

SHIRE OF ASHBURTON
SPECIAL MEETING OF COUNCIL

AGENDA
&
ATTACHMENTS

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

9 July 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 9 July 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.

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5. **DECLARATION BY MEMBERS**

That Councillors have given 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 – CONSIDERATION OF SUBMISSIONS

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:	1 July 2014
DISCLOSURE OF FINANCIAL INTEREST:	The author has no financial interest in the proposal.
PREVIOUS MEETING REFERENCE:	Agenda Item 6.1 – Special Meeting of Council 6 June 2014.

Summary

Following Council's Special Council meeting held on 6 June 2014 the endorsed the Objects and Reasons for the 2014/15 Differential Rates were advertised.

Submissions were received from a group of Wittenoom residents and Chevron Australia Pty Ltd.

In addition, some valuation amendments have been received since the Special Council meeting.

It is recommended that a review is initiated into the rating of Mining tenements within the Shire of Ashburton with particular attention to Ashburton North Strategic Industrial Area and future sustainability.

It is also recommended that we request the Minister for Local Government approves the advertised 2014/15 Differential Rates model.

Background

At a Special meeting held on 6 June 2014 Council endorsed the Objects and Reasons for the 2014/15 Differential Rates.

As prescribed;

- advertisements were placed in the West Australian on 7 June 2014,
- letters were sent to those ratepayers who are in a differential class where there are less than 30 ratepayers,
- the Notice of Intention to Impose Differential Rate and the Statement of Objects and Reasons were placed on the shire's website and public notice boards and libraries.

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The closing date for submissions was 12 noon 1 July 2014.

Submissions

Two submissions were received. The first from a group of Wittenoom ratepayers. The group requests that Council use the provisions of Section 6.47 of the local government act to grant a concession of rating of Wittenoom properties of 100% (i.e. to pay no rates to the Shire of Ashburton). A copy of the submission is attached.

ATTACHMENT 6.1A

The second is from Chevron Australia Pty Ltd. They note the different distinctions between the rating categories and the significant contribution they are making for social infrastructure and critical services infrastructure through the Wheatstone project. "Chevron considers that a discount should be applied to the rating of its properties to reflect this contribution"

ATTACHMENT 6.1B

Valuations

Since the advertising valuation updates have been received from the Valuer General's Office. Two rating categories have been affected. GRV Residential valuations have increased by a net amount of \$51,650 resulting in an increase in rating income of \$2,130 if the same rate in the dollar as advertised is applied This represents 0.04% of valuations and 0.04% of rating income in that class of ratepayers.

The other category affected is UV Mining. Valuations have increased by a net \$732,562 and income by \$252,464, representing 1.4% of valuation and 1.6% of rating income for this category.

Comment

Submissions

Wittenoom Residents

In considering the request for a concession the following comments are made.

- Council Policy Fin10 specifically indicates that all Wittenoom properties will be rated acknowledging that local government rates provide a range of services to the community on a non-geographic basis such as sporting facilities, libraries, roads, governments and economic development.
- Following the Minister for Local Government's altered process for approving differential rates for the 2013/14 years a number of local governments have apparently used the provisions of section 6.47 Local Government Act 1995 (LGA) to "circumvent " the differential rating provisions. The Department of Local Government is now considering amendments to the Financial Management regulations to "limit concessions to no more than 50% unless the subject property is used for charitable or not-for-profit purposes". Whilst there may be some changes to this view as the industry becomes aware of this proposed change, the intention is clear. It may be prudent therefore, to see the outcome of the proposed amendments before proceeding with considering any further, a concession.

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- We are unable to use the differential rating provisions to provide a concession for these properties because the properties are zoned and used for residential purposes.
- In the case of pastoral properties Council is able to identify a different land use and propose a differential rate to that class of properties. In the case of residential land, all residential land within the Shire is rated on the same basis and we are unable to differentiate between residential land in one town and another.
- Rating income needs to be seen as a methodology to provide income across the wide range of services we provide to community such as sporting facilities, libraries, roads, bushfire and emergency services, governance and economic development.
- It is noted that the average Ashburton residential rate assessment (using the proposed rate in the dollar) is \$1,479 and the minimum payment of \$560 recognises the minimum reasonable contribution to the Shire for the services provided by it.
- Providing a concession to a particular group of ratepayers may create an unintended consequence of other ratepayers arguing similar circumstances also exist in different rating classes and proposing that this is a precedent and they should enjoy the same concession.

Chevron Australia Pty Ltd

The Chevron submission raises some interesting questions. Consistency of approach and justification for the application of the differentials.

In reality these have been developed in the past and applied to this year's rating differentials.

Land tenure issues resulting from the significant developments in the Ashburton North Strategic Industrial Areas (ANSIA) are still being finalised and this may or may not have a substantial effect on future rating income (depending on the land tenure arrangements or perhaps Agreement Act particulars).

Another consideration is the valuation effect of the ramping up or the ramping down of projects. Some land parcels may be used temporarily during the ramping up stage and may attract a higher valuation. As the project reaches the operational phase some of these land parcels may not be required and consequently revert back to Landcorp where they are no longer rateable.

It is important that we engage with the stakeholders in the ANSIA to determine the future configuration of the area.

It should be noted that we are unable to differentiate our rating based on land ownership and so any review into rating income from the ANSIA will affect other holders of mineral tenements throughout the Shire.

This creates quite a complex set of parameters that needs proper investigation.

Valuations

In respect to the changes in valuations, it is considered the change in GRV Residential is insignificant and it is therefore not proposed to alter our rate in the dollar to account for these valuations.

In respect to UV Mining, whilst this change is noteworthy the overall rating income generated across all categories of the still within the parameters of the WALGA Local Government Index forecast for 2014/15 of 2.7%.

The rates modelling presented at the Special Council meeting on 4 June 2014 indicated overall rates income of \$20,484,088. With the revised valuations included predicted income, it is \$20,738,682. When compared with income received in 2013/14 of \$20,173,400 rating income based on the new valuations has only increased 2.79% from 2013/14 levels. This compares favourably with WALGA local government index forecast.

Consultation

CEO

Executive Managers

Department of Local Government

Statutory Environment

Section 6.47 Local Government Act 1995 (LGA) indicates that a local government may resolve to waive all grant a concession for a rate or service charge (absolute majority required).

In addition regulation 69A indicates a local government cannot use its powers under section 6.47 LGA based on whether or not the land is occupied by a person who owns the land (so called absentee owner clause)

Regulation 56 of the Financial Management Regulations 1996 indicates that a rate notice must contain information concerning any concession made under section 6.47 LGA.

The other sections in Local Government Act 1995 that apply are:

- Section 6.32 LGA provides Council with the power to apply rates to property;
- Section 6.33 LGA 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 LGA 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 LGA 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.

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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

In respect to the specific request by the Wittenoom residents granting their request for a concession under section 6.47 LGA of 100% will amount to \$11,200 (ie 20 properties at the proposed minimum rate of \$560). These 20 properties are owned by six individual ratepayers.

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

Council policy Fin10 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 or 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."

If Council wish to consider a concession, it should in the first instance, review the Council Policy to ascertain if the circumstances that drove the Policy's existence has altered.

ATTACHMENT 6.1C

This policy was last reviewed in July 2003.

Voting Requirement

Absolute Majority Required

Recommendation

That Council:

1. Having considered the submission regarding the advertised 2014/15 differential model by Chevron, note the submission, but not support a change to the advertised rating levels for 2014/15, however, initiate a review into the rating of Mining tenements within the Shire of Ashburton with particular attention to Ashburton North Strategic Industrial Area and future sustainability.
2. Having considered the submission regarding the advertised 2014/15 differential model, not support a 100% concession for Wittenoom ratepayers as requested.
3. Seek Ministerial approval for the following differential model.

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

7. NEXT MEETING

The next Ordinary Meeting of Council will be held on 16 July 2014, at the Clem Thompson Sports Pavilion, Stadium Road, Tom Price commencing at 1.00 pm.

8. CLOSURE OF MEETING

Neil.Hartley@ashburton.wa.gov.au
June 25, 2014 11:56 PM
To: Neil.Hartley@ashburton.wa.gov.au

SHIRE OF ASHBURTON	
Rec No:	1427697
	26 JUN 2014
File:	F.I. RA
Officer:	EMCS

RATES WITTENOOM

From: Lorraine Thomas
Sent: 26 June 2014
To: Neil Hartley
Subject: Submission, Levy of differential rates 2014/15 to Wittenoom

Ratepayers of Wittenoom- objection respect to the proposed minimum rate payments.

Background;

A. Shire of Ashburton policy FIN 10. Wittenoom townsite, Wittenoom gorge and Yampire Gorge Rates and Services," Provides that while shire will cease providing all physical services to Wittenoom and Yampire Gorge, all properties will be rated."

B. Shire of Ashburton, meeting 4 June 2014, minutes-top page. "The proposed minimum payments ensures that all ratepayers are contributing an equitable amount regardless of their property value for services provided by the shire."

Comment: Whilst there seems equity in ratepayers contributions, SOA, policy FIN 10 indicates it lacking in relation to services provided by shire to ratepayers at Wittenoom. It is understood that a concession on rating of Wittenoom properties is in keeping with existing council policy. Consequently, Wittenoom ratepayers request council, in accordance with section 6-47 of the local government act grant concession of ratings levied, for Wittenoom properties of 100%.

Regards Lorraine Thomas.

and on behalf of Wittenoom ratepayers

Meg Timewell
Peter Hayward
Aileen Thomas
Mario Hartmann
Geoff Guhl



Peter Fairclough
General Manager
Policy, Government &
Public Affairs

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Tel 61 8 9216 4000
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Neil Hartley
Chief Executive Officer
PO Box 567
Tom Price WA 6751

Via email: soa@ashburton.wa.gov.au

Dear Mr Hartley,

PROPOSED DIFFERENTIAL RATES 2014/15

Thank you for the opportunity to provide comment on the proposed differential rates for the 2014/15 Financial Year.

Chevron Australia Pty Ltd (Chevron) is currently developing the Gorgon and Wheatstone Projects located on Barrow Island and near Onslow respectively, both of which fall within the Shire of Ashburton (Shire) jurisdiction. In addition, Chevron is the operator of the oilfield on Barrow Island.

Chevron is concerned that the total impact of the factors that determine local government rates is leading to a sharp increase in the rates payable across Chevron-operated projects. Chevron is of the view that the proposed differential rate for the category of UV Mining Leases/Commercial/Industrial (which applies to Chevron's properties) should have regard to the following –

1. Chevron notes that, in the category of UV Tourism, the Shire has applied a discount to the proposed differential rate in recognition of the "unusually low impact these properties have on Shire infrastructure and amenities". Chevron considers that a similar discount should be applied to the rating of its properties, which are located outside the Shire's major population centres and are self-sufficient.
2. Chevron notes that, in the category of UV Pastoral, the Shire has applied a discount to the proposed differential rate to "offset the relatively high property valuations in this category". As you are aware, Chevron has objected to the unimproved valuations provided by Landgate for its properties on Barrow Island and near Onslow. Chevron considers that a similar discount should be applied to the rating of its properties due to their high values.
3. Chevron notes that the proposed differential rate for the category of UV Mining Leases/Commercial/Industrial "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 required to maintain and renovate/revitalise/rejuvenate this infrastructure". Chevron recognises the importance of maintaining a standard of services and infrastructure within the Shire and is already making a considerable contribution over and above its rates payments, including more

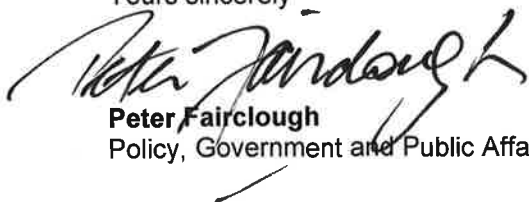
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than \$250 million for social infrastructure and critical services infrastructure through the Wheatstone Project. Chevron considers that a discount should be applied to the rating of its properties to reflect this contribution.

Chevron understands the challenge faced by the Shire in setting differential rates due to the diversity of rateable properties within its jurisdiction. Chevron would welcome the opportunity to discuss this matter with the Shire with a view to achieving a rating structure that is fair and equitable for all ratepayers and also meets the Shire's budgetary needs.

Please contact Amy Ruddock (Government Affairs Advisor) on 9216 4490 or Amy.Ruddock@chevron.com if you would like to discuss this matter further.

Yours sincerely



Peter Fairclough
Policy, Government and Public Affairs General Manager



Policy No: CORP_ORG

Policy Name:	FIN10 WITTENOOM TOWNSITE, WITTENOOM GORGE AND YAMPIRE GORGE RATES AND SERVICES POLICY
File No:	WITT.5 FIN10
Policy Purpose:	<p>To cease providing all physical services to Wittenoom and Yampire Gorge.</p> <p>To cease waiving rates for Wittenoom properties; take possession of land where rates remain outstanding; and dispose of such properties taken possession of to the Crown.</p> <p>To cease the promotion of Wittenoom and Yampire Gorge.</p> <p>To work in harmony with the State Government, residents and industry to achieve the outcomes of this policy.</p> <p>The policy acknowledges the intention of the Council to minimise its exposure to future claims for compensation or damages.</p>
Principles / Framework:	Financial Management
Application:	Residents of Wittenoom
Statutory Environment:	Local Government (Financial Management) Regulations 1996 Part 5 -- Rates and service charges
Minute Number:	12.07.1045
Approval Date:	<p>Adopted Ordinary Meeting of Council 18 November 1997</p> <p>Reviewed Ordinary Meeting of Council 17 September 2002</p> <p>Reviewed Ordinary Meeting of Council 11 February 2003</p> <p>Reviewed Ordinary Meeting of Council 15 July 2003</p>

Policy Content

The town of Wittenoom and mine sites in Wittenoom Gorge and Yampire Gorge based upon latest information (or lack of it to the contrary) represent a hazard to human health due to the considered presence of airborne blue asbestos fibres (crocidolite).

The current areas to be avoided are defined as the entire Wittenoom town site as shown on the attached plan (comprising the roads bounded by Forrest Street, Carey Street, Seventh Avenue, the former King Street to Third Avenue, Burgess Street, Windell Avenue and First Avenue and including those roads and all properties adjacent to them) and within 1km of the mine sites located within the Wittenoom Gorge. In Yampire Gorge the area to be avoided is defined as lengths along the Yampire Gorge Road from three (3) kilometres north of the Banjima Road intersection to ten (10) kilometres south of the Nanutarra – Munjina Road.

FIN10 WITTENOOM TOWNSITE, WITTENOOM GORGE AND YAMPIRE GORGE RATES AND SERVICES

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Policy No: CORP_ORG

The Council discontinues the provision of any services to the township of Wittenoom.

The Council shall do everything within its power to encourage remaining residents of Wittenoom to relocate to other areas.

No promotion of Wittenoom or the mine sites by the Council or any person acting on its behalf shall take place. On the contrary, Council advocates the avoidance of these areas. Council shall work with the State Government to eliminate all promotion by tourism bodies and other third parties of these areas.

Council will rate all properties in Wittenoom. This is in 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 as sporting facilities, libraries, roads, governance and economic development.

With regard to any outstanding rates and charges Council will take action in accordance with the Local Government Act 1995 Section 6.64 to take possession of the land to which the outstanding rates pertain. Any land so claimed is to be transferred to the Crown for the outstanding rates.

(Signature)

Signed

(Print Name)

Shire President**Monitor and Review:****Executive Manager, Corporate Services****Last Review Date****15 July 2003****Next Review Date****October 2014**

This policy is to remain in force until otherwise determined by the Council or superseded.