



SHIRE OF ASHBURTON

**SPECIAL MEETING OF COUNCIL
MINUTES**

(Public Document)

Council Chamber, Onslow Shire Complex, Second Avenue, Onslow

Via Teleconference

- 1. Council Chambers, Onslow Shire Complex, Second Avenue, Onslow**
- 2. Council Chambers, Recreation Centre, Central Road, Tom Price**
- 3. Paraburdoo Library, Ashburton Avenue, Paraburdoo**
- 4. Pannawonica Library, Pannawonica Drive, Pannawonica**

21 August 2017

SPECIAL MEETING OF COUNCIL 21 AUGUST 2017

SHIRE OF ASHBURTON
SPECIAL MEETING OF COUNCIL

The Acting Chief Executive Officer recommends the endorsement of these minutes at the next Ordinary Meeting of Council.

Acting CEO:  _____

Date: 22/08/2017

These minutes were confirmed by Council as a true and correct record of proceedings by the Ordinary Meeting of Council held on 21 September 2017.

Presiding Member: _____

Date: __/__/2017

DISCLAIMER

The resolutions contained in the Minutes 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 Presiding Member declared the meeting open at 7.10 pm.

1.1 ACKNOWLEDGEMENT OF COUNTRY

As representatives of the Shire of Ashburton Council, we respectfully acknowledge the local Indigenous people, the traditional custodians of this land where we are meeting upon today and pay our respects to them and all their elders both past and present.

2. ANNOUNCEMENT OF VISITORS

3. ATTENDANCE

3.1 PRESENT

Elected Members:	Cr K White Cr L Rumble Cr P Foster Cr M Lynch Cr D Diver Cr M Gallanagh	Shire President, (Presiding Member) Onslow Ward Deputy Shire President, Paraburdoo Ward Tom Price Ward Tom Price Ward Tom Price Ward Pannawonica Ward	Broome Paraburdoo Library Council Chambers, Tom Price Council Chambers, Tom Price Council Chambers, Tom Price Pannawonica Library
Staff:	Mr D Stewart Mr J Bingham Ms J Smith	Acting Chief Executive Officer Director Corporate Services Executive Officer	Council Chambers, Tom Price Council Chambers, Tom Price Council Chambers, Tom Price
Guests:			
Members of Public:	There were no members of the public and 3 employees in attendance at the commencement of the meeting, in addition to those listed above as Staff.		
Member of Media:	There were no members of the media in attendance at the commencement of the meeting.		

3.2 APOLOGIES

Cr G Dellar	Ashburton Ward
Cr L Thomas	Tableland Ward
Cr D Dias	Paraburdoo Ward

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It was noted that Cr Dellar was unable to connect to the meeting due to technological issues relating to the provider.

3.3 APPROVED LEAVE OF ABSENCE

There were no approved leave of absence.

4. PUBLIC QUESTION TIME

There were no public questions.

5. DECLARATION BY MEMBERS

5.1 DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA

All Councillors in attendance noted that they had given due consideration to all matters contained in the Agenda presently before the meeting.

5.2 DECLARATIONS OF INTEREST

Councillors to Note

A member who has an Impartiality, Proximity or 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 DECLARING INTERESTS (FOR YOUR GUIDANCE)

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

These notes are included 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

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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.

Declarations of Interest provided:

Item Number/ Name	Type of Interest	Nature/Extent of Interest
There were no declarations of interest.		

6. ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

There were no announcements without discussion by the Presiding Member for this meeting.

7. BUSINESS

7.1 PROPOSED DIFFERENTIAL RATES 2017/18

MINUTE: 34/2017

FILE REFERENCE:	GV04
AUTHOR'S NAME AND POSITION:	John Bingham Director Corporate Services
AUTHORISING OFFICER AND POSITION:	Dale Stewart Acting Chief Executive Officer
NAME OF APPLICANT/RESPONDENT:	Not Applicable
DATE REPORT WRITTEN:	18 August 2017
DISCLOSURE OF FINANCIAL INTEREST:	The author and authorising officer have no financial, proximity or impartiality interests in the proposal.
PREVIOUS MEETING REFERENCE:	Agenda Item 18.1 (Minute No. 210/2017) – Ordinary Meeting of Council 18 July 2017 Agenda Item 7.1 (Minute No. 32/2017) – Special Meeting of Council 25 July 2017

Summary

At the 28 July Special Meeting of Council (SCM) endorsed the re-advertising of the 2017/18 proposed differential rates. This report considers those submissions received before the deadline of 12.00pm, Monday 21 August 2017, and recommends Council endorse an increase of 1.75% for the GRV Category, and to keep the same rate in the dollar as 2016/17, for the UV Category.

Background

The day before the Special Meeting of Council on 28 July 2017, the Shire President and Acting CEO received correspondence from Michael Connolly the Deputy Director of the Department of Local Government, Sport and Cultural Industries (DLGSCI) advising Council that they believed that the proposed approach (to have a single UV Rate Category and provide for a concession for Pastoral and UV Tourist Operators) was an inappropriate use of the purpose of concessions, which, by extension, could be seen as attempting to subvert their role in approving the Shire's differential rates.

ATTACHMENT 7.1A

The Shire responded to the Department's correspondence advising an alternative recommendation would be proposed to Council including (i) deferral of Budget adoption; (ii) re-advertising of the rates with a differential rate for UV in structure very similar to last year (a 1.75% increase across the board and proposed to close at 12 noon on 21 August, and that as a result of this, will require Ministerial approval due to the provisions of Section 6.33 (3) of the

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Act; and (iii) approve an application being made to the Minister for the rates proposed and endorsed at the meeting.

ATTACHMENT 7.1B

Comment

Following on from that at the 28 July SMC, Council authorised the Acting CEO to re-advertise the 2017/18 proposed differential rates without the single UV Rate Category. This category was to be replaced by a UV Pastoral and UV Tourism category. Also the Objects and Reasons were revised to accommodate this change.

ATTACHMENT 7.1C

Additionally Council considered the following in the amended rating differential rates proposed:

1. The Budget deficiency (without levying the rates at the level indicated) including the likelihood and severity of potential valuation appeals and fluctuations in mining tenements; and
2. The Budget efficiency and savings measures and additional facilities being constructed as detailed within the report; and
3. The Corporate Business Plan and Long Term Financial Plan 2017; and
4. The Rating Strategy 2017; and
5. The request of the Department of Local Government, Sport and Cultural Industries dated 27 July 2017.

The following 2017/18 Proposed Differential Rates were advertised in The West Australian on Saturday 29 July as well as exhibited on public notice boards in accordance with Section 1.7 of the Local Government Act 1995:

ATTACHMENT 7.1D

Rate Code Description	16/17 Rate in the \$	17/18 Rate in the \$	Change YOY	General Minimum	Lesser Minimum
GRV Residential/Community	0.050961	0.051853	1.75%	830.00	622.50
GRV Commercial/Industrial/Tourism	0.051060	0.051954	1.75%	1037.50	NA
UV Pastoral	0.060154	0.060154	0%	1037.50	NA
UV Tourism	0.162445	0.162445	0%	1037.50	NA
UV Mining/Industrial	0.382467	0.382467	0%	1037.50	NA

The rate revenue level is based on an increase in the rate in the dollar for GRV Category of 1.75 per cent on 2016/17 levels and no increase on 2016/17 levels for the UV Category. The proposed rates model will yield \$34,408,479 before concessions of \$272,147 with total amounts raised from General Rates of \$34,136,332.

ATTACHMENT 7.1E

Valuations

The valuations used in the proposed rates model have not altered since the 18 July OMC. The following table indicates there has been a significant increase from 2016/17 valuations in the UV Mining/Industrial category with one property in particular accounting for the large increase (from \$1,965,000 to \$13,808,000). Changes to UV Pastoral are due to several properties.

Rate Category	2016/17 Valuations	1/8/17 Valuations	Var. \$	Var. %
GRV Residential/Community	81,859,669	85,438,414	3,578,745	4.37%
GRV Commercial/Industry/Tourism	20,543,069	20,548,404	5,335	0.03%
UV Mining/Industrial	60,318,949	73,482,703	13,163,754	21.8%
UV Pastoral	6,316,147	6,650,147	334,000	5.29%
UV Tourism	345,000	345,000	0	0.00%
Non-Rateable	1,773,650	1,773,650	0	0.00%
Total Valuation	169,382,834	188,238,318	12,703,214	7.00%

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Concessions

The Rating Strategy adopted by Council at the June OMC included the granting of a Concession on Application for Pastoral and Tourism property owners. It is now not intended to grant this concession. Concessions however for GRV Residential are intended to be granted.

Submissions

The following submissions were received in the period Wednesday 29 July and Monday 21 August 2017:

1. Chevron Australia Pty Ltd

Indicates the Supporting Statement of Rating Information for 2017/18 does not acknowledge:

- (i) The additional contribution to the Shire by Chevron; and
- (ii) Does not acknowledge the unique circumstances of Chevron's operations particularly on Barrow Island which have no impact on the Shire.

It is noted within the submission that Chevron has committed more than \$250 million to social and critical infrastructure for the Onslow community.

The submission goes further to emphasise the self-sufficiency of operations run by Chevron in particular bearing all associated costs in relation to the Wheatstone and Barrow Island projects.

In relation to applying the rating principles to the abovementioned Chevron claims the rationale of the Objects and Reasons to be inequitable given the Shires objective to *'raise a higher level of rate revenue from mining and related infrastructure properties than from other UV General category properties to contribute toward current and future costs associated with the provision of civil infrastructure for services and facilities including, but not limited to, transport, recreation, community etc. '*

Finally Chevron recommends no increase to the current rate for UV Mining/Industrial ratepayers.

A copy of their submission is attached.

ATTACHMENT 7.1F

In respect to the submission by Chevron Australia Pty Ltd, when new developments occur, it could be considered in a similar manner to a new shopping centre or a new suburb coming on-line in Perth. This is natural growth occurring within our district and the rate in the dollar is consistent with that paid in the past (and proposed for 2017/18) that other similar ratepayers will be levied.

The Shire is very appreciative of the \$250 million contribution to social infrastructure, but only 26% is applicable to Shire infrastructure and assets. Once these assets have been constructed it is the Shire's responsibility to operate and maintain those assets. The natural growth that occurs within our district assists in building, operating and maintaining those assets.

It is considered that natural resource projects have significant impacts on town sites, even when located some distance away. This occurs as a result of additional demands being made on Shire services; either directly as a result of activities generated by the facilities themselves, or indirectly as a result of the needs of town based supporting businesses.

Consultation

Acting Chief Executive Officer
Finance Manager
Management Reporting Coordinator
Rates Officer

Statutory Environment

The Local Government Act 1995 following sections apply:

- S 6.32 provides Council with the power to apply rates to property;
- S 6.33 provides Council with the power to apply differential general rates although Ministerial approval is required where a Differential Rate is more than twice the lowest differential rate to be applied;
- S 6.35 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;
- S 6.36 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;
- S 6.47 indicates that a local government may resolve to waive or grant a concession for a rate or service charge (absolute majority required). In addition, Regulation 69A of the Local Government (Financial Management) Regulations 1996 also specifies that 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);
- S 5.63 (1) (b) specifically excludes the need for Elected Members to 'Declare a Financial Interest' in imposing a rate, fee or charge.

Local Government (Financial Management) Regulations 1996 Part 5.

The Department of Local Government and Communities prepared a Rating Policy in March 2016 giving guidance on Legislation (the Act S 6.33 and Financial Regulations 52A), the five key principles and the steps involved in submitting an Application to the Minister, if an application is / was required.

Financial Implications

The proposed Differential Rates will raise rate revenue of \$34,408,479 before proposed concessions of \$272,147 are granted. Total amount raised from General Rates for 2017/18 will be \$34,136,332. The Long Term Financial Plan (LTFP) rate revenue level is \$29,874,277.

The difference between the total amount raised from General Rates and the LTFP rate revenue level is proposed to be transferred to the Financial Risk Reserve in accordance with the Rating Strategy recommendations. This is complemented by the fact that there exists a single large ratepayer that is currently appealing last years UV valuation that, if successful could significantly reduce rate income this year and indeed require back rates to be refunded. The result of this appeal to the State's' State Administrative Tribunal, is not expected to be finalised until approximately November 2017. Thus, the Financial Risk Reserve will create a buffer to shield the Council's income from the effects of a potentially large single valuation reduction, which would have a significant impact on forecast revenues, and severely undermine a balanced Budget approach and pose an extreme financial risk under Council's risk matrix.

Strategic Implications

Shire of Ashburton 10 year Strategic Community Plan 2017-2027
Goal 5 – Inspiring Governance
Objective 1 – Effective Planning for the Future

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Risk Management

This item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "High". As a high risk item the Director Corporate Services is monitoring the issue closely.

Policy Implications

There are no policy implications.

Voting Requirement

Simple Majority Required

Officers Recommendation and Council Decision

MOVED: Cr L Rumble

SECONDED: Cr D Diver

That with respect to the proposed 2017/18 Differential Rates, Council:

- 1. Note the submission received and endorse the officer comments addressing the concerns contained within the report; and**
- 2. Consider during 2017/18 Budget deliberations adopting the 2017/18 Differential Rates with a 1.75% increase on 2016/17 rates in the dollar levels for GRV category and an increase on the same rate in the dollar on 2016/17 for the UV category as follows;**

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UV Tourism	0.162445	0.162445	0%	1037.50	NA
UV Mining/Industrial	0.382467	0.382467	0%	1037.50	NA

- 3. Acknowledge the Budget efficiency and savings measures as reported to the Special Council Meeting of 28 July 2017; and**
- 4. Acknowledge the reason why the rates in the dollar were revised was due to the Department of Local Government, Sport and Cultural Industries request to do so; and**
- 5. Acknowledge the proposed Differential Rates aligns with the principles of the advertised 2017 Property Rating Strategy and the advertised 2017-32 Long Term Financial Plan; and**
- 6. Authorise the submission of a differential rates application to the Minister for Local Government, Sport and Cultural Industries for approval based on the above; and**
- 7. Note that the Special Meeting of Council, scheduled for the 30 August 2017 to consider adoption of the 2017/18 Budget, assumes that the Council will have received the approval of the Minister for Local Government, Sport and Cultural Industries before that date and time.**

CARRIED 6/0

Councillors Rumble, Gallanagh, Foster, Diver, Lynch and White voted for the motion

8. NEXT MEETING

The next Special Meeting of Council will be held on Wednesday 30 August 2017 at the Council Chambers, Onslow Shire Complex, Second Avenue, Onslow commencing at 7.15 pm.

9. CLOSURE OF MEETING

The Presiding Person closed the meeting at 7.15 pm.