

AGENDA

Dear Mayor and Councillors,

I respectfully advise that a **SPECIAL COUNCIL MEETING** will be held in the **Civic Centre, McGregor St, Port Hedland**, on **Wednesday, 4 May 2022**, commencing at **5:30pm**

MEETING AGENDA ATTACHED

Yours faithfully



Carl Askew
Chief Executive Officer

29 April 2022

DISCLAIMER

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DISCLOSURE OF FINANCIAL/ IMPARTIALITY/ PROXIMITY INTERESTS

*Local Government Act 1995 – Section 5.65, 5.70 and 5.71
Local Government (Model Code of Conduct) Regulations 2021*

<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 (Model Code of Conduct) Regulations 2021</i>			
Name			
Position			
Date of Meeting			
Type of Meeting (Please circle one)	Council Meeting/ Committee Meeting/ Special Council Meeting Workshop/ Public Agenda Briefing/ Confidential Briefing		
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality
Interest Disclosed			
Item Number and Title			
Nature of 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 Presiding Member is to declare the meeting open at [Enter Time](#).

Item 2 Acknowledgement of Traditional Owners and Dignitaries

The Presiding Member acknowledges the Kariyarra people as the Traditional Custodians of the land that we meet on and recognises their strength and resilience and he pays his respects to elders past, present and emerging.

Item 3 Recording of Attendance

Important note:

This meeting is being live streamed and audio recorded to facilitate community participation and for minute-taking purposes, which may be released upon request to third parties. In accordance with Section 6.16 of the Town of Port Hedland Local Law on Standing Orders members of the public are not permitted to 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 Standing Orders Local Law mobile telephones must be switched off and not used during the meeting.

3.1 Attendance

Present:

- Mayor Peter Carter
- Deputy Mayor Tim Turner
- Cr Renae Coles
- Cr Elmar Zielke
- Cr Jan Gillingham
- Cr Ash Christensen
- Cr Flo Bennett
- Cr David Eckhart

In Attendance:

- Carl Askew (Chief Executive Officer)
- Karren MacClure (Director Corporate Services)
- Josephine Bianchi (Director Community Services)
- Craig Watts (Director Regulatory Services)
- Lee Furness (Director Infrastructure Services)
- Joyce Routledge (Acting Manager Governance/Minute Taker)
- Jenna Brown (Acting Senior Governance Advisor)

3.2 Attendance by Telephone / Instantaneous Communications**3.3 Apologies**

Nil

3.4 Approved Leave of Absence

Nil

3.5 Disclosure of Interests

Item 4 Public Time

Important note:

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.

If the Presiding Member determines that questions and statements are out of order due to the use of an offensive or objectionable expression or are defamatory, they will not be recorded or responded to.

4.1 Public Question Time**4.2 Public Statement Time**

Item 5 Questions from Members without Notice

Item 6 Announcements by Presiding Member without Discussion

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

Item 8 Reports of Officers

8.1 Corporate Services

8.1.1 NOTICE OF INTENTION TO IMPOSE DIFFERENTIAL GENERAL RATES

Author: Manager Financial Services
 Authorising Officer: Director Corporate Services
 Disclosure of Interest: The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

OFFICER'S RECOMMENDATION

That Council:

1. Pursuant to section 6.36(3A) of the *Local Government Act 1995*, endorses the Statement of Objects and Reasons for the 2022/23 rating year as presented in Attachment 1 for public consultation.
2. Pursuant to section 6.36(1) of the *Local Government Act 1995*, gives local public notice of its intention to impose differential general rates and minimum payments in accordance with the attached Statement of Rating Objects and Reasons, which will be available for public inspection during the notice period, wherein the proposed differential rates and minimum payments are detailed as follows:

Rate Differential	Rate in Dollar (expressed as cents in the dollar)	Minimum Payment	Percentage of Revenue
GRV Residential	0.07062	\$1,300	22.7%
GRV Commercial / Industrial	0.11688	\$1,900	11.3%
GRV Mass and Tourist Accommodation	0.19006	\$1,900	3.6%
UV Pastoral	0.10961	\$1,900	0.3%
UV Mining and Other	0.18738	\$200	62.1%

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

In accordance with the recommendation from the Council workshop of 26 April 2022, this report recommends that Council endorse the Statement of Rating Objects and Reasons and advertise the proposed 2022/23 Differential General Rates and General Minimum Payments for public comment, as required by section 6.36 of the *Local Government Act 1995*.

The rates presented to Council are aligned with the Town's Strategic Resource Plan and include a rate increase for the 2022/23 rating year of 2.5%.

DETAIL

Rate revenue is the primary source of discretionary revenue for the Town of Port Hedland, accounting for 67% of the operating revenue in the financial year 2021/22. The *Local Government Act 1995* (the Act) enables local governments to impose differential general rates and minimum payments on rateable land.

The purpose of the levying of rates is to meet Council's budget requirements in each financial year in order to deliver services and community infrastructure, as outlined in the Strategic Community Plan 2018-28, Strategic Resource Plan 2020-34 and Corporate Business Plan 2018-22. Asset management continues to pose a significant challenge for all local governments in Western Australia and any rating model must support asset renewal and replacement requirements in line with defined service levels.

Under section 6.36 of the Act, 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.

Once public submissions have been considered and rates are set, there may be a requirement to go to Minister for approval of Differential Rates. In this instance, approval to do so will be requested at a Special Meeting of Council set as soon as practical after the 28th May 2022.

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 more than 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.

Upon the Minister's approval, the proposed differential general rates and minimum payments can then be imposed, with or without modifications.

The proposed 2022/23 differential general rates for GRV Mass Accommodation and Tourism, and UV Mining and Other requires Ministerial approval. The general minimum payments identified do not require Ministerial approval.

During 2018/2019, the Town of Port Hedland implemented a rating strategy with an equitable rate burden per category, reflecting that Port Hedland is an industrial port town. The continuation of this strategy sought for 2022/23 proposes five (5) differential rate categories.

The main objectives of the rates model presented for 2022/23 are to:

- Raise sufficient yield to maintain current services and future infrastructure renewal to meet community expectations, as outlined in the Strategic Community Plan 2018/2028 and ensure a balanced budget;

- Continue with reviewing the number and type of rating differential categories and moving towards fair and equitable rating across all differentials;
- Maintain the distribution of rates burden to be objective and equitable;
- Critical analysis of the yield generated by each differential category as a percentage of the total yield, comparing to the contribution by each category, the valuation % of each category, and the services consumed;
- Provide a level of certainty and consistency for ratepayers with a stable long term rates model, while providing financial sustainability for the Town; and
- Properties are rated according to Town Planning zonings and predominant land use with each having a separate calculated rate in the dollar and established minimums to achieve greater equity across all sectors and ensure a base level contribution.

Port Hedland properties have undertaken the tri-annual revaluation process by Landgate, and there have been significant increases across all categories. These valuations come into effect from 1 July 2022 and have been taken into consideration when setting rates for the 2022/23 Budget year. Below is the preliminary indications of overall valuation increases:

- Residential changes – the residential sector has seen strong growth and the approximate level of increase is 52%
- Vacant Land – there has been a variation in the level of increase in vacant land values ranging from 5% to 125% with a median of 115%.
- Industrial – the market is strong with an increase of approximately 35%
- Commercial – a more conservative increase of approximately 10%

The following table outlines the proposed differential general rates and minimum payments for the Town of Port Hedland to be advertised for the 2022/23 financial year, effective from 1 July 2022.

Rate Category	Minimum Payment	Rate in Dollar (expressed as cents in \$)	Variation from 21/22 Rate in Dollar %	Yield \$000	Yield %
GRV Residential	\$1,300	7.062	-28%	\$14,112	22.7%
GRV Commercial/ Industrial	\$1,900	11.688	+19%	\$7,047	11.3%
GRV Mass and Tourist Accommodation	\$1,900	19.006	-3%	\$2,262	3.6%
UV Pastoral	\$1,900	10.961	-3%	\$184	0.3%
UV Mining and Other	\$200	18.738	-7%	\$38,655	62.1%
TOTAL				\$62,261	100%

The proposed rate model is expected to yield \$62,261,347 in rate revenue for 2022/23, which will contribute to the net funding requirements of the Town's services, activities, financing costs, and the asset renewal program.

Supporting Statement of Rating Objects and Reasons

In accordance with section 6.36(3A) of the Act, a document detailing the objects and reasons for each of the proposed rates and minimum payments is to be made available to all ratepayers. The proposed 2022/23 Statement of Rating Objects and Reasons is provided in Attachment 1. This will be published on the Town of Port Hedland's website from 6 May 2022.

As a consequence of each category increasing, the overall rate revenue is projected to be \$62.261 million, an increase of 2.5% from the prior year. There has been no increase in minimum general payments.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be high, as it meets the criteria listed in the policy which states "a decision that will substantially affect a wide range of people who reside in Port Hedland".

CONSULTATION

Internal

Three workshops have been conducted with the Executive Leadership Team and with Council to consider budget direction, strategies and rating models, and the resultant impact on ratepayers.

External Agencies

Department of Local Government, Sports and Cultural Industries

Community

Submissions will be sought from ratepayers through public consultation on the proposed 2022/23 rates model via state-wide and local public notices. Individual letters of consultation will be sent out to ratepayers whose differential has less than 30 rateable properties.

LEGISLATION AND POLICY CONSIDERATIONS

- 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

FINANCIAL AND RESOURCES IMPLICATIONS

The proposed rate model is expected to yield \$62,261,347 in rate revenue for 2022/23 which will contribute to the net funding requirements of the Town's services, activities, financing costs, and the asset renewal program.

The 2022/23 rates model presented continues towards an equitable burden of rates to reflect Port Hedland as an industrial port town. Due to significant increases in valuations, the rate in the dollar movement has varied amongst each rating category in order to maintain the proportion of rates yield raised from each category.

	2021/22				Proposed 2022/23			
	Valuation \$0	Rate in the Dollar	Yield \$0	Burden	Valuation \$0	Rate in the Dollar	Yield \$0	Burden
GRV Residential	142,520	9.822	14,487	23.00%	194,541	7.062	14,113	22.70%
GRV Commercial/ Industrial	53,799	9.822	5,510	9.50%	58,944	11.688	7,047	11.30%
GRV Mass and Tourist Accommodation	14,149	19.594	2,772	4.80%	11,903	19.006	2,262	3.60%
UV Pastoral	1,400	11.3	158	0.30%	1,681	10.961	184	0.30%
UV Mining and Other	187,533	20.146	37,819	62.50%	206,232	18.738	38,655	62.10%
TOTAL	399,402		60,747	100.00%	473,301		62,261	100.00%

The 2022/23 budget will be developed using the following principles discussed and agreed with the Council at budget workshops:

- To focus on long-term financial sustainability of the Town of Port Hedland;
- Continue to ensure a fair and equitable balance of the rate burden across all ratepayers in the Town;
- Maintain current service levels to the community (supported by community consultation as part of the Strategic Community Plan process);
- Ensure we structure the budget to perform committed capital works;

The Town's current financial health is 'adequate' in State and Regional comparisons.. By managing the rates yield and adopting the budget principles listed above, the Town will be able to maintain and further improve its financial ratios and ability to meet community expectations in relation to future service delivery and asset renewal.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following sections of the Town's Strategic Community Plan 2018-2022 are applicable in the consideration of this item:

- 4.b.2** Transparent and regular financial reporting and communication to the community is undertaken
- 4.b.3** Transparent and regular governance reporting and communication to the community is undertaken
- 4.b.4** Constructive forums are provided for discussion and the representation of the diversity of views and needs that impact on the Town's developments, programs and policies

There are no significant identifiable economic, environmental or social impacts relating to this item.

Disability Access and Inclusion Plan

The following outcome of the Town's Disability Access and Inclusion Plan 2017-2022 apply in relation to this item:

- Outcome 4 – Quality of Service

Corporate Business Plan

The following action of the Town's Corporate Business Plan 2018-2022 apply in relation to this item:

- 4.b.2.1** Ensure the Town's finances are managed efficiently and effectively in line with legislated requirements.

RISK MANAGEMENT CONSIDERATIONS

As per the risk matrix contained in policy 1/022 'Risk Management', the level of risk is considered to be high (12) assigned to the risk that:

1. Any differential rating category with a proposed rate in the dollar more than twice the lowest; and/or
2. Minimum payments applying to more than 50% of vacant properties will require ministerial approval.

The risk is not able to be mitigated as the Town may need to acquire Ministerial approval for the GRV Mass Accommodation and Tourism, and UV Mining and Other classifications due to the proposed rate in the dollar being more than twice the lowest differential rate.

There is also risk associated with valuations for UV as these valuations are typically reviewed annually by the Valuer-General with GRV valuations revised every three years.

Valuations for UV are expected to be received in May/June from the Valuer-General and if the valuations have materially changed, there may be a difference to the revenue proposed in the budget and objects and reasons for 2022/23.

GRV valuations are not an issue for the Town with the next review due in June 2022.

OPTIONS

Option 1 – Adopt officer's recommendation

Option 2 – Amend officer's recommendation

Option 3 – Do not adopt officer's recommendation

CONCLUSION

This report recommends that Council endorse the Statement of Rating Objects and Reasons and advertise the proposed 2022/23 Differential General Rates and General Minimum Payments for public comment, as required by section 6.36 of the *Local Government Act 1995*. The proposed rate model will yield \$62,261,347 in rate revenue (based on current valuations) which will contribute to the net funding requirements of the Town's services, activities, financing costs and asset renewal programme.

ATTACHMENTS

1. 2022/23 Rates Strategy Objects and Reasons (under separate cover)

Item 9 New Business of an Urgent Nature (Late items)

Nil

Item 10 Closure

10.1 Date of Next Meeting

The next Ordinary Meeting of Council will be held on Wednesday 25 May 2022 commencing at 5:30pm.

10.2 Closure

There being no further business, the Presiding Member declared the meeting closed at [enter time](#).