



TOWN OF PORT HEDLAND

NOTICE OF MEETING AND AGENDA SPECIAL COUNCIL MEETING

10 JULY 2017 AT 5:30PM

**COUNCIL CHAMBERS, MCGREGOR STREET,
PORT HEDLAND**

Agenda Item:

1. *Rating Strategy for the GRV Commercial/Industrial Vacant Category*

**“A nationally significant, friendly city that people are proud
to call home”**

*David Pentz
Chief Executive Officer*

Distribution Date: 5 July 2017

DISCLOSURE OF FINANCIAL/ IMPARTIALITY/ PROXIMITY INTERESTS

*Local Government Act 1995 – Section 5.65, 5.70 and 5.71
Local Government (Administration) Regulation 34C*

<i>This form is provided to enable members and officers to disclose an Interest in a matter in accordance with the regulations of Section 5.65, 5.70 and 5.71 of the Local Government Act and Local Government (Administration) Regulation 34C</i>	
Name of person declaring the interest	
Position	
Date of Meeting	
Type of Meeting (Please circle one)	Council Meeting - Committee Meeting - Special Council Meeting Workshop - Public Agenda Briefing - Confidential Concept Forum

Interest Disclosed	
Item Number and Title	
Reason for Interest	
Type of Interest (please circle one)	Financial Proximity Impartiality

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Reason for Interest	
Type of Interest (please circle one)	Financial Proximity Impartiality

Interest Disclosed	
Item Number and Title	
Reason for Interest	
Type of Interest (please circle one)	Financial Proximity Impartiality

Signature: _____

Date: _____

Important Note: Should you declare a **Financial** or **Proximity** Interest, in accordance with the Act and Regulations noted above, you are required to leave the room while the item is being considered.

For an **Impartiality** Interest, you must state the following prior to the consideration of the item:

“With regard to agenda item (read item number and title), I disclose that I have an impartiality interest because (read your reason for interest). As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly.”

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Item 1 Opening of Meeting

The Mayor declared the meeting open at ___ pm.

Item 2 Acknowledgement of Traditional Owners

The Mayor acknowledges the traditional custodians, the Kariyarra people and recognises the contribution of Kariyarra elders past, present and future, in working together for the future of Port Hedland.

Item 3 Recording of Attendance

3.1 Attendance

Mayor Camilo Blanco
 Deputy Mayor Troy Melville
 Councillor Jan Gillingham
 Councillor David Hooper
 Councillor Julie Arif
 Councillor Louise Newbery
 Councillor Richard Whitwell
 Councillor Lincoln Tavo

3.2 Apologies

Nil

3.3 Approved Leave of Absence

Councillor David Hooper

3.4 Request to attend meeting via Telephone
OFFICER RECOMMENDATION

That Council approve Councillor Jan Gillingham's attendance to the Special Council Meeting being held on Monday 10 July 2017 at 5:30pm via telephone while she is in Perth, Western Australia as per 14A of *Local Government (Administration) Regulations 1996*.

ABSOLUTE MAJORITY VOTE REQUIRED

3.5 Disclosure of Interests

Name	Item no.	Interest	Nature

Item 4 Attendance by Telephone/Instantaneous Communications

Councillor Jan Gillingham has requested to attend meeting via telephone as per above recommendation.

Item 5 Public Time

Important note:

'This meeting is being recorded on audio tape as an additional record of the meeting and to assist with minute-taking purposes which may be released upon request to third parties. If you do not give permission for recording your participation please indicate this at the meeting. The public is reminded that in accordance with Section 6.16 of the Town of Port Hedland Local Law on Standing Orders nobody shall use any visual or vocal electronic device or instrument to record the proceedings of any meeting unless that person has been given permission by the presiding member to do so. Members of the public are also reminded that in accordance with section 6.17(4) of the Town of Port Hedland Local Law on Standing Orders mobile telephones must be switched off and not used during the meeting.'

In accordance with section 6.7(3) of the Town of Port Hedland Local Law on Standing Orders, members of the public are required to complete a question form and place the completed form in the tray provided.

5.1 Public Question Time**5.2 Public Statement Time**

Item 6 Questions from Members without Notice

Item 7 Declarations of All Members to Have Given Due Consideration to All Matters Contained in the Business Paper before the Meeting

The following Elected Members declared that they had given due consideration to all matters contained in the agenda:

Disclaimer

Members of the public are cautioned against taking any action on Council decisions, on items on this evening's Agenda in which they may have an interest, until formal notification in writing by the Town has been received. Decisions made at this meeting can be revoked, pursuant to the Local Government Act 1995.

Item 8 Reports of Officers

8.1 Executive Services**8.1.1 Rating Strategy for the GRV Commercial/Industrial Vacant Category**

File No: 24/04/0002
Applicant/ Proponent: N/A
Subject Land/ Locality: N/A
Date: 4 July 2017
Author: Robert Leeds, Director, Development Sustainability and Lifestyle
Authorising Officer: David Pentz, Chief Executive Officer
Disclosure of Interest from Author: Nil
Authority/Discretion: Advocacy
 Executive
 Legislative
 Quasi-Judicial
 Information Purposes

Attachments:

1. Email received from the Department of Local Government, Sport and Cultural Industries
-

OFFICER RECOMMENDATION

That with respect to the proposed 2017/18 differential rates, Council:

- 1. Amend the proposed differential rate for the category GRV Commercial/Industrial vacant to 6.155**
- 2. Reduce the minimum rate for GRV Commercial/Industrial vacant to \$1,180**
- 3. Advise the Department of Local Government, Sport and Cultural Industries of the change and withdraw the category from the Ministerial approval process;**
- 4. Advise property owners in the category of the proposed changes.**

SIMPLE MAJORITY VOTE REQUIRED

EXECUTIVE SUMMARY

Council adopted the proposed differential rates for 2017/18 at a Special Council Meeting on 6 June 2017. Following submission to the Department of Local Government, Sport and Cultural Industries for approval, feedback has been received that the justification for the new category GRV Commercial/Industrial – Vacant was not sufficient to be supported. Officers have reviewed the proposed rates and are proposing to reduce the rate in the dollar to a level that does not require Ministerial approval in order to expedite the 2017/18 budget process.

DETAIL

The 2017/18 differential rates were adopted by Council at a Special Council Meeting on 6 June 2017, following a public consultation period. The adopted rates were subsequently submitted to the Department of Local Government, Sport and Cultural Industries for Ministerial approval of rating categories which have differential rates of more than two times the minimum rate. Feedback has been received from the department that the proposed rates for the newly established rating category for GRV Commercial/Industrial – Vacant will not be supported for by the Department for Ministerial approval. Departmental officers have indicated they have no issues with any other proposed categories.

In order to encourage development in the Town, Council created a new rating category for 17/18 for vacant commercial and industrial land, reflecting common practice in local governments. A high rate in the dollar of 11.0852 was set for this category in order to encourage the land holders to make productive use of the land. The object and reason for the rating of this category were stated as follows:

The Commercial and Industrial - Vacant category covers all land identified as vacant for properties zoned as commercial or industrial under the Town Planning Scheme.

OBJECT:

The object of this differential rate is to encourage commercial and industrial land owners to develop vacant land.

REASONS (why the rate differs from other categories):

The reason is vacant land is often unsightly and unkempt, and is at risk of being used for illegal dumping of rubbish and other illegal purposes which can be a burden on the residents of the Town. Town of Port Hedland considers the development of vacant commercial and industrial land to be in the best interests of the community as it will increase the street appeal and vibrancy of town centres and encourage local businesses further improving and strengthening the economy.

As the rate in the dollar set for this category exceeded two times the minimum rate, this category was submitted to the Minister for Local Government for approval. Discussions have been had with the Department of Local Government, Sport and Cultural Industries about the progress of our submission and the likelihood of Ministerial approval being granted. Feedback has been received that the justification for the new category GRV Industrial and Commercial is not sufficient enough to receive Ministerial approval prompting this review of the RID for this category.

In order to fulfil the policy objects of establishing this rating category, officers have proposed to set the rate in the dollar at the maximum amount below the Ministerial approval threshold which is 6.155. In order to meet the regulatory requirement to have fewer than half the properties in the category on the minimum rate, officers have proposed to also reduce the minimum rate to \$1180.

Previous Decisions**CM201617/230**

That with respect to the 2017/18 Rating Strategy, Council:

1. Consider the 25 submissions that have been received regarding the advertised 2017/18 Differential Rating Model, with a summary provided in Attachment 1, and all submissions being provided in full detail as per Attachment 2 (under confidential cover) to this report;
2. With respect to the public submissions, pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the Local Government Act 1995, endorse the following differential general rates and minimum payments on Gross Rental and Unimproved Values with the view of striking these rates as part of the 2017/18 Budget adoption:

Rate Category	Rate in Dollar (expressed as cents in \$)	Minimum Payment
GRV Residential	5.5426	\$1,350
GRV Commercial	4.1897	\$2,000
GRV Industrial	3.4411	\$2,000
GRV Commercial & Industrial - Vacant	11.0852	\$2,000
GRV Mass Accommodation	26.0000	\$2,000
GRV Tourist Accommodation	11.7197	\$2,000
UV Mining	37.9250	\$270
UV Other	21.0000	\$2,000
UV Pastoral	10.5449	\$2,000

3. Endorse the 2017/18 Statement of Objects & Reasons as per Attachment 3.
4. Request that the Chief Executive Officer, or the officer's delegate(s), seek approval from the Minister for Local Government and Communities for the Town's application of the above 2017/18 Differential Rating Model as proposed, with respect to:
 - a) Rate in the Dollar for the GRV Mass Accommodation (26.0000), GRV Commercial & Industrial Vacant Land (11.0852) and Tourism Accommodation (11.7197) categories, due to them being more than two times the lowest Rate in the Dollar for the GRV Industrial rate category (3.4411), and
 - b) Rate in the Dollar for the UV Mining (37.9250) category, due to them being more than two times the lowest Rate in the Dollar for the UV Pastoral (10.5449) category.

Engagement and Communications

Five of the twenty-five submissions received in the public consultation process were from rate payers in the new category, with all objecting.

LEGISLATION AND POLICY IMPLICATIONS

- Section 6.33 of the Local Government Act 1995 – Differential General Rates;
- Section 6.35 of the Local Government Act 1995 – Minimum Payments;
- Section 6.36 of the Local Government Act 1995 – Giving Notice;
- Section 6.26 of the Local Government Act 1995 – Non-rateable land;

The Department of Local Government and Communities has prepared a number of relevant Rating Policies that local governments must consider and comply with:

- Rating Policy – Giving Notice (section 6.36 of the Local Government Act 1995) June 2015;
- Rating Policy – Minimum Payments (section 6.35 of the Local Government Act 1995) March 2016;
- Rating Policy – Differential Rates (section 6.33 of the Local Government Act 1995) March 2016;
- Rating Policy – Rate-able Land (section 6.26 of the Local Government Act 1995) August 2013.

FINANCIAL IMPLICATIONS

The impact of this change is a reduction to the rates yield of \$235,809. The total rating yield will reduce from \$25,317,484 to \$25,081,675, representing a reduction of just under one per cent overall.

STRATEGIC AND RISK IMPLICATIONS

Environmental

There are no significant identifiable environmental impacts arising from adoption of the officer's recommendation.

Economic

There are no significant identifiable economic impacts arising from adoption of the officer's recommendation.

Social

There are no significant identifiable social impacts arising from adoption of the officer's recommendation.

Financial

There is a risk that the Minister will not approve the differential rates which will delay adoption of the budget and the 2017/18 expenditure program.

Strategic

Rates are an essential income for Council to fund the Town's vision to become a nationally significant friendly city that people are proud to call home and to provide services and facilities vital to building a unified and vibrant community, supporting a diverse economy, balancing our built and natural environment leading our community.

Risk

There is a risk rating of Medium (8) assigned to the risk that the differential rates are not accepted by the Minister and the budget cannot be adopted.

OPTIONS

Option 1 - Adopt Officers Recommendation

Option 2 - Amended Officers Recommendation

That with respect to the proposed 2017/18 differential rates, Council:

- 1. Amend the proposed differential rate for the category GRV Commercial/Industrial vacant to (insert amount)**
- 2. Reduce the minimum rate for GRV Commercial/Industrial vacant to (insert amount)**
- 3. Advise the Department of Local Government, Sport and Cultural Industries of the change and withdraw the category from the Ministerial approval process;**
- 4. Advise property owners in the category of the proposed changes.**

Option 3 – Do not adopt Officers Recommendation

That with respect to the proposed 2017/18 differential rates, Council:

1. Continue with the Ministerial approval process with the proposed differential rates for GRV Commercial/Industrial – Vacant as previously endorsed.

CONCLUSION

The Minister for Local Government's approval of differential rates that are greater than two times the minimum rate is critical to the Town adopting the 2017/18 budget. Although there is a loss of income and the policy objectives for applying a higher rate in the dollar to vacant industrial and commercial land are sound, re-submitting a rate in the dollar that does not require Ministerial approval will expedite the approval process allowing Council to adopt the 2017/18 budget sooner.

ATTACHMENT 1 TO ITEM 8.1

From: [REDACTED]
Sent: Monday, 3 July 2017 2:48 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: Differential rates

Good afternoon David

Further to our discussion last week on your differential rates application, I wanted to confirm with you the discussions I have had regarding the GRV Commercial/Industrial – Vacant category.

Based on the Objects and Reasons that have been provided, there is nothing that justifies a rate in the dollar of 11.0852 cents for that vacant category. There is also nothing that justifies the significant increase those ratepayers will receive as a result.

A reduction to less than two times the lowest (for example 6 cents) is not going to have a large impact on the overall rates budget, even with a reduction in the minimum payment amount to meet the required 50% threshold.

This will need to be reconsidered by Council.

Please let me know if you would like to discuss.

Regards

[REDACTED]
Senior Legislation and Strategy Officer – Local Government

Department of Local Government, Sport and Cultural Industries
140 William Street, Perth WA 6000
PO Box R1250, Perth WA 6844

Telephone [REDACTED]
Email [REDACTED]
Web www.dlgsc.wa.gov.au



Our new Department combines the:

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- Department of Sport and Recreation

- Department of Culture and the Arts
- Department of Racing, Gaming and Liquor
- Office of Multicultural Interests
- Aboriginal History Research Unit (formerly with Department of Aboriginal Affairs).

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Item 9 Matters for Which Meeting May Be Closed (Confidential Matters)

Item 10 Closure

10.1 Date of Next Meeting

The next Ordinary Meeting of Council will be held on Wednesday 26 July 2017, commencing at 5:30pm, with the Public Agenda Briefing being held on Wednesday 19 July 2017, commencing at 5:30pm.

10.2 Closure

There being no further business, the Mayor declared the meeting closed at ___pm.