



SHIRE OF ASHBURTON

SPECIAL MEETING OF COUNCIL MINUTES

(Public Document)

1. Onslow Shire Office, 307 First Avenue, Onslow
2. Council Chambers, Recreation Centre, Central Road, Tom Price
3. Paraburdoo Library, Ashburton Avenue, Paraburdoo
4. Pannawonica Library, Pannawonica Drive, Pannawonica

31 July 2015
7.00 pm

Special Meeting of Council 31 July 2015

SHIRE OF ASHBURTON
SPECIAL MEETING OF COUNCIL

Dear Councillor

Notice is hereby given that a Special Meeting of Council of the Shire of Ashburton will be held on 31 July 2015 at Onslow Shire Office, 307 First Avenue, Onslow commencing at 7:00.pm.

The business to be transacted is shown in the Agenda.

Neil Hartley
CHIEF EXECUTIVE OFFICER

DISCLAIMER

The recommendations contained in the Agenda are subject to confirmation by Council. The Shire of Ashburton warns that anyone who has any application lodged with Council must obtain and should only rely on written confirmation of the outcomes of the application following the Council meeting, and any conditions attaching to the decision made by the Council in respect of the application. No responsibility whatsoever is implied or accepted by the Shire of Ashburton for any act, omission or statement or intimation occurring during a Council meeting.

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1. DECLARATION OF OPENING

The Shire President declared the meeting open at 7.01 pm.

2. ANNOUNCEMENT OF VISITORS

There were no visitors in attendance.

3. ATTENDANCE

3.1 PRESENT

Onslow Multi-purpose Centre, Cnr McGrath and Hooley Roads, Onslow

Cr K White Shire President, Onslow Ward

Mr M Sully Executive Manager, Community Development

Council Chambers, Recreation Centre, Central Road, Tom Price

Cr P Foster Tom Price Ward

Cr L Thomas Tableland Ward

Mr N Hartley Chief Executive Officer

Mr F Ludovico Executive Manager, Corporate Services

Ms J Smith Executive Officer

Ms J Forward CEO & Councillor Support Officer

Paraburdoo Library, Ashburton Avenue, Paraburdoo

Cr L Rumble Deputy Shire President, Paraburdoo Ward

Cr I Dias Paraburdoo Ward

Pannawonica Library, Pannawonica Drive, Pannawonica

Cr D Wright Pannawonica Ward

3.2 APOLOGIES

Cr A Bloem Tom Price Ward

Cr C Fernandez Tom Price Ward

3.3 APPROVED LEAVE OF ABSENCE

There were no approved leave of absence.

4. PUBLIC QUESTION TIME

There were no public questions tabled.

5. ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

6. DECLARATION BY MEMBERS

6.1 DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA

That Cr White, Foster, Thomas, Rumble, Dias and Wright have given due consideration to all matters contained in the Agenda presently before the meeting.

6.2 DECLARATIONS OF INTEREST

Councillors to Note

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A member who has a Financial Interest in any matter to be discussed at a Council or Committee Meeting, that will be attended by the member, must disclose the nature of the interest:

- (a) In a written notice given to the Chief Executive Officer before the Meeting
or;
- (b) At the Meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest, must not:

- (c) Preside at the part of the Meeting, relating to the matter or;
- (d) Participate in, or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under Section 5.68 or Section 5.69 of the Local Government Act 1995.

NOTES ON FINANCIAL INTEREST (FOR YOUR GUIDANCE)

The following notes are a basic guide for Councillors when they are considering whether they have a Financial Interest in a matter.

I intend to include these notes in each agenda for the time being so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor or a person closely associated with the Councillor and is capable of being measure in money terms. There are exceptions in the Local Government Act 1995 but they should not be relied on without advice, unless the situation is very clear.
2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.
3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
4. If in doubt declare.
5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.
6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:
 - 6.1 Where the Councillor discloses the **extent** of the interest, and Council carries a motion under s.5.68(1)(b)(ii) or the Local Government Act; or
 - 6.2 Where the Minister allows the Councillor to participate under s.5.69(3) of the Local Government Act, with or without conditions.

7. BUSINESS

7.1 PROPOSED DIFFERENTIAL RATES 2015/16

MINUTE: 27

FILE REFERENCE: RV07

AUTHOR'S NAME AND POSITION: Frank Ludovico
Executive Manager, Corporate Services

NAME OF APPLICANT/RESPONDENT: Not Applicable

DATE REPORT WRITTEN: 27 July 2015

DISCLOSURE OF FINANCIAL INTEREST: The author has no financial interest in the proposal.

PREVIOUS MEETING REFERENCE: Agenda Item 7.1 (Minute No. 26) – Special Meeting of Council 8 July 2015
Agenda Item 7.1 (Minute No. 25) – Special Meeting of Council 5 June 2015

Summary

Following Council's Special Council meeting held on 5 June 2015 the endorsed Objects and Reasons for the 2015/16 Differential Rates were advertised.

Submissions were received from several people and organisations, and Council addressed them at the Special Meeting held on 8 July 2015.

Subsequent to that meeting an application was sent to the Minister for Local Government and Communities to approve the UV differential rates in the dollar.

Advice has been received that the proposed UV Differential rates for UV Mining/Industrial will not be approved as they "are consider not to meet the fairness and equity criterion as described in the Department of Local Government and Communities Rating Policies (Ministerial Circular No 06-2013 and Ministerial Circular 13-2014) - Differential Rates". All other proposed rating levels are acceptable.

Indications are that only a rate in the dollar increase of not more than 10% for UV Mining/Industrial will be acceptable. This will require the Shire to locate some \$555,000 in additional revenue or reduced expenditure.

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It is proposed that a mixture of both be considered by Council, with minimum rates increased to recover some of the revenue reduction, and funds deducted from the Future Projects Reserve, to reduce municipal expenditure.

Background

At a Special meeting held on 5 June 2014 Council endorsed the Objects and Reasons for the 2014/15 Differential Rates.

These Objects and Reason were advertised and submissions received and were consider by Council at a Special Meeting held on 8 July 2015.

Subsequent to that meeting an application was sent to the Minister for Local Government and Communities to approve the UV differential rates in the dollar.

Advice has been received that the proposed UV Differential rates for UV Mining/Industrial will not be approved as they “are consider not to meet the fairness and equity criterion as described in the Department of Local Government and Communities Rating Policies (Ministerial Circular No 06-2013 and Ministerial Circular 13-2014) - Differential Rates”. All other proposed rating levels are acceptable.

Indications are that only a rate in the dollar increase of not more than 10% for UV Mining/Industrial will be acceptable. That is, a maximum rate in the dollar for UV Mining/Industrial 0.382467 (i.e. 2014/15 rate in the dollar of 0.347697 + 10%).

Comment

In discussing this matter with Departmental representatives it was clearly explained by Shire Officers that Council’s overall rating yield (i.e. funds actually received) will decrease between 2014/15 and 2015/16, in particular that of UV Mining/Industrial (and some of this being due to the change in valuation methodology recently adopted by the WA State government).

In effect, and notwithstanding that actual yield will be less in 2015/16 than it was in 2014/15, the State Government’s view is that the Shire should have decreased its UV Mining/Industrial general rates by more than it did in the draft budget and that the lower valuations are not considered to be a sufficiently good reason for the rate in the dollar to be raised by more than 10%. Also, there is every indication that when valuations increase again, that the State Government may also seek a greater rate in the dollar decrease to again force rates to align with its view of what it believes is fair and equitable. If this occurs, it will bring about a considerable level of risk for the Shire as it navigates a sustainable pathway into the future whilst also meeting its community obligations for the provisions of satisfactory levels of services.

The State Government is though, open to further increases in the minimum rates as a form of compensation for the lost general rate revenues (noting that minimum rates levels do not require Ministerial approval). This position actually closely reflects the Council’s recent resolution in adopting its own rating strategy, where it too decided that minimum rates should be increased, but progressively over the next few financial years. The question for Council is though, is it fair and reasonable to recover some of the lost revenue resultant from the State Government’s position, by increasing minimums faster than that was originally proposed as part of the Rating Strategy?

Consultation

Chief Executive Officer
Executive Managers

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Officers of the Department of Local Government and Communities.

Statutory Environment

The following sections in Local Government Act 1995 apply:

- Section 6.32 of the Local Government Act 1995 provides Council with the power to apply rates to property;
- Section 6.33 of the Local Government Act 1995 provides Council with the power to apply differential general rates although Ministerial approval is required where a differential rate is more than the lowest differential rate to be imposed;
- Section 6.35 of the Local Government Act 1995 provides Council with the power to apply a minimum payment which is greater than the general rate which would otherwise be payable on that land and a lesser minimum in respect of any portion of the district.
- Section 6.36 of the Local Government Act 1995 requires Council to give public notice of its intention to impose differential rates, inviting submissions within 21 days (or more is desired). Council is also required to consider any submissions received prior to imposing the proposed rate or minimum payment.
- Section 5.63 (1)(b) LGA specifically excludes the need for Elected Members to “Declare a Financial Interest” in imposing a rate, charge or fee.
- Section 6.47. Concessions - allows Council to grant concessions in relation to a rate or service charge.

Part 5 of the Local Government (Financial Management) Regulations 1996.

Department of Local Government and Communities Rating Policies (Ministerial Circular No 06-2013 and Ministerial Circular 13-2014):

- Valuation of Land
- Differential Rates
- Minimum Payments
- Rateable Land
- Giving Notice
- Valuation of Land – Mining

The Department of Local Government and Communities Circular 03 – 2015 – Minister Approval of Differential Rates and Minimum Payments for 2015/16 indicates that after the Objects and Reasons for the differential rates has been published and considered by Council Ministerial approval is required. The Council budget cannot be adopted without Ministerial approval.

Advice from the Department of Local Government and Communities indicates that if Council can propose budgeted rating levels where the rate in the dollar increase is not more than 10% for UV Mining/Industrial, Ministerial approval may be obtaining with a very short turnaround time (i.e. 2-3 days).

There is no legislative requirement to re-advertise differential rates, but the any change must be recorded in the 2015/16 Budget document and accompany or be included in the rate notice to ratepayers

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Financial Implications

In addition to considering the above information (which creates an approximately \$517,000 negative variation) we have now received the "confirmed" revaluations of Mining and Petroleum leases from the Valuer General. Overall valuations for these assessments have decreased by \$97,950.00 on the values used in our previous modelling. This will result in a further decrease in rating yield by \$37,721.41 on the figure shown in our previous modelling. The new valuations have been incorporated in the new model detailed below.

To address the requirements of the State Government, and the decreases in the formal valuations recently received (a total of some \$555,000) it is proposed to raise the minimum payments to recover a portion of the lost rating yield. It is suggested that minimums increase to the levels proposed in the Shire's Rating Strategy, but the transition be reduced from five years, to three. This will require lifting the minimum rates level to \$650 for Residential, and that all other commercial type rating categories be 25% higher.

Currently Council has adopted the following Minimums:

Rate Code Description	Adopted		Proposed	
	General Minimum Payment \$	Lesser* Minimum Payment \$	General Minimum Payment \$	Lesser* Minimum Payment \$
GRV Commercial/Industrial/Tourism	\$767.50		\$812.50	
GRV Residential/Community	\$614.00	\$460.50	\$650.00	\$487.50
UV Mining/Industrial			\$812.50	
UV Tourism	\$614.00		\$812.50	
UV Pastoral	\$614.00		\$812.50	
UV Residential	\$614.00		\$650.00	

A summary analysis of the new model is detailed below,

Differential Rate Category	Estimated 2014/15 Actual	Model I 100% Concession GRV Residential/Community Adopted at Special Meeting 8 July 2015	Model J
GRV Residential/Community	3,823,806	3,810,619	3,814,724
GRV Commercial/Tourism/Industrial	1,113,434	1,146,836	1,147,925
UV Pastoral	233,203	281,008	282,975

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UV Industrial/Mining	18,226,541	18,719,556	18,157,784
UV Tourism	52,830	54,415	54,415
UV Residential		112,968*	112,968
Total	24,449,535	24,125,402	23,570,791

	Average per Assessment	Minimum Change	Maximum Change
GRV Residential/Community			
Onslow	\$606	\$73	\$9,857
Tom Price	(\$288)	(\$1,293)	\$1,308
GRV Commercial/Industrial/Tourism			
Onslow	\$1,648	(\$1,101)	\$24,032
Paraburdoo	(\$1,215)	(\$66,567)	\$2,669
UV Mining/Commercial/Industrial			
Ashburton Ward	\$460	(\$2,180,366)	\$1,853,366
Tablelands Ward	(\$3,501)	(\$207,227)	\$17,756

This model reflects a decrease of 3.6% or \$879,035 on 2014/15 income. Total amount of concession is \$294,215.

Attachment A provides the detail of Model I and that of Model J.

ATTACHMENT 7.1

The effect of the new model (i.e. after increasing the minimum rates) in the Draft 2015/16 Budget is a reduction of \$554,599 of income (i.e. \$24,125,402 – \$23,570,792) available for services. It is suggested that this sum be made up by a transfer from the Future Projects Reserve to the following projects (and reducing previously proposed municipal revenue accordingly) –

1. Project 16.031 Onslow Waste Management Facilities \$460,000 (previously \$460,000 Own Resources); and
2. Project C-over 026 Onslow Tip Closure \$94,599 (previously \$120,000 Own Resources).

Strategic Implications

Shire of Ashburton 10 Year Community Strategic Plan 2012-2022

Goal 5 - Inspiring Governance

Objective 4 - Exemplary Team and Work Environment.

Risk Management

Adoption of this item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered "High". As a high risk matter, the Executive Manager of Corporate Services will monitor progress.

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The proposed Differential Rating will help to underpin Council's long term financial sustainability. The major risk in not adopting the recommended Rating Strategy is in limiting our ability to provide services and facilities into the future.

Policy Implications

Council policy FIN10 Wittenoom Townsite, Wittenoom Gorge and Yampire Gorge Rates and Services Policy applies. In addition to stating it will cease providing all physical services and promotion to Wittenoom and Yampire Gorge, it also states Council is to cease waving rates for Wittenoom properties.

The policy also states *'Council will rate all properties in Wittenoom. This is an acknowledgement that local government rates do not pertain specifically to property but also relate to a range of services provided to the community on a non-geographic basis such a sporting facilities, libraries, roads, governance and economic development.'*

In the May Council agenda when the Council considered the Rating Strategy, it was highlighted in the officer report that Policy FIN10 would need to be modified if the concession was implemented for Wittenoom Townsite. Upon reflection, a change to Fin 10 is considered to be optional and at Council's discretion (noting that the Council sets the budget and the minimums annually, irrespective of the policy wording). Any potential change would be to the words "Council will rate all properties in Wittenoom", with a potential change to "Council will rate all properties in Wittenoom, but may offer a lesser minimum rate as part of its annual budget considerations". No policy changes are proposed by officers as part of this report.

Council Policy ELM10 Financial Sustainability Policy also applies. This policy establishes the financial sustainability framework for the Council. The policy is based on the Council's desire to plan for on-going financial sustainability to provide appropriate services and infrastructure for the community now and into the future.

Voting Requirement

Absolute Majority Required

Council Decision

MOVED: Cr L Rumble

SECONDED: Cr D Wright

That Council:

1. Offer a concession to GRV Residential/Community properties whose valuations have increased from 2014/15 to 2015/16. The concession to be equivalent to the difference payable between 2014/15 valuations and the proposed 2015/16 GRV Residential/Community properties rate in the dollar (i.e. 0.050208), and 2015/16 valuations and the proposed 2015/16 rate in the dollar. The dollar value of the concession is estimated to be \$294,215.
2. Seek Ministerial approval for the following differential model.

Rate Code Description	Rate in the \$	General Minimum Payment \$	Lesser* Minimum Payment \$
GRV Commercial/Industrial/Tourism	0.050305	\$812.50	
GRV Residential/Community	0.050208	\$650.00	\$487.50
UV Mining/Industrial	0.382467	\$812.50	
UV Tourism	0.160044	\$812.50	
UV Pastoral	0.052635	\$812.50	
UV Residential	0.050208	\$650.00	

LOST NO ABSOLUTE MAJORITY 4/2
Crs Rumble, Dias, Wright and White voted for the motion
Crs Foster and Thomas voted against the motion

Council Decision

MOVED: Cr P Foster

SECONDED: Cr L Rumble

That Council:

1. Offer a concession to GRV Residential/Community properties whose valuations have increased from 2014/15 to 2015/16. The concession to be equivalent to the difference payable between 2014/15 valuations and the proposed 2015/16 GRV Residential/Community properties rate in the dollar (i.e. 0.050208), and 2015/16 valuations and the proposed 2015/16 rate in the dollar. The dollar value of the concession is estimated to be \$294,215.
2. Seek Ministerial approval for the following differential model.

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UV Tourism	0.160044	\$812.50	
UV Pastoral	0.052635	\$812.50	
UV Residential	0.050208	\$650.00	

3. Seek through the Pilbara Regional Council, for it to make representations to the State Government on behalf of Ashburton and its other local government members, on the matter of the State Government's unfair Differential Rating position and its consequential adverse impacts upon Pilbara Local Governments.
4. Request that the Pilbara Regional Council issue a media release reflecting the sentiments expressed in resolution #3 above.

CARRIED ABSOLUTE MAJORITY 6/0

Crs Wright, Rumble, Dias, Foster, Thomas and White voted for the motion

8. NEXT MEETING

The next Ordinary Meeting of Council will be held on Wednesday 19 August 2015, at the Onslow Multi-Purpose Centre, Cnr McGrath Rd and Hooley Avenue, Onslow, commencing at 1.00 pm.

9. CLOSURE OF MEETING

The Shire President declared the meeting closed at 7.55 pm.