



TOWN OF PORT HEDLAND

SPECIAL COUNCIL MEETING MINUTES

MONDAY 30 MAY 2016 AT 5:30PM

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

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

*M.J. (Mal) Osborne
Chief Executive Officer*

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Item 1 Opening of Meeting

The Mayor declared the meeting open at 5:32pm.

Item 2 Acknowledgement of Traditional Owners

The Mayor acknowledged the traditional owners and custodians, the Kariyarra people.

Item 3 Recording of Attendance**3.1 Attendance**

Mayor Kelly Howlett
Councillor Camilo Blanco
Councillor Jan Gillingham
Councillor David Hooper
Councillor Julie Arif
Councillor Louise Newbery
Councillor Richard Whitwell
Councillor Lincoln Tavo

Officers	
Mal Osborne	Chief Executive Officer
Chris Linnell	Director Community and Development Services
Brendan Smith	Director Works and Services
Dale Stewart	Acting Director Corporate Services
Peter Kocian	Executive Officer
Grace Waugh	Minute Taker/ Coordinator Governance

Public	3
Media	1
ToPH Officers	4

3.2 Apologies

Councillor Troy Melville

3.3 Approved Leave of Absence

Nil

3.4 Disclosure of Interests

Nil

Item 4 Response to Previous Questions

Not applicable

Item 5 Applications for Leave of Absence

Nil

Item 6 Attendance by Telephone/Instantaneous Communications

Not applicable

Item 7 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.'

The Mayor opened Public Question Time at 5:34pm.

7.1 Public Question Time

Nil

The Mayor closed Public Question Time at 5:34pm.

The Mayor opened Public Statement Time at 5:34pm.

7.2 Public Statement Time

Nil

The Mayor closed Public Statement Time at 5:34pm.

Item 8 Questions from Members without Notice**8.1 Councillor Gillingham**

Elected Members received the draft agenda item for tonight's meeting on Saturday evening and the confirmed agenda on Sunday afternoon. Why was there not a briefing on the agenda before the meeting?

The Chief Executive Officer advised that Town officers were working on the agenda item and modelling until late Saturday evening. The draft documents were sent to Elected Members on Saturday so that Elected Members had the base level of information as early as possible with

the final agenda distributed on Sunday afternoon. Elected Members have the option to suspend Standing Orders to have a general discussion on the item. Council need to move forward with setting the budget and endorsing the advertising of the proposed rates in the dollar at the earliest opportunity otherwise the budget adoption will be later than desired.

Some of the attachments to the item were not able to be read until today as some Elected Members were working. Could the meeting have been moved to allow for a briefing rather than having to suspend Standing Orders?

The Mayor advised that there have been preliminary discussions and workshopping with Elected Members on the setting of rates. The Deputy Mayor facilitated a discussion on the setting of rates and had all staff leave the room to discuss it. Elected Members have the opportunity to suspend Standing Orders tonight if desired. The item tonight is only for the advertising of the rates in the dollar; the rates are not fixed. In previous years the rate in the dollar has been changed based on public feedback. It is important to advertise the proposed rates in the dollar so the community can have the opportunity to provide comment.

Item 9 Declarations of All Members to Have Given Due Consideration to All Matters Contained in the Business Paper before the Meeting

Mayor Howlett	Councillor Arif
Councillor Blanco	Councillor Newbery
Councillor Gillingham	Councillor Whitwell
Councillor Hooper	Councillor Tavo

It was noted some of the Elected Members had not read some of the attachments to item 12.1.1 'Rating Strategy 2016/17'.

Item 10 Confirmation of Minutes of Previous Meeting

Not applicable

Item 11 Announcements by Presiding Member without Discussion

Nil

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 12 Reports of Officers**12.1 Corporate Services****12.1.1 Rating Strategy 2016/17**

Author: Dale Stewart, Acting Director Corporate Services

Authorising Officer: Mal Osborne, Chief Executive Officer

File No.

DISCLOSURE OF INTEREST BY OFFICER

Nil

RECOMMENDATION/MOTION

MOVED: CR ARIF

SECONDED: CR WHITWELL

That with respect to the 2016/17 proposed Rating Strategy, Council:

- 1. Endorse the Statement of Rating Objects and Reasons for the 2016/17 rating year as presented;**
- 2. Endorse the following proposed Differential General Rates and Minimum Payments for the Town of Port Hedland for the 2016/17 rating year:**

Rate Category	Rate in Dollar (expressed as cents in \$)	Minimum Payment
GRV Residential	5.4074	\$1,260
GRV Commercial	4.0875	\$1,260
GRV Industrial	2.7529	\$1,260
GRV Mass Accommodation	26.0000	\$1,260
GRV Tourist Accommodation	11.4339	\$1,260
UV Mining	40.0000	\$260
UV Other	21.0000	\$1,260
UV Pastoral	21.0000	\$1,260

- 3. Endorse a public consultation process on the proposed 2016/17 differential general rates and general minimum rates as follows:**
 - State-wide and local public notice on Wednesday 1 June 2016 as per the requirements of section 6.36 of the Local Government Act 1995 and contained in the Department of Local Government and Communities Rating policy 'Giving Notice';**
 - Individual ratepayer consultation (letters and invitation to a briefing session) for all ratepayers in general rate categories with less than 30 rateable properties.**
- 4. Note that following the submission period, a final report will be presented to Council considering ratepayer submissions, and Ministerial Approval will be required to impose the following differential general rates and general minimum payments as the proposed rates in the dollar are more than twice the lowest and/or there are minimum payments on more than 50% of vacant properties:**
 - GRV Tourist Accommodation (rate in the dollar)**

- GRV Mass Accommodation (rate in the dollar).

201516/263 AMENDMENT/COUNCIL DECISION**MOVED: CR BLANCO****SECONDED: CR TAVO**

That with respect to the 2016/17 proposed Rating Strategy, Council amend point 2 so that the UV Pastoral is 10.2877 is the rate in the dollar and a \$1,260 minimum payment and points 1 and 4 be amended to reflect this.

CARRIED 5/3

Record of Votes

For	Against
Councillor Blanco	Mayor Howlett
Councillor Gillingham	Councillor Hooper
Councillor Arif	Councillor Whitwell
Councillor Newbery	
Councillor Tavo	

201516/264 AMENDED MOTION/COUNCIL DECISION**MOVED: CR ARIF****SECONDED: CR WHITWELL**

That with respect to the 2016/17 proposed Rating Strategy, Council:

1. Endorse the Statement of Rating Objects and Reasons for the 2016/17 rating year as presented, as amended;
2. Endorse the following proposed Differential General Rates and Minimum Payments for the Town of Port Hedland for the 2016/17 rating year:

Rate Category	Rate in Dollar (expressed as cents in \$)	Minimum Payment
GRV Residential	5.4074	\$1,260
GRV Commercial	4.0875	\$1,260
GRV Industrial	2.7529	\$1,260
GRV Mass Accommodation	26.0000	\$1,260
GRV Tourist Accommodation	11.4339	\$1,260
UV Mining	40.0000	\$260
UV Other	21.0000	\$1,260
UV Pastoral	10.2877	\$1,260

3. Endorse a public consultation process on the proposed 2016/17 differential general rates and general minimum rates as follows:
 - State-wide and local public notice on Wednesday 1 June 2016 as per the requirements of section 6.36 of the Local Government Act 1995 and contained in the Department of Local Government and Communities Rating policy 'Giving Notice';
 - Individual ratepayer consultation (letters and invitation to a briefing session) for all ratepayers in general rate categories with less than 30 rateable properties.

4. Note that following the submission period, a final report will be presented to Council considering ratepayer submissions, and Ministerial Approval will be required to impose the following differential general rates and general minimum payments as the proposed rates in the dollar are more than twice the lowest and/or there are minimum payments on more than 50% of vacant properties:
- GRV Tourist Accommodation (rate in the dollar)
 - GRV Mass Accommodation (rate in the dollar)
 - UV Mining (rate in the dollar)
 - UV Other (rate in the dollar)

***THE AMENDED MOTION BECAME THE SUBSTANTIVE
MOTION WHICH WAS PUT AND CARRIED 5/3***

Record of Votes

For	Against
Mayor Howlett	Councillor Blanco
Councillor Hooper	Councillor Gillingham
Councillor Arif	Councillor Tavo
Councillor Newbery	
Councillor Whitwell	

FORESHADOWED MOTION

MOVED: MAYOR HOWLETT

That Council note that in considering committed and forecast expenditures, combined with endeavouring to reduce its reliance on dividends likely to be required from the Airport Wealth Management Fund, that the Council has introduced the following efficiency measures as part of the 2016/17 Budget Strategy:

- a) That the Budget will be based on zero based budgeting;
- b) Realigning the organisation's structure to be able to better identify and quantify risk and process improvements and bringing about an estimated \$3M per year in ongoing savings in employee costs in comparison to the 2015/16 financial year;
- c) Requiring all Business Units to prepare and consider for Council's adoption a Business Plan for its continuing operations that will incorporate recommended service levels;
- d) Adoption of an Airport Wealth Management Framework by 31 December 2016 and;
- e) That the organisation tasks the Chief Executive Officer to identify other savings and efficiencies for consideration during the course of the financial year including a comprehensive service level review.

201516/265 COUNCIL DECISION

MOVED: CR GILLINGHAM

SECONDED: CR HOOPER

That Council suspend sections 9.4, 9.5 and 9.9 of the Standing Orders Local Law 2014 in accordance with section 18.2 'Suspension of Standing Orders' to discuss item '12.1.1 Rating Strategy 2016/17.

CARRIED BY ABSOLUTE MAJORITY VOTE 8/0

6:27pm Mayor advised that sections 9.4, 9.5 and 9.9 of the Standing Orders Local Law are suspended.

201516/266 COUNCIL DECISION

MOVED: CR BLANCO

SECONDED: CR WHITWELL

That Council resume sections 9.4, 9.5 and 9.9 of the Standing Orders Local Law 2014.

CARRIED 8/0

6:43pm Mayor advised that sections 9.4, 9.5 and 9.9 of the Standing Orders Local Law are resumed.

The Mayor withdrew the foreshadowed motion after the discussion.

EXECUTIVE SUMMARY

This report follows a number of workshops with Elected Members whereby Officers were requested to create a 2016/17 rating model that provided for a 5% reduction in rates for the Residential, Commercial and Industrial rate categories. In accordance with that direction, this report recommends that Council endorse the Statement of Rating Objects and Reasons and advertise the proposed Differential General Rates and General Minimum Payments for public comment, as required by section 6.36 of the *Local Government Act 1995*.

DETAILED REPORT

Background

Rate revenue is a substantial source of discretionary revenue for the Town of Port Hedland, accounting for approximately one third of operating revenue in the 2016/17 Budget. The *Local Government Act 1995* (the Act) empowers local governments to impose differential general rates and minimum payments on rateable land.

The Town of Port Hedland has adopted a differential general rate and general minimum payment for a number of years. The imposition of differential rates represents a conscious decision by a Council to redistribute the rate burden in its district by imposing a higher impost on some ratepayers and a lower impost on others.

The overall objective of a rating model is to provide for the net funding requirements of the Town's services, activities, financing costs and the current and future capital requirements of the Town as outlined in the Strategic Community Plan and Corporate Business Plan. Asset management is a significant challenge for all local governments in Western Australia and any rating model must also support asset renewal and replacement requirements in line with defined service levels.

Pursuant to section 6.36 of the *Local Government Act 1995*, local governments are required to give a minimum period of 21 days' notice of the proposed differential general rates and minimum payments and to consider any submissions received. The proposed differential general rates and minimum payments can then be imposed, with or without modifications.

Under the Act, the Minister for Local Government is required to approve the following in relation to rates:

- The imposition of a differential general rate which is twice the lowest differential general rate imposed by a local government;
- A minimum payment on vacant land that does not comply with legislative provisions;
- Changes in the method of valuation of land; and
- In some instances, land exempt from rates.

The Department of Local Government and Communities has developed policies and application forms to ensure that local governments provide all the necessary information.

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 payments;
- 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 a differential rate 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 that land was last revalued by the Valuer General;
- Whether the proposed differential rates align with the rating strategies in the Corporate Business Plan and/or Long Term Financial Plan;
- Details on the consultation that has occurred, including the Council's response.

This information is to be supported by a number of matters, being:

1. A Statement of the Objects and Reasons for each proposed rate;
2. An extract of the public notice from the relevant newspaper (to include the Statement of Objects and Reasons);
3. Any other communication with landowners/ratepayers;
4. Copies of any submissions/objections that have been received;
5. The Council's response to these;
6. Officer's report to Council;
7. Relevant Council minutes;
8. Council resolution; and
9. The Town's Rating Strategy.

2016/17 Budget Proposal

The following are the proposed Differential General Rates and Minimum Payments for the Town of Port Hedland for the 2016/17 financial year, to be effective from 1 July 2016.

Rate Category	Rate in Dollar (expressed as cents in \$)	Minimum Payment
GRV Residential	5.4074	\$1,260
GRV Commercial	4.0875	\$1,260
GRV Industrial	2.7529	\$1,260
GRV Mass Accommodation	26.0000	\$1,260
GRV Tourist Accommodation	11.4339	\$1,260
UV Mining	40.0000	\$260
UV Other	21.0000	\$1,260
UV Pastoral	21.0000	\$1,260

Consolidation has been able to be achieved with respect to UV Mining, Mining Exploration and Mining Other into one differential code however this is at the expense of the minimum having to be reduced from \$1,260 to \$260 to achieve statutory requirements in the model. This has lost \$200,000 of revenue from this consolidated category due to the need to maintain a maximum two to one differential in the RiD (which eliminates the need for Ministerial approval where the Minister's Office had previously questioned the Council's high RiD for Mining). This could be easily reverted to last years 'status quo' if desired.

The proposed rates model will yield \$23,985,828 in total rate revenue which is a **4.9% decrease** from the 2015/16 forecast and a **9% decrease** from the 2014/15 year actual rates revenues received (\$1.318M down from 2015/16 income and some \$2.318M down on 2014/15 income).

The objects and reasons for each of the above proposed rates are discussed in detail in Attachment 1 to this report – Statement of Rating Objects and Reasons.

This discussion paper will be released as part of the mandatory advertising requirements. Rather than repeat commentary in the body of this report, the following summary is provided:

- Gross Rental Values apply to the following differential general rate categories; Residential, Commercial (Shopping Centre), Industrial, Mass Accommodation, Tourist Accommodation;
- Unimproved Values apply to the following differential general rate categories; Mining, UV Other and UV Pastoral;
- Properties are rated according to Town Planning zonings and predominant land use with each having a separate calculated rate in the dollar to achieve greater equity across all sectors;
- The current Gross Rental Values have a date of valuation of 1 August 2014 and are in effect for a period of three financial years, being 15/16, 16/17 and 17/18.
- Unimproved Values are determined annually by the Valuer General and proposed rates have been calculated on provisional valuations provided with a date in force of 1 July 2016;
- The relative movement in valuations following the general revaluation in August 2014 between Industrial properties and Residential properties has resulted in the Industrial rate category becoming the lowest rate in the dollar for the calculation of rating differentials;
- The proposed rates model will yield \$23,985,828 in total rate revenue which is a 4.9% on 2016/17 year to date rate revenue which includes interim rate revenue raised.

- The Shopping Centre rates have been reduced to equalize to the Commercial such that one rate in the dollar has been achieved in the second year of the Rating Improvement Plan (RIP). This in itself has lost rate revenue from two ratepayers of a total of \$160,000 per annum, arguably at the expense of greater discount to household ratepayers, but is in accordance with the principles of the RIP (but having achieved it two years earlier). The officers view is that this RiD could easily be retained and the revenue retained (held at 2015/16 levels) as an alternative. The reduction is however in response to a submission received from Charter Hall that was considered by Council at the November 2014 Ordinary Council Meeting. It is however unusual, in the opinion of the officer, that Commercial / Shopping Centre zoning / land use is at a 'discount' (indeed a 50% discount) to the residential RiD (refer the attached 2015/16 WA Local Government Rate Comparison Report from Moore Stephens (Appendix 5)).

On the last point, there is perhaps merit in a conversation post the consideration of the 2016/17 Budget, to workshop whether a single GRV for commercial properties, with perhaps the exception being Mass Accommodation, is warranted. The principles of GRV are that it indeed is a progressive tax that is informed by valuation as assessed by an independent government valuer. It is by all definition, a progressive tax that is regulated by the 'ability to pay'. In other words the larger the house, or the larger the premises, the more the valuation in general terms, and the ability to pay – or service rates.

A differential rating system is often introduced to encourage, incentivize, or discourage activities, although the State Government continually sees fit to regulate how local government use those mechanisms through differential rating.

Subject to endorsement of the proposed rates model by Council, the proposed differential general rates and general minimum rates will be advertised in the West Australian newspaper and on the Town's website on Wednesday 1 June 2016 and the next edition North West Telegraph, inviting submissions to close on Wednesday 22 June 2016. This will achieve the required mandatory minimum 21 day advertising period. The Notice must also be placed on public notice boards and in all libraries. The Notice of Intention to Levy Differential Rates will be accompanied by the discussion paper Statement of Rating Objects and Reasons and be sent to all ratepayers where there is less than 30 in the category (Mass Accommodation, Tourist Accommodation, UV Other and UV Pastoral).

FINANCIAL IMPLICATIONS

The proposed rates model is expected to yield \$23,985,828 in total rate revenue which is a **4.9% decrease** from the 2015/16 forecast and a **9% decrease** from the 2014/15 year actual rates revenues received.

Taking into account Perth CPI for the previous two financial years, and forecast for the current year, the Council will have effectively reset the Towns major own source revenue, such that the previously proposed principles, timing and objectives underpinning the Strategic Community Plan, Growth Plan, Long Term Financial Plan (LTFP), Corporate Business Plan, Workforce Plan and Asset Management Plans will all need to be revisited. Of course, given the significant changes that have occurred in the state, regional and local economies, this is indeed something that needs to occur regardless of the decision around rates.

How this will correspond and translate into the impact on the LTFP with respect to the Town of Port Hedland's ability to meet its asset maintenance obligations and ability to fund new assets in the short term is yet to be modelled.

The Towns current financial health is 'adequate' (just above benchmark) in State and Regional comparisons, but by no means where the State Government and indeed officers of the Town would prefer it to be - in terms of the State Governments benchmarks for Asset Sustainability and Asset Renewal ratios in particular. A decision to reduce rates by 4.9% overall, and net reduction of income in terms of 2014/15 levels of 9%, will undoubtedly have a negative impact on the Council's financial ratios and reportable health and its ability to meet community and business expectations brought about in current long term planning documents.

Predominantly the risk with the Model as presented, relates to the uncertainty around the review of Mass Accommodation valuations currently being undertaken by Landgate Officers. If valuation are reduced by, say up to half, then rate income could be slashed for the next financial year by a further \$1.5M. The Towns officers may not receive those amended valuations for another 3-4 weeks. In the opinion of the officer, the only realistic option (for 2016/17 Budget adoption) would be to double the RiD for that category, despite what has been advertised, (and hope that the Minister approves it) or to reduce services to accommodate for the reduced income, or to reduce the proposed Budgeted Surplus position (of indicatively \$1.2M) – never a recommended strategy, given it highlights the Council's inability to service current liability commitments when they fall due at 30 June (the Current or Liquidity Ratio). A measure that if, you were a corporate business, you would be declared insolvent.

OPTIONS

Chief Executive Officer's Comments.

The Town of Port Hedland acknowledges that the economic climate has changed dramatically in recent times in Port Hedland, the Pilbara and many other parts of Australia.

Whilst acknowledging that point, local governments, especially the Town of Port Hedland, provide a fundamental role in creating communities by delivering a range of services that are not attractive to the private sector (i.e., they don't create profit). The Town runs facilities, programs, events and delivers a range of services that would be unlikely to occur in our community if the Town didn't provide them.

It must also be remembered that the Town is the custodian of approximately \$500 million worth of assets including roads, drains, buildings, fleet, parks and playgrounds, to name a few.

As new assets have been added to the Town's inventory over the last decade, the responsibility for inheriting the operational costs and the maintenance costs of new assets, gifted assets and renewed assets has rested with the Town.

Over the last three years, there has been a deliberate focus on providing a greater component of the Town's total revenue to be spent on existing assets. The Long Term Financial Plan and previous Rating Strategies identified specific increases which were to be isolated purely for asset management.

In setting the 2015/16 Budget, Council considered the economic climate, and determined that there would be no increase on the rate yield from the 2014/15 Budget year.

Staff have adjusted budgets to accommodate that fact of a zero increase in 2015/16.

As we review our Long Term Financial Plan, the absence of growth in our revenue translates into less expenditure on existing assets as well as seeing the asset renewal gap growing (the aggregated amount of funds required to bring all asset classes up to an appropriate standard).

Significant adjustments to one of the key expenditure areas of the Town, that being Staff costs have been made. A realignment of the Organisational Structure will see annual savings of approximately \$3 million achieved through savings in wages, superannuation, insurance, housing, etc.

At the same time, we have the revenue from the Transient Workforce Accommodation reducing (possible reduction of between \$1.0 to \$1.5M) interest revenue from our investments reducing (possible reduction of \$500,000), our Financial Assistance Grants expected to fall again in 2016/17 (estimated \$56,000 reduction), and like any other business, there are cost increases imposed on our business that the Town will incur (e.g. utilities, insurance, EBA costs.)

In my view, our assets will become far more vulnerable if Council elects to reduce the Town's revenue with it becoming increasingly more difficult to invest an appropriate amount into existing assets.

As we look ahead, Council remains committed to the Port Hedland Waterfront development that will add new maintenance costs and asset management costs to the Town's accounts. Elected members are also calling for the Town to be involved in the future repurposing of the Pilbara Institute as a key piece of Port Hedland community infrastructure.

I find it difficult to comprehend how the Town will be able to satisfactorily maintain its asset inventory if Council elects to reduce its rate revenue in 2016/17 as this reduction will manifest itself into a significant gap in the outer years.

In my opinion, the worst-case scenario for the Town of Port Hedland would be another year of zero rate growth (rates held at the same level as adopted for 2015/16).

STATUTORY 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

Council Policy 2/002 Budget Strategy - states that the Annual Budget is to be prepared based on concepts and assumptions in the Strategic Community Plan and Long Term Financial Plan.

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

1. Rating Policy – Giving Notice (section 6.36 of the Local Government Act 1995) June 2015. The public notice process should start on 1 May or shortly thereafter (cannot be prior); every differential general rate and or minimum payment that is intended to be imposed must be stated in the notice; a document must be prepared which states the objects of, and reasons for, each rate and minimum payment; the minimum period that ratepayers have to make submissions is 21 days; submissions received must be considered by Council; Ministerial approval must be obtained prior to rates being imposed otherwise the budget is invalid and rates imposed are not recoverable.

2. Rating Policy – Minimum Payments (section 6.35 of the Local Government Act 1995) March 2016. A minimum payment can be separately applied to GRV properties, UV properties or each differential rating category where differential rates are imposed. This is known as the general minimum for each category. Ministerial approval is required when a differential general rate is applied to land because it is vacant in the following circumstances: where the minimum payment is to be imposed on more than 50% of the UV or GRV properties in the district or on more than 50% of the properties in any differential rating category, unless the minimum is no more than \$200. If the land subject to the minimum is not vacant, there is no ministerial discretion to approve a local government imposing a minimum that applies to more than half of the properties.
3. Rating Policy – Differential Rates (section 6.33 of the Local Government Act 1995) March 2016. A differential rate occurs when categories of property within the UV or GRV land valuation methods are rated differently. A local government may impose differential general rates according to any, or a combination, of the following characteristics – the purpose for which the land is zoned, a purpose for which the land is held or used as determined by the local government, whether or not the land is vacant land. In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.
4. Rating Policy – Rateable Land (section 6.26 of the Local Government Act 1995) August 2013. Which land is rateable by a local government.
5. Rating Policy – Valuation of Land – Mining (sections 6.28 and 6.29 of the Local Government Act 1995) March 2016. This policy aims to provide guidance underpinning the Ministerial determination on the method of valuation of land for rating purposes where that land is subject to a mining tenement under the Mining Act 1978 or a permit, drilling reservation, lease or licence held under the Petroleum and Geothermal Energy Resources Act 1967 (known as a “relevant interest”).

ATTACHMENTS

1. Statement of Rating Objects and Reasons (Under Separate Cover)
2. Proposed Public Notice
3. 2016/17 Rates Modelling Information
4. 2015/16 WA Local Government Rate Comparison Report from Moore Stephens (Under Separate Cover)
5. SAT Determination on TWA (Under Separate Cover)
6. PRC Rating Strategy Review Draft (Under Separate Cover)

28 May 2016

ATTACHMENT 2 TO ITEM 12.1.1

Notice of Intention to Levy Differential Rates

The Town of Port Hedland is in the process of finalising its Budget for the 2016/17 financial year. The funding proposals include the following principles in relation to each rating category for differential general rates and minimum rates.

The following are the proposed Differential General Rates and Minimum Payments for the Town of Port Hedland for the 2016/17 financial year, to be implemented with effect from 1 July 2016, resulting in a forecast rate yield of \$23,985,828. This equates to a 4.9% decrease on forecast yield for the current year, and a decrease of over 9% from actual rates levied in the 2014/15 financial year.

Rate Category	Rate in Dollar (expressed as cents in \$)	Minimum Payment
GRV Residential	5.4074	\$1,260
GRV Commercial	4.0875	\$1,260
GRV Industrial	2.7529	\$1,260
GRV Mass Accommodation	26.0000	\$1,260
GRV Tourist Accommodation	11.4339	\$1,260
UV Mining	40.0000	\$260
UV Other	21.0000	\$1,260
UV Pastoral (less 50% concession)	21.0000	\$1,260

A Statement of Objects and Reasons for adopting these differential general and minimum rates has been prepared and is available at the Civic Centre, McGregor Street, Port Hedland between 8.00am and 4.30pm and at Town of Port Hedland libraries during normal library opening hours. It is also available on the Towns website www.porthedland.wa.gov.au along with a copy of this public notice.

For more information please contact Carmen Walsh on 9158 9332 or email council@porthedland.wa.gov.au.

Submissions are invited from any elector or ratepayer with respect to the proposed rates, and any related matters, within a minimum 21 days of the date of this notice. Submissions should be addressed to the Chief Executive Officer, Town of Port Hedland, PO Box 41, Port Hedland WA 6721 and clearly marked Submission - Differential Rating.

All submissions should be received by no later than 5.00pm on Wednesday 22 June 2016.

Mal Osborne
Chief Executive Officer

ATTACHMENT 3 TO ITEM 12.1.1

Rating Model 2016/17

Code	Rate Code	Total Props	UV	GRV	Min Amts	RID	15/16 RID	RID Diff %	Calculated Rates	Props on Min	Concession	Actual Rates to Raise	% Var Exp	% Var LY
20	Residential	6320		\$274,977,173	\$1,260	5,4074	5,6920	-5.00%	\$14,869,116.86	783		\$15,254,441.27	2.59	-4.22
21	Commercial/ Shopping Centre	209		\$28,327,097	\$1,260	4,0875	4,3026	-5.00%	\$1,157,870.36	65		\$1,205,146.91	4.08	-13.42
22	Industrial	456		\$70,039,959	\$1,260	2,7529	2,8978	-5.00%	\$1,928,130.06	49		\$1,957,671.51	1.53	-4.41
24	Mass Accommodation	5		\$12,087,000	\$1,260	26,0000	26,0000	0.00%	\$3,142,620.00	0		\$3,142,620.00	0.00	0.00
25	Tourism Accommodation	10		\$7,360,080	\$1,260	11,4339	11,4339	0.00%	\$841,544.18	0		\$841,544.18	0.00	0.00
05	UV Mining	347	\$2,846,397		\$260	40,0000	38,5076	3.88%	\$1,138,558.80	64		\$1,143,122.40	0.40	-7.75
09	UV Pastoral	10	\$1,326,924		\$1,260	21,0000	10,8292	93.92%	\$278,654.04	0	50%	\$139,327.02	0.00	93.92
03	UV Other	23	\$1,382,029		\$1,260	21,0000	18,8800	11.23%	\$290,226.09	10		\$301,954.80	4.04	43.74

7380

\$23,985,828.09

Item 13 Closure**13.1 Date of Next Meeting**

The next Ordinary Meeting of Council will be held on Wednesday 22 June 2016, commencing at 5:30pm, with the Public Agenda Briefing being held on Wednesday 15 June 2016, commencing at 5:30pm.

13.2 Closure

There being no further business, the Mayor declared the meeting closed at 6:43pm.