



SHIRE OF ASHBURTON

SPECIAL MEETING OF COUNCIL

**MINUTES
&
ATTACHMENTS**

**Onslow Multi-Purpose Centre
Cnr McGrath & Hooley Roads, Onslow**

4 June 2014

SHIRE OF ASHBURTON
SPECIAL COUNCIL MEETING

Dear Councillor

Notice is hereby given that an Special Meeting of the Council of the Shire of Ashburton will be held on 4 June 2014 at Onslow Multi-Purpose Centre, Cnr McGrath & Hooley Roads, 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.

Special Meeting of Council 4 June 2014

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1. DECLARATION OF OPENING

The Shire President declared the meeting open at 7.05 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 A Eyre Ashburton Ward

Mr B Cameron Executive Manager, Development & Regulatory Services

Council Chambers, Recreation Centre, Central Road, Tom Price

Cr K White Shire President, Onslow Ward
Cr A Bloem Tom Price Ward

Mr N Hartley Chief Executive Officer
Mr F Ludovico Executive Manager, Corporate Services
Ms Anika Serer Executive Manager, Strategic & Economic Development
Mr Troy Davis Executive Manager, Infrastructure
Ms Deb Wilkes Executive Manager, Community Development
Ms J Smith Executive Officer CEO

Paraburdoo Library, Ashburton Avenue, Paraburdoo

Cr L Rumble Deputy Shire President, Paraburdoo Ward

Pannawonica Library, Pannawonica Drive, Pannawonica

Cr Dennis Wright Pannawonica Ward

3.2 APOLOGIES

Cr D Dias Paraburdoo Ward
Cr L Thomas Tableland Ward
Cr C Fernandez Tom Price Ward
Cr P Foster Tom Price Ward

3.3 APPROVED LEAVE OF ABSENCE

There were no approved leave of absences.

4. ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

5. **DECLARATION BY MEMBERS**

That Councillors White, Rumble, Bloem, Eyre and Wright gave due consideration to all matters contained in the Agenda presently before the meeting.

5..1 **DECLARATION OF INTEREST**

Councillors to Note

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.

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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.

6. BUSINESS

6.1 PROPOSED DIFFERENTIAL RATES 2014/15

FILE REFERENCE:	FI.RA.00.00
AUTHOR'S NAME AND POSITION:	Frank Ludovico Executive Manager, Corporate Services
NAME OF APPLICANT/RESPONDENT:	Not Applicable
DATE REPORT WRITTEN:	24 May 2014
DISCLOSURE OF FINANCIAL INTEREST:	The author has no financial interest in the proposal.
PREVIOUS MEETING REFERENCE:	Nil

Summary

This agenda item discusses setting of Differential Rates for the 2014/15 Financial Year.

This report recommends increasing rates collection by \$309,082 in order to continue to service the community need.

Rather than applying one rate in the dollar per valuation category is it proposed to continue to apply differentials in order to introduce and maintain equity in rating across the Shire.

The Department of Local Government and Communities has recently introduced Rating Policies and Procedures (incorporating legislative requirements) that describe the requirements for imposing Differential Rates with including, seeking Minister for Local Government's approval due to highest differential rate being more than twice the lowest differential rate to be imposed, advertising for a minimum of 21 days, where the number ratepayers in a category is relatively low (less than 30) writing to them individually, formally considering any submissions made and then seeking Minister for Local Government's approval prior to Council adopting the rates in the dollar as part of the budget adoption process.

Background

Rating income is the principal source of revenue for the Shire of Ashburton. It is determined by multiplying a rate in dollar to the valuation for that property. Valuations are supplied by Landgate on the basis of Gross Rental Value (GRV) and Unimproved Value (UV). The application of one rate in the dollar per valuation category would obviously create inequities and so it is proposed to continue to use different rating categories to address this issue.

The Department of Local Government and Communities has recently introduced a number of Rating Policies and Procedures (incorporating legislative requirements), and these can be found on their website <http://dlg.wa.gov.au/Content/LG/RatingPolicies/Default.aspx>.

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These new Rating Policies and Procedures formalised some of the processes for raising Differential Rates including the information required in any notice, how we communicate to ratepayers and the information needed by the Minister in order to make a determination.

The following information is required to be submitted to the Minister for assessment:

- Description of the characteristics of the land that have been used to determine the basis for the differential rates and minimum payment;
- Details of the differential rates and minimum payments being proposed and the percentage of assessments on the minimum payment as well as the average rates per assessment;
- The objects of, and reasons for, each proposed differential rate and minimum rate;
- What the reasons are for seeking to impose differential rates which is more than twice the lowest differential rate;
- How does a particular category of ratepayers receive greater benefit from Council services;
- Information on the likely impact on the rate assessments on the affected land;
- the year the land was last revalued by the Valuer General;
- Whether the proposed differential rates align with the rating strategies in the corporate business plan and and/or long-term financial plan;
- Details on the consultation that has occurred including the council response. The policy indicates, if the number of ratepayers in a category subject to a high differential rate is small (less than 30) Council should consider writing to them individually.

The Objects and Reasons for each Differential Rate has been developed and is attached.

ATTACHMENT 6.1A

Whilst 2014/15 budget is still being prepared it is proposed that the rate in dollar for each rating category be increased by the Local Government Cost Index (LGCI).

The LGCI has been prepared by the West Australian Local Government Association (WALGA) for a number of years and is based on a basket of goods and services that reflect the cost of providing local government activities (wages and salaries, road and building construction, machinery and equipment, electricity and street lighting cost forecasts and CPI) and so is more attuned to the needs of local governments than just the Consumer Price Index (CPI).

In the March 2014 WALGA Economic Briefing Paper indicated the LGCI was forecast to increase by 2.7% in 2014/15. The figure of 3% has been used to account for additional cost pressures associated with the Pilbara.

Additionally the Minimum Rate has been increased by 3% and rounded down to \$560. This rate has not been increased since 2012/13.

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Based on the above the proposed rate yield for 2014/15 will be \$20,484,089. This is compared to the actual rate yield for 2013/14 of \$20,175,006. Please note the 2013/14 figure includes Interim rating raised during the year resulting from the natural growth of valuations associated with the economic development occurring within the Shire.

The attached schedule provides details of the rating yield per differential category what the average and minimum rates are for each category and the number of assessments above and below that average.

ATTACHEMENT 6.1B

All Differential Rates need to be advertised for public comment, but only the proposed UV rating codes that cross the threshold of more than twice the lowest differential rate will require ministerial approval before they are levied.

Comment

Council is experiencing additional pressures arising from the activity in the Shire. The unprecedented influx of infrastructure funding has increased workloads in many areas has necessitated the employment and accommodation of more and highly skilled staff. It has also meant the Shire has to make matching contributions to enable projects to proceed.

Once these new facilities have been created additional maintenance and running costs are incurred (the continued development of the Asset Management Plan, Workforce Plan and Long Term Financial Plan will highlight these issues).

The Corporate Business Plan recognised this when it considered the assumptions for developing that plan.

These assumed population growth of 5% over the next 10 years, cost increases of 5% pa, Payroll growth of 5% pa, utilities cost factor of 5% pa and continued accommodation and service pressures.

In order to meet this demand a rate revenue increase of 8.6% or \$1.3 million was forecast for 2014/15. Due to the natural growth of valuations associated with the economic development occurring within the Shire this increase is not required. It should be noted that the Corporate Business Plan did not factor in any natural growth in valuations due to the uncertainty of the size and timing of those valuations. It is anticipated that the comprehensive preparation of a long-term financial plan will investigate this matter more deeply.

The Differential Rates in the dollar proposed, are an attempt to balance the need for revenue required to fund essential services, facilities and infrastructure and an equitable distribution of rates.

The proposed differential rate schedule must be advertised for a minimum of 21 days. This period allows ratepayers the ability to consider the proposed rates and make any submissions prior to Council adopting the rates in the dollar as part of the budget adoption process. It is also necessary to obtain the Minister for Local Government's approval due to highest UV differential rate being more than twice the lowest differential rate to be imposed.

The first day it is possible to publically advertise the proposed rates in dollar, is Saturday 7 June 2014 and allowing for 21 days, the advertising would be completed on 1 July 2014. After allowing time for Ministerial approval this would allow Council to adopt the 2014/15 Budget at a Special Meeting of Council in late July 2013.

Consultation

CEO
Executive Managers
Department of Local Government

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;
- 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.

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

Financial Implications

The rate level set by Council will underpin its ability to provide services and facilities for the 2014/15 Financial Year and into the future.

Strategic Implications

Shire of Ashburton 10 Year Community Strategic Plan 2012-2022
Goal 5 - Inspiring Governance
Objective 4 - Exemplary Team and Work Environment.

Policy Implications

There are no Council Policy Implications relative to this issue.

Voting Requirement

Absolute Majority Required

Council Decision

MOVED: Cr D Wright

SECONDED: Cr L Rumble

That Council:

1. **Endorse the Objects and Reasons for Differential Rates 2014/15 as per ATTACHMENT 6.1A.**
2. **Advertise its intention, in accordance with section 6.36 of the Local Government Act 1995, to adopt the following rates in the dollar and minimum rates for the differential rating categories specified for the 2014/15 Financial Year:**

Rate Code Description	Rate in the \$
GRV Residential	0.037736
GRV Commercial	0.047162
GRV Tourism	0.047162
GRV Community	0.037736
GRV Industrial	0.047162
GRV Workers Accommodation Facilities	0.047162
UV Pastoral	0.031575
UV Commercial	0.347697
UV Industrial	0.347697
UV Tourism	0.153130
UV Mining Leases	0.347697
Minimum Payment	\$560.00

2. **If no submissions objecting to the proposed Differential Rates are received, authorise applying to the Minister of Local Government and Communities for approval for Council to imposing the Schedule of Rates outlined in point 1 above.**

CARRIED 5/0

Reason for Change of Recommendation:

For inclusion of Point 1. Council needs to endorse the Objects and Reasons for Differential Rates and this was omitted from the original recommendation.

7. NEXT MEETING

The next Ordinary Meeting of Council will be held on 18 June 2014, at the Ashburton Hall, Ashburton Avenue, Paraburdoo commencing at 1.00 pm.

8. CLOSURE OF MEETING

The Shire President closed the meeting at 7.08 pm.

SHIRE OF ASHBURTON

NOTICE OF INTENTION TO LEVY DIFFERENTIAL RATES 2014/15



In accordance with section 6.36 of the Local Government Act 1995, the Shire of Ashburton hereby gives notice of its intention to impose the following differential rates and minimum payment.

Rate Code Description	Rate in the \$
GRV Residential	0.037736
GRV Commercial	0.047162
GRV Tourism	0.047162
GRV Community	0.037736
GRV Industrial	0.047162
GRV Workers Accommodation Facilities	0.047162
UV Pastoral	0.031575
UV Commercial	0.347697
UV Industrial	0.347697
UV Tourism	0.153130
UV Mining Leases	0.347697
Minimum Payment	\$560.00

Submissions are invited from electors and ratepayers in respect of the proposed rates, minimum payment and any related matters by 12:00 noon Tuesday 1 July 2014

Submissions are to be addressed to the Chief Executive Officer, PO Box 567, Tom Price WA 6751 or via email soa@ashburton.wa.gov.au.

Electors and ratepayers may view a document describing the objects and reasons for, each proposed rate and the minimum payment at the Shire of Ashburton offices during normal working hours or at www.ashburton.com.au

Neil Hartley
Chief Executive Officer

SHIRE OF ASHBURTON



PROPOSED DIFFERENTIAL RATES 2014/15 Objects and Reasons:

In accordance with Section 6.36 of the *Local Government Act 1995*, the Shire of Ashburton is required to publish its Objects and Reasons for implementing Differential Rates.

OVERALL OBJECTIVE

The purpose of the levying of a rate/s is to meet Council's budget requirements in each financial year in order to deliver services and community infrastructure.

Property valuations provided by the Valuer General are used as the basis for the calculation of rates each year. If valuations alone were used to determine rate income a number of inequities would become apparent.

Section 6.33 of the *Local Government Act 1995* provides the ability to differentially rate properties based on zoning and/or land use as determined by the Shire of Ashburton. The application of differential rating introduces and maintains equity in the rating of properties across the Shire.

The differential rates in the dollar proposed, are an attempt to balance the need for revenue required to fund essential services, facilities and infrastructure and an equitable distribution of rates.

Rate Code Categories:

Rate Code Description	Rate in the \$
GRV Residential	0.037736
GRV Commercial	0.047162
GRV Tourism	0.047162
GRV Community	0.037736
GRV Industrial	0.047162
GRV Workers Accommodation Facilities	0.047162
UV Pastoral	0.031575
UV Commercial	0.347697
UV Industrial	0.347697
UV Tourism	0.153130
UV Mining Leases	0.347697
Minimum Payment	\$560.00

Rate Code Categories Descriptions:

GRV Commercial / Industrial / Tourism \$ 0.047162

These categories cover properties that have a predominant land use of commercial / industrial nature (including Hotels, Shops, Restaurants and Offices) and land is used for providing a tourism service, including Roadhouses, Tourist Centres, Caravan Parks and Holiday Accommodation.

This rate in the dollar has been set to acknowledge the heavy use of infrastructure and other Council assets and services to Commercial/Industrial and Tourism properties. It is the basis from which other GRV differential rates in the dollar are calculated.

GRV Workers Accommodation Facilities \$0.047162

A new rate code was introduced in 2013/14 to capture all Worker Accommodation Facilities that may become rateable on a GRV basis throughout the financial year. Work in progressing in this area and at this stage no properties are being rated under this category.

This rate in the dollar is the same as the rate in the dollar set for GRV Commercial / Industrial and Tourism.

GRV Residential / Community \$0.037736

These categories covers properties that have a predominant land use of residential and land which is predominately used for organisations involved in activities for community benefit (including Arts and Craft facilities, Youth Centres, Day Care Centres, Sporting Grounds/Clubs (that do not run a commercial business/kitchen), Health & Emergency Service facilities).

This rate has been set to allow the Shire to receive funds required to provide services and facilities, it is discounted 20% below the GRV Commercial / Industrial / Tourism rate to recognize that residential rates are generally not a tax deduction to the property owner.

UV Mining Leases / Commercial / Industrial \$0.347697

This category includes land with Mining Tenements (including (Exploration Licences, General Purpose Leases, Mineral Leases, Mining Leases, Petroleum Exploration Permits, Petroleum Production Licences)

For Commercial/Industrial properties the predominant use of land is for mining purposes/mining infrastructure (including crown leases).

This rate in the dollar has been set to acknowledge that much of Council's civil infrastructure is being developed to meet the demands of these industries, and funding is require to maintain and renovate/revitalize/rejuvenate this infrastructure.

It will also be the basis from which other UV differential rates in the dollar will be calculated.

UV Tourism \$0.153130

This category applies to four assessments that are tourism ventures located within the Shire. The land is predominately used for providing a tourism service, including Caravan Parks and Holiday Accommodation.

A significant discount has been applied to this rate code to recognise the unusually low impact these properties have on Shire infrastructure and amenities. Additionally the rate is comparatively higher to offset the relatively low property valuations in this category.

UV Pastoral \$0.031575

This rating category applies to all Pastoral leases that have been granted by the WA State Government.

A significant discount has been applied to this rate code to recognise the impact these properties have on Shire infrastructure and amenities. Additionally the rate is low to offset the relatively high property valuations in this category.

Mining Payment

This has also increased from \$550 by \$10, to \$560, to reflect a CPI increase. The proposed minimum payment ensures that all ratepayers are contributing an equitable amount, regardless of their property value, for services provided by the Shire.

Submissions Invited

Ratepayers or Electors wishing to submit comments regarding this proposal are advised their written submissions addressed to the Chief Executive Officer must be received by **12:00 noon Tuesday 1 July 2014**.

Neil Hartley
Chief Executive Officer
PO Box 567
Tom Price WA 6751

soa@ashburton.wa.gov.au

AMENDED ATTACHMENT 6.1B

Shire of Ashburton

2014/2015 Rates Modelling Statistics

Rating Code	Rating Category	13/14 Actual*	Proposed 2014/15			Total Assess	Assess Above Average		Assess Below Average		No of Mins	% of Min Assess
			Valuation	Total	Average		Minimum	Maximum	No	%		
11	GRV Residential	3,586,553.18	96,844,214.00	3,698,648.87	1,498.64	2468	1279	52%	1189	48%	117	5%
14	GRV Commercial	759,766.71	16,553,694.00	785,355.00	10,199.42	77	12	16%	65	84%	10	13%
15	GRV Tourism	41,282.46	901,600.00	42,521.26	8,504.25	5	2	40%	3	60%	1	20%
17	GRV Community	24,525.58	641,360.00	25,228.77	1,146.76	22	7	32%	15	68%	5	23%
18	GRV Industrial	239,715.52	5,037,525.00	246,651.56	2,326.90	106	43	41%	63	59%	25	24%
32	GRV Workers Accommodation Facilities											
21	UV Pastoral	226,034.60	7,270,775.00	232,759.66	5,677.06	41	15	37%	26	63%	9	22%
23	UV Industrial/Commercial	4,572,275.94	13,650,028.00	4,758,961.57	65,191.25	73	7	10%	66	90%	27	37%
30	UV Tourism	51,291.15	345,000.00	52,829.85	13,207.46	4	2	50%	2	50%	1	25%
31	UV Mining Leases	10,673,561.27	30,291,846.00	10,641,132.34	9,798.46	1086	169	16%	917	84%	349	32%
TOTAL		20,175,006.41	171,536,042.00	20,484,088.88		3,882	1,536		2,346		544	

* including Interim Rates