line with the Kew Junction Strategic Business Plan 2022 - 2027 to support a marketing and business development plan with an annual budget of approximately \$255,000.

The purpose of the scheme renewal is for advertising, promotion, centre management, business development and other incidental activities associated with the encouragement of commerce in the precinct.

The association have taken into account the unprecedented circumstance of trading during the recent COVID 19 pandemic and taken the opportunity to reduce the rate this term. This will allow us to reduce the financial burden on our businesses while still ensuring we raise funds to undertake very necessary post economic crisis marketing for the future of the precinct. The rate will reduce from .06c in the dollar to .05c in the dollar for all properties located within Zone 1, representing a saving of 20%.

The scheme renewal is proposed to operate for a period of five years from 1 July 2022 to 30 June 2027.

The proposed properties to be covered by the renewed special rate and charge are reflected in the following tables and take into consideration prime and peripheral areas of the precinct. The area can be generally described as ground and upper-level commercial properties in the area comprising-

ATTACHMENT 4

- (1) Primary Area (Zone 1) – in the first year of the special rate and charge scheme, a rate of .05c in the dollar of Capital Improved Value (CIV) of each rateable property required to pay the special rate and charge subject to the following minimum charges per occupancy per annum.

Precinct	Minimums
Primary Area (Zone 1): This zone includes ground and upper level properties on High Street and associated side streets generally between Kew Recreation Centre and Princess Street and the Kew Junction intersection and along Cotham Road between Gellibrand Street and the Kew Junction intersection Kew as shown on the Scheme boundary plan.	Ground level <ul style="list-style-type: none"> • Minimum - \$409 Upper level <ul style="list-style-type: none"> • Minimum - \$204

- (2) Secondary Area (Zone 2) – in the first year of the special rate and charge scheme, a rate of .03189c in the dollar of Capital Improved Value (CIV) of each rateable property required to pay the special rate and charge subject to the following minimum charges per occupancy per annum. Consumer Price Index (All Groups Melbourne) (CPI) will be applied each year to the rate in the dollar of the minimum charges.

Precinct	Minimums
Secondary Area (Zone 2): This zone includes ground and upper level properties on High Street between Ridgeway Avenue and Highbury Grove to the south and between Kew Recreation Centre and 427 High Street to the north and south and north west of the Kew Junction intersection as well as properties north of Walton Street and adjacent properties in Walpole Street, Charles Street, corner of Cotham Road and Derrick Street and Queen Street Kew as shown on the Scheme boundary plan.	Ground level <ul style="list-style-type: none"> • Minimum - \$204 Upper level <ul style="list-style-type: none"> • Minimum - \$155



ATTACHMENT 4

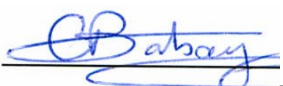
Kew Junction Business Association
Suite 123, 16 Cotham Rd, Kew 3101
Ph: 0422 033 714

ABN: 163 779 97532

The quantum of the rate in the dollar of the CIV of each property in the area, and the quantum of the minimum and maximum charge, will be adjusted on 1 July 2023 and on each anniversary of that date by increasing the quantum by the percentage increase in the March quarter Consumer Price Index (All Groups, Melbourne) (CPI) during the 12 months preceding the end of that March quarter.

The Kew Junction Association would like to acknowledge the support from Boroondara Council and in particular the Economic Development Department in the preparation of this proposed scheme renewal.

Yours sincerely

Signed: 

Con Barbayannis
President
Kew Junction Business Association Association

ATTACHMENT 5**Objection/Submission process pursuant to the *Local Government Act 1989***

Section 163(1) of the *Local Government Act 1989* (the **Act**) empowers a council to declare a special rate and charge for the purposes of defraying expenses in relation to the council's functions and powers if the council considers that it will be of special benefit to the persons required to pay the special rate and charge.

Submissions and Objections

Section 163A of the Act allows any person to make a submission in relation to Council's proposed declaration. Submissions must be lodged within twenty-eight (28) days after the date of a public notice, and will be considered in accordance with section 223 of the Act.

In addition, any person who will be required to pay a special rate and charge is also entitled to exercise a right of objection under section 163B of the Act.

Section 163B(4) provides that any person who will be required to pay the special rate and charge is entitled to exercise the right of objection. Section 163B(5) goes on to state that, for the purposes of sub-section (4), a person who is an occupier is entitled to exercise the right of objection if the person submits documentary evidence with their objection which shows that it is a condition of the lease under which the person is an occupier that the person is to pay the special rate and charge.

Objections must be in writing and lodged within twenty-eight (28) days of the date of a public notice.

Objections and Council's decision

Where a special rate and charge is proposed to recover an amount that exceeds two thirds of the total cost of a scheme, a council can only make a declaration under section 163(1) of the Act after complying with the objection process set out in section 163B of the Act.

Significantly, Council cannot proceed to declare a special rate and charge if Council receives valid objections in respect of more than 50% plus 1 of the rateable properties on which the special rate and charge would be imposed.