



Shire of
Serpentine
Jarrahdale

Special Council Meeting Minutes

**Thursday 9 June 2016
6.00pm**

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NOTE: a) Declaration of Councillors and Officers Interest is made at the time the item is discussed.

Minutes of the Special Council Meeting held in the Council Chambers, 6 Paterson Street, Mundijong on Thursday 9 June 2016. The Shire President declared the meeting open at 6.00pm and welcomed Councillors, staff and members of the gallery and acknowledged that the meeting was being held on the traditional land of the Gnaala Karla Booja and paid his respects to their Elders past and present.

1. Attendances and apologies (including leave of absence):

In Attendance:

Councillors: J Erren Presiding Member
S Piipponen
D Atwell (from 6.05pm)
K Ellis
S Hawkins
J See
M Rich
B Urban

Officers: Mr G Clark Acting Chief Executive Officer
Mr A Hart Director Corporate and Community
Mr A Schonfeldt Director Planning
Ms K Peddie Executive Assistant to the CEO (Minute Taker)

Leave of Absence: Nil

Apologies: Mr G Allan
Cr D Gossage

Observers: Mr P Varelis – Project Coordinator
Mrs K Bartley – Manager Corporate Services

Members of the Public – 12

Members of the Press – Nil

2. Public Question Time:

Public question and statement time commenced at 6.01pm

Nil

Councillor Atwell entered Chambers at 6.05pm

3. Public Statement Time:

Mr T Durward, on behalf of Megara, PO Box 104, Leederville, WA, 6902

I'd like to thank Council officers for their work on this and amendments to the DCP following advertising. We consulted with Council Officers in September 2015 and received advice in writing from the Shire "*that 9,196m² would be credited for DCP purposes*" (see attachment to the agenda item). To this end we thank the Officers for confirming this, making sure this is clear in the new mapping for credit areas contained in the DCP#3, and providing certainty for investment in the Shire.

Based on this certainty and confidence to invest in the Shire we will reach practical completion of our 74 residential and 3 commercial lots in the Byford Town Centre on 2 August 2016. To this end I note we have been working very hard with Shire's representative, Malcolm Mackay, and Shire Staff to formulate a significantly improved

amended Local Development Plan to be presented for reconsideration at Council's next Ordinary Meeting to be held end of June 2016.

Ms A Hansson, 230 Soldiers Road, Cardup, WA, 6122

I would like to make this statement tonight in regards to the rate increase across the board within this Shire. Karina Baker and I have spent time with many residents and we are not only disappointed that there is a differential rate increase but there is a mandatory 5% increase on normal rates. We feel the 5% rate increase that is unjust considering that the Councillors recently decided to increase allowances for themselves namely dry-cleaning and personal presentation. We are amazed at what little infrastructure has taken place in the SJ Shire and we are not seeing value for our money. It only takes a look at expenditure on the corporate credit cards to see that this Shire has a problem with spending and needs to address better budgeting practices. Karina and myself will fight to see justice for all ratepayers. We would like to remind those who are due for re-election next year to start looking for an alternative spending money stream. We will remind all residents come election time, if this Council cannot support us then don't expect us to support you.

Presiding member of behalf of

Mr G Lewis, Suite 5, 2 Hardy Street, South Perth, WA, 6151

I wish to register my support for the report and all recommendations on the Byford Development Contribution Report No 3.

Developer Levy

The increase in the developer levy of approximately 11.00% across 3 Precincts is relatively modest compared to the levy amount in some other local authorities. It would appear that the majority of the increase in the levy is due to the reduction in the projected lots yields by around 5% (primarily due to significantly lower lot yields in the Byford Town Centre).

Valuation Methodology

The proposed valuation methodology in adopting a set rate for Residential and Non-Residential land is supported as it will provide greater certainty and lead to a more efficient and timely process of land acquisition.

Water Monitoring

The allocation of additional funds for water monitoring and particularly a review of the Byford DWMS is also strongly supported. It is expected that a review of the DWMS will result in greater cost efficiencies in the design and construction of drainage infrastructure – particularly associated with major road culvert structures.

Mr B Williamson, 95 Pony Place, Oakford, WA, 6121

When a Council increases their ratepayer funded entitlements without have stringent controls and definitions of what is claimable and then soon after increases the rates that residents of the Shire pay way above the CPI, in a time when most are belt tightening it makes a clear statement to those ratepayers that the Council is only out for themselves and does not care the impact such a raise in rates may have.

It is about time that Council looked at how people in the real world address limitations on their income and look at how they can save money by being more efficient in how they use the moneys they receive.

To say that we have more residents in the Shire now puts extra demand on the road system etc is an insult to the average person. We all know there are extra people and we

all know those extra people pay rates as well and therefore there is more money coming in offsetting the extra cost of any impact they have on the infrastructure.

The way the agenda item is written when combined with the time of the meeting and the agenda only coming out yesterday late afternoon, makes it clear it was done in a way to dismiss the input of the residents of SJ and minimise the chance that residents would even know this meeting was on let alone be able to get home from work in time to attend. Allowing Council to do as they please and raise rates on the sly.

I call on all Councillors to abandon this rate increase and look inwards at ways money can be saved, as there are a lot of them. Lets become an efficient Shire Council. One that stands out as a Council that values the money ratepayers entrust to you to manage our Shire.

Vote against any rate increase.

Any increase that is above CPI is not justifiable.

CEO

When looking at employing a new CEO, Council should first look at all policies that control how the CEO is to function within the expectations of the ratepayers. We do not want a repeat of how the Council failed to control the previous CEO resulting in millions of our dollars being wasted on unnecessary legal bills and the persecution of good honest ratepayers. I call upon Council to ensure any new CEO has a clear set of policies KPI's and guidelines that control how he or she performs their duty to the ratepayer and that there are strong mechanisms in place to ensure he or she follows what is set down by council and what penalty would apply for failure.

Public question and statement time concluded at 6.08pm.

4. Petitions and Deputations:

Nil

5. Declaration of Councillors and Officers Interest:

Nil

6. Receipts of Minutes or Reports and Consideration for Recommendations:

6.1. Planning Reports:

SCM008/06/16	Byford Development Contribution Report No. 3 (SJ1842)
Author:	Peter Varelis – Project Coordinator: Development Contributions
Senior Officer/s:	Andre Schonfeldt – Director Planning
Date of Report:	17 May 2015
Disclosure of Officers Interest:	No officer involved in the preparation of this report is required to declare an interest in accordance with the provisions of the <i>Local Government Act</i> .

Introduction:

The purpose of this report is grant final approval to the Byford Development Contribution Plan (DCP) Report No. 3 and consider the schedule of submissions, responses and modifications to the DCP.

Background:

Initiation of an amendment to include the DCP within the Shire of Serpentine Jarrahdale's (the Shire) Town Planning Scheme No. 2 (TPS 2) occurred in 2005. This initiation allowed the Western Australian Planning Commission (WAPC) to place on subdivision approvals the obligation to pay a DCP contribution.

Following gazettal of the DCP, pursuant to Section 6.3.10 of State Planning Policy 3.6 - Development Contributions for Infrastructure, the Council was required to adopt a DCP Report and cost apportionment schedule within 90 days. In anticipation of the gazettal of the DCP, Council adopted DCP Report No.1 on 9 December 2013 (OCM09/12/13).

The DCP Report and the associated cost apportionment schedule sets out in detail the calculation of cost contributions for development and subdivision in accordance with the methodology shown in the DCP. The DCP Report needs to be a dynamic document to maintain the currency of the cost of infrastructure, land and other DCP items. The DCP Report does not form part of TPS 2, but once adopted by Council, is required to be reviewed at least annually.

To date the Shire has undertaken three DCP reviews:

- DCP Report No.1 enabled the contribution liability for each development to be calculated as at 21 January 2014.
- DCP Report No.2 enabled the contribution liability for each development to be calculated as at 30 June 2014.
- DCP Report No.3 enables the contribution liability for each development to be calculated as at 30 June 2015 (current review).

DCP Report No.3 was endorsed by Council for public advertising to enable review of the various factors contributing to the calculation of the per lot contribution amount. This report now provides Council with the opportunity to review the submissions received, consider recommended modifications made to DCP Report No.3 in the context of the submissions received and finally adopt DCP Report No.3.

Relevant Previous Decisions of Council:

OCM021/08/13 - Approval to Advertise - Byford Traditional Infrastructure DCP Report No.1
OCM020/08/13 - Final Approval - LPP 75 - Interim Development Deeds - Byford Traditional Infrastructure DCP

OCM094/12/13 - Final Approval - Byford Traditional Infrastructure DCP Report No.1
 OCM095/12/14 - Approval to Advertise - Byford Traditional Infrastructure DCP Report No.2
 OCM044/04/15 - Final Approval - Byford Traditional Infrastructure DCP Report No.2
 OCM209/10/15 - Approval to Advertise - Byford Traditional Infrastructure DCP Report No.3

Comment:

DCP Report No.3 is necessary to bring to account the development of 3,923 lots created since the Byford DCP became operable. DCP Report No. 2 was approved on 13 April 2015, this provided development information up to 30 June 2014. Therefore it is necessary to finalise DCP Report No.3 to bring to account development information up to 30 June 2015.

At each DCP Report review, all factors contributing to the calculation of the per lot contribution amount must be reviewed.

The significant factors reviewed are:

1. Remaining and estimated lot yields;
2. Land to be acquired;
3. Land valuation methodology;
4. Works outstanding;
5. Infrastructure cost;
6. Water Monitoring;
7. Future administration costs;
8. Net surplus / deficit of the DCP account; and
9. Works priorities.

In the case of the current review, the following outcomes from advertising are relevant:

1. Remaining Lot Yield:

Advertised remaining lot yield:

DCA1 Precinct	Lots Created (as at 30 June 2015)	Future Lots	Estimated Lot/Dwelling Yield
A	3,630	5,852	9,482
B	96	697	793
C	52	578	630
D	145	221	366
Total	3,923	7,348	11,271

Since adoption of DCP Report No.3 for public advertising, Local Structure Plans (LSPs) for areas of fragmented land ownership in the Doley Road precinct have been progressed. This provides the Shire an opportunity to replace estimated lot yields for these areas with more accurate yields envisaged under the LSPs. Furthermore, developers have provided updated yields in their submissions based on refined subdivision plans and layouts.

Revised Remaining lot yield:

DCA1 Precinct	Lots Created (as at 30 June 2015)	Future Lots	Estimated Lot/Dwelling Yield
A	3,630	6,030	9,660
B	96	697	793
C	52	578	630
D	145	221	366
Total	3,923	7,541	11,464

The future lots are expected to provide the contributions necessary to clear all the Byford DCP costs over the life of the DCP. As at 30 June 2015, 34.22% of the estimated lot yield has been developed. The overall lot yield was advertised as being reduced from 11,977 lots in DCP Report No.2 to 11,271 lots in draft DCP Report No. 3, a 6.26% decrease due to a significant reduction of lots in the Byford Town Centre. Now that LSPs have been prepared for areas of fragmented ownership near Doley Road, lot yields have been refined further. Since advertising, DCP Report No.3 has been amended to reflect a total of 11,464 lots, a 4.47% decrease primarily due to a reduction of yields in the Byford Town Centre. The reason for yield reduction in the Byford Town Centre is that densities that were envisaged to be achieved under the approved LSP have not been delivered through subdivision and development approvals.

2. Land to be Acquired:

DCP Land	To Be Acquired	Acquired	Total	Total Value \$
Roads	7.0628 ha	4.9988 ha	12.0616 ha	6,706,767
POS / Drainage	64.9745 ha	56.6003 ha	121.5748 ha	66,327,549
DOS	3.0363 ha	7.0497 ha	10.086 ha	4,516,460
Total	75.0736 ha	68.6488 ha	143.7224 ha	77,550,776

Up to 30 June 2015, 47.76% of all DCP land has been acquired. Further analysis has been undertaken to refine the amount of land to be acquired through the DCP, minor modifications have been made to the DCP to reflect this analysis.

3. Land Valuation Methodology:

Land to be acquired has been categorised as both residential and non-residential and a set value applied to each category. An independent evaluator provided valuations for both categories of land which set the rate for the respective categories. Previous DCP reports provided a single valuation for estimations in the DCP and at each acquisition an independent valuation report was commissioned to determine the valuation amount. This resulted in collecting less money than what was paid out through the DCP. The new approach is considered to be the simplest, most effective and equitable method of providing land valuations and ensures the DCP is collecting monies at the same rate as it is being paid out. By providing set valuation rates this will ensure the future sustainability of the DCP and enable developers to budget land credits in advance within each review period.

The rate for DCP Report No.3 for residential land is \$56.50 per m² and \$120 per m² for non-residential land.

4. Works Outstanding:

Item	Completed \$	Future \$	DCP Total Cost \$
Thomas Road	932,832	1,725,523*	2,658,355
Abernethy Road	1,607,755	13,416,910*	15,024,665
Orton Road	-	13,644,654	13,644,654
Kardan Boulevard	4,958,683	1,032,486	5,991,169
San Simeon Boulevard	2,419,747	14,422,186	16,841,933
Doley Road	2,873,283	5,041,630	7,914,913
Warrington Road	761,367	3,717,321	4,478,688
Total Roads	13,553,667	53,000,710	66,554,377
DOS	1,539,340	1,182,138	2,721,478
Total Works	15,093,007	54,182,848	69,275,855

Around 20.20% of DCP works have been completed.

*A grant from Main Roads WA (MRWA) for Thomas Road has been estimated at \$14,000,000, of which \$396,000 has been received towards design works. Abernethy Road has received a grant of \$725,250 from MRWA, plus the Shire will be making a contribution of \$5,330,852.

There are no further MRWA grants budgeted at present.

5. Infrastructure Cost:

Item	DCP No. 2 Value \$	DCP No. 3 Revised Value \$	Variance \$
Thomas Road	6,179,566	2,658,355	(3,521,211)
Abernethy Road	14,788,867	15,024,665	235,798
Orton Road	12,435,160	13,644,654	1,209,494
Kardan Boulevard	4,874,761	5,991,169	1,116,408
San Simeon Boulevard	16,146,572	16,841,933	695,361
Doley Road	7,458,443	7,914,913	456,470
Warrington Road	4,274,949	4,478,688	203,739
Total Roads	66,158,318	66,554,377	396,059
DOS	2,384,665	2,721,478	336,813
Total Works	68,542,983	69,275,855	732,872

Road infrastructure has increased by 0.60% from \$66,158,318 to \$66,554,377.

District open space has increased by 14.12% from \$2,384,665 to \$2,721,478 due to the increased construction costs required for Byford South/The Glades.

Subsequent to Council adopting DCP Report No.3 for public advertising, a Byford Cost Estimates Reference Group (CERG) meeting was held to investigate further the cost estimates which form part of the advertised DCP Draft Report No.3. The outcome of the CERG meeting was a further review of the road cost estimates to ensure current market rates were taken into account. An independent Quantity Surveyor was engaged to undertake the review taking into account current market conditions and recently received tender rates provided to the Shire by subdividers. The outcome of the review increased road infrastructure by 0.60% from \$66,158,318 to \$66,554,377 and is included in the final DCP presented to Council for final adoption.

6. Water Monitoring:

Water monitoring costs have increased by 10.65% from \$944,547 to \$1,045,139 due to increases in the cost of sample analysis at the National Measurement Institute (NMI).

7. Future Administration Costs:

Administration costs have been updated to reflect current expenditure and a revised DCP Project Team due to Council restructure. The annual figures have been reflected over the remaining 18 years showing an estimated total budget value of \$3.586 million. This cost break-up is shown in the DCP Report No.3 appendices and represents 1.1 full time staff equivalents plus an allowance for specialist consultant services.

An additional one off drainage study to revise the Byford District Water Management Strategy (DWMS) has been included in the review of the administration costs. With development occurring over the past 6 years since the DWMS was adopted, there has been no updates to the InfoWorks Drainage Model. This poses the following risks to the Shire:

- Over-engineering or over-provision of floodway and drainage infrastructure – leading to unnecessary expense on infrastructure and over-provision of open space; and
- Under-engineering or under-provision of floodway and drainage infrastructure – leading to localised flooding and risk to property and potentially lives.

As the Shire progresses with the design and construction of DCP infrastructure such as Abernethy Road and San Simeon Boulevard the validity of culvert sizing and capacity under these roads have been brought into question. With 6 years of development and changes to flood routing within the Byford Town Centre there is an urgent need to update the model. This will allow the Shire to:

- Confirm the regional flows (m³/sec) passing through the Oaklands Drain and Beenyup Brook;
- Determine the culvert requirements beneath Abernethy Road, San Simeon Boulevard, Briggs Road, Malarkey Road (future San Simeon Boulevard) and Kardan Boulevard; and
- Confirm hydraulic grade lines within the flood routes adjacent to existing development. This will also inform the fill requirements for future development.

In order to progress this work the Shire will need to include an allocation of \$60,000 for the InfoWorks Model update within the DCP administration component.

8. Net Surplus/Deficit Contributions:

The following table sets out the elements that determine the net contributions for each review period. The period is for one year's activity from 1 July 2014 to 30 June 2015.

Lots Cleared	687
<u>Gross Contributions Due</u>	\$9,643,715
Costs Incurred:	
Land settled	\$8,917,570
Works settled	\$611,152
Administration Costs incurred	\$180,795
<u>Total Costs</u>	\$9,709,517
Net Contributions	-\$65,802

The net contribution deficit will be included within the estimated DCP future costs to arrive at the cost to be covered by DCP contributions from the 7,541 lots yet to be developed.

9. Work Priorities:

The Shire has reviewed priorities and the focus is on the full construction of Abernethy Road and the design of Thomas Road.

Impact of Review:

Contribution Cost per Lot:

Accounting for the response to submissions and other issues addressed in finalising DCP Report No. 3, the contribution cost per lot is revised as shown below:-

Precinct	A	B	C	D
Contribution Cost per lot Report No. 2 (as of 17 May 2016)	\$13,654	\$9,967	\$4,216	\$9,967
Contribution Cost per lot Report No. 3	\$15,220	\$11,009	\$5,207	\$11,009
Percentage Increase	11.47%	10.45%	23.50%	10.45%

DCP Report No: 3 has identified a contribution per lot increase for each of the four precincts. This is due to the following contributing factors:

- infrastructure costs have increased by 0.60% for roads and 14.12% for district open space;
- land valuation rates have increased by 11.64%;
- water monitoring costs have increased by 10.65%; and
- lot yield has decreased by 4.47%.

Once this Report is finally adopted, the above contribution costs will hold until the next review. Contribution costs are subject to daily escalation as detailed in the DCP report.

Community / Stakeholder Consultation:

There is no statutory obligation for the Shire to seek comment on the review of a DCP report. However, given the supportive role played by the Byford Industry Reference Group (BIRG) and CERG in the framing of the Byford DCP a 30 day comment period was provided.

Attachments:

- [SCM008.1/06/16](#) - Original copies of submissions received (E16/3861)
- [SCM008.2/06/16](#) - Schedule of Submissions Summary, Responses and Modifications (E16/3007)
- [SCM008.3/06/16](#) - Byford Traditional Infrastructure DCP Report No.3 (E16/3857)

Alignment with our Strategic Community Plan:

Objective 3.1	Urban Design with Rural Charm
Key Action 3.1.1	Maintain the area's distinct rural character, create village environments and provide facilities that serve the community's needs and encourage social interaction

Statutory Environment:

- Planning and Development Act 2005
- Town Planning Scheme No.2
- State Planning Policy 3.6 – Development Contributions for Infrastructure

Financial Implications:

The operation of the DCP presents a major administrative responsibility for the Shire. While the DCP is self-funded, the Shire has an implicit obligation to efficiently and effectively manage the revenues and works.

The remaining 7,541 lots to be developed are reliant on the DCP to provide the necessary infrastructure to facilitate development. In particular, the timely provision of roads, drainage and open space is critical as most developments rely on these district level improvements.

Voting Requirements: Simple Majority

SCM008/06/16 COUNCIL DECISION / Officer Recommendation:

Moved Cr Hawkins, seconded Cr Piipponen

That Council:

1. Note the submissions received as contained in attachment SCM008.1/06/16.
2. Note the submissions summary, responses and modifications as contained in attachment SCM008.2/06/16.
3. Adopt the Byford Development Contribution Plan Report No. 3 as contained in attachment SCM008.3/06/16.

CARRIED UNANIMOUSLY

6.2. Corporate and Community Reports:

SCM009/06/16	Differential Rating Strategy 2016/2017 – Notice of Intention to Raise Rates – Rates Submissions (SJ514-07)
Author:	Kellie Bartley – Manager Corporate Services
Senior Officer/s:	Alan Hart – Director Corporate and Community
Date of Report:	7 June 2016
Disclosure of Officers Interest:	No officer involved in the preparation of this report is required to declare an interest in accordance with the provisions of the <i>Local Government Act</i>

Introduction

The purpose of this report is for Council to consider the submissions received as a result of the 21 day advertising period of the Differential Rating Strategy for the 2016/17 financial year. The *Local Government Act 1995* requires Council to consider all submissions before submitting a request to the Minister of Local Government and Communities “the Minister”, seeking approval for proposing a rate in the dollar that is more than twice the lowest rate and more than 50% of the total number of properties which are residential vacant land within the shire being rated on the minimum rate.

Background:

The *Local Government Act 1995* (as amended) “the Act” provides for Councils imposing Differential Rates and Section 6.33 of the Act details the conditions on which Differential Rates can be imposed.

As the Council is proposing to impose a general rate which is more than twice the lowest differential general rate, the Council must seek approval from the Minister to impose the rate.

This report will consider the submissions received during the public consultation period before sending the request to the Minister for approval of the Differential Rates for the 2016/17 year.

This Report is informed by:

- Council’s adopted 2013-2017 Corporate Business Plan which is underpinned by the Long Term Financial Plan;
- Outcomes and matters arising from the meetings at Council’s Budget Workshops held on 19 April 2016, 3 May & 24 May 2016.

In accordance with Sections 1.7 and 6.36 of the *Local Government Act 1995* Council is required to give local public notice of the intention of Council to impose differential rates, or a minimum payment under a differential rate category.

Local public notice includes publishing in a newspaper circulating in the district, exhibiting on the notice board of the local government office, and exhibiting on the notice board of the library inviting submissions in respect of the following information, for a minimum of 21 days not including the date of advertising:

1. Details of each rate or minimum payment the local government intends to impose;
2. Invitation for submissions to be made in respect of the proposed rate or minimum payment and any related matters;
3. Where there are less than 30 ratepayers in a rating category, individual consultation is required in writing and a 21 day submission period is to be provided.

It is recommended that Council advertise an average 5% rate increase for the 2016/2017 financial year.

Section 6.36 (4) of the *Local Government Act 1995* Council is required to consider any submissions before imposing the proposed rate or minimum payment with or without modification.

Relevant Previous Decisions of Council:

OCM082/05/16 Differential Rating Strategy 2016/2017 – Notice of Intention to Raise Rates supported by Council with Absolute Majority.

Community / Stakeholder Consultation:

An advertisement on the 12 May 2016 was in the public notice section of the Newspaper circulated in the district and advertised on the public notice board Council office and the Mundijong Public Library. Ratepayers in the “*Intensive Farmland*” Category were specifically contacted by mail to comment on the Shires Differential Rating Strategy. Submissions closed 3 June 2016.

Comment:

The *Local Government Act 1995* provides for Councils to levy rates to fund the estimated annual budget shortfall for the forthcoming financial year.

When considering the Annual Budget, Council must give due consideration to the Corporate Business Plan and the Long Term Financial Plan.

The amount required from rates to fund the outcomes of the 2016/17 Draft Budget requires a rate increase proposed of 5%. The Long Term Financial Plan 2013 – 2023 estimated that in the 2016/17 year rates will need to increase by 7% to fund the Shire’s strategic objectives. Due to the current economic climate this increase has been reduced to reflect the lower level of growth that is forecast in the 2016/17 year.

The rate increase will generate an estimated \$19.7M in total rate revenue.

The Council held budget workshops on 19 April, 3 May and the 24 May 2016 to consider the proposed annual budget and rates for the 2016/17 year.

Matters considered by Council in supporting the proposed rates as recommended in this Report include:

- The Council’s long term financial plan which has a rate growth factor to fund new expenditure and infrastructure initiatives considered essential to the Council’s future economic prosperity and sustainability;
- The local government cost index (similar to the consumer price index) which measures the increase in the cost of the goods and services procured by local government in providing works and services – the forecast local government cost index for the 2016/17 year is 1.3%;

The Council noted that:

- There is no revaluation for properties rated on their gross rental value in the 2016/17 year and therefore the proposed percentage increase will be the same for all property owners;
- Due to the State Government’s decision to cap the rate rebate at \$750 effective from the 2016/17 rating year (previously the rebate has been 50% of rates), approx. 1327, of the Council’s 1790 persons eligible for the rebate, will receive a greater than 5% increase.

Other matters to note include:

- Giving local public notice of the proposed differential rates does not prevent Council from subsequently imposing rates that differ from those advertised, however should that occur, there is understandably a legislative requirement upon Council to explain in the annual budget document and the rating information accompanying the rates notice, the reasons for the change;
- Local public notice of the proposed differential rates is planned to appear in the Examiner on Thursday 12 May 2016 and on the Public Notice Boards at 6 Paterson Street,

Mundijong and Mundijong Public Library. Electors and ratepayers had until close of business on Friday 3 June 2016 to make submission on the proposed rates;

- As with the 2015/16 year rates, Minister's approval will be required prior to imposing the minimum payment on vacant land given the number of properties on the minimum payment will be greater than 50% - section 6.35(5) and for the rate for one or more categories is more than twice that of the lowest category (s6.33) of the *Local Government Act 1995* refers.

As a result of Council advertising the Differential Rating Strategy, Council received a total of 394 submissions. Of this amount, there were only 11 submissions from individuals the other 383 where from 2 different submissions. One submission had a total of 171 signatures, of which there were 124 identifiable ratepayers and the other submission was a change.org online submission where the electronic names submitted made no reference to their ratepayer or residential status which made identification of ratepayer or residential status not possible.

Whilst the Local government Act invites submissions on the Differential Rating Strategy, the intent is for Council to consider individual submissions rather than a single submission with multiple signatures. For the purpose of considering the submissions due regard should be given to all of the submissions, however more weight should be given to those submissions from individual ratepayers or electors as they have taken the time to consider the information provided and have responded as the act intended.

A summary of the submissions is attached and the issues in each submission have been addressed in the attachment (E16/3894).

The table below shows the rate categories for 2016/2017 and the rate in cents and minimum amounts:

GRV Rate Category	2016/2017	
	Rate in Cents	Minimum
Residential	9.1413	1,102
Residential Vacant	15.0615	1,136
Commercial/Industrial	8.6906	1,301

UV Rate Category	2016/2017	
	Rate in Cents	Minimum
Rural**^	0.3480	1,301
Rural Living	0.3480	1,301
Intensive Farming	1.1117	1,301

** Eligible farmland properties are provided with a rate concession of 31% off the rural rate in the dollar, their minimum rate is not reduced.

^ Eligible conservation properties are provided with a rate concession of 50% off the rural rate in the dollar, their minimum rate is not reduced.

Conclusion

It is recommended that:

- Council support the differential rates in the dollar and minimums proposed for 2016/2017;
- Seek the Minister for Local Government's approval to impose differential general rates more than twice the lowest rate and also the minimum payment on vacant land given the number of properties on the minimum payment will be greater than 50%.

Attachments:

- [SCM009.1/06/16](#) - A copy of the modelling results (E16/3187)
- [SCM009.2/06/16](#) - A copy of the Objects and Reasons in Differential Rates for 2016/2017 (E16/3188)
- [SCM009.3/06/16](#) - Rating Policy Differential Rates Application Form (E16/3211)
- [SCM009.4/06/16](#) - Rates Submissions Received (E16/3894)
- [SCM009.5/06/16](#) - Petition – Change.org – (IN16/10726)
- [SCM009.6/06/16](#) - Corporate Business Plan (E13/2533)
- [SCM009.7/06/16](#) - Long Term Financial Plan – (E13/2536)

Alignment with our Strategic Community Plan:

Objective 2.1	Responsible Management
Key Action 2.1.1	Undertake best practice financial and asset management

Statutory Environment:

Under Section 6.36 of the *Local Government Act 1995*, Council is required to give local public notice of the intention of Council to impose differential rates, or a minimum payment under a differential rate category. Local public notice includes publishing in a newspaper circulating in the district, exhibiting on the notice board of the local government office, and exhibiting on the notice board of the library inviting submissions in respect of the following information, for a minimum of 21 days not including the date of advertising:

- Details of each rate or minimum payment the local government intends to impose;
- Invitation for submissions to be made in respect of the proposed rate or minimum payment and any related matters.

Under Section 6.33 (3) of the *Local Government Act 1995*, Council is required to make consistently with the key values of objectivity, fairness and equity, consistency, transparency and administrative efficiency. Council is required to address all matters identified with the submissions under the key values of:

- Objectivity;
- Consistency;
- Fairness and equity;
- Transparency;
- Administrative efficiency.

Financial Implications:

The Shire's principle source of income is through rates. It is an essential part of the budget process that the Council consider the level of rates that need to be raised in the context of funding the annual budget. It must also be noted that as other income, such as fees and charges are fixed by external legislation, there is very little scope for the Shire to increase this revenue source to keep up with the rising costs of service provision, therefore, these increasing costs must be borne by increases in rates.

Another consideration is the increasing costs of borrowings that need to be funded each year. As the Shire borrows funds in each budget, the flow on effect in the following year's budget is the cost of these borrowings. This increased cost is generally funded through increases in rates.

The Shire has until 31 August 2016 each year to adopt the Annual Budget, as the Shire is a rapidly growing organisation and as such we are heavily reliant on receiving rates income to fund our operations, including salaries. With this in mind, setting the level of rates for advertising and allowing the adoption of the annual budget in June, after the close of the

advertising period, is a very high priority to enable rates notices to be issued. The Shire prepares its cash flow based on starting to receive rate payments in late August each year.

Voting Requirements: Absolute Majority

SCM009/06/16 COUNCIL DECISION / Officer Recommendation:

Moved Cr Hawkins, seconded Cr See

That Council:

1. **Have considered the public submissions received and the responses provided as per the requirements of the Section 6.36 of the *Local Government Act 1995* and as contained in attachment SCM009.4/06/16.**
2. **Adopt the following differential rates in the dollar and minimum payments for the GRV and UV rated properties, subject to finalisation of the 2016/2017 draft budget:**

Proposed 2016/2017			
Differential Rate Category	UV Rate in Cents	GRV Rate in Cents	Minimum Rate
Residential		9.1413	1,102
Residential Vacant		15.0615	1,160
Commercial/Industrial		8.6906	1,301
Rural	0.3480		1,301
Rural Living	0.3480		1,301
Intensive Farming	1.1117		1,301

3. **Apply to the Minister for Local Government for approval to impose differential general rates, which are more than twice the lowest differential general rate, for the 2016/2017 financial year, as per Section 6.33(3) of the *Local Government Act 1995*.**

CARRIED BY ABSOLUTE MAJORITY 6/2

6.3. Confidential Reports:

COUNCIL DECISION

Moved Cr Piipponen, seconded Cr See

That the meeting be closed to members of the public at 6.16pm to allow Council to Discuss SCM010/06/16 Confidential Item – Recruitment Chief Executive Officer as per section 5.23(2) of the Local Government Act 1995.

CARRIED UNANIMOUSLY

Members of the public were asked to leave the meeting while confidential item SCM010/06/16 was discussed. The doors were closed at 6.17pm.

Director Planning left Chambers at 6.17pm

SCM010/06/16	Confidential Item - Recruitment Chief Executive Officer (SJ1397)
Author:	Leani Simpson – Manager Human Resources
Senior Officer/s:	Gary Clark – Acting Chief Executive Officer
Date of Report:	7 June 2016
Disclosure of Officers Interest:	No officer involved in the preparation of this report is required to declare an interest in accordance with the provisions of the Local Government Act.

Voting Requirements: **Absolute Majority**

COUNCIL DECISION

Moved Cr Piipponen, seconded Cr Hawkins

That Standing Orders 9.5, 9.6, 10.7 and 10.13 be suspended at 6.18pm in order to further discuss item SCM010/06/16.

CARRIED UNANIMOUSLY

COUNCIL DECISION

Moved Cr Piipponen, seconded Cr Hawkins

That Standing Orders be reinstated at 6.58pm

CARRIED UNANIMOUSLY

Officer Recommendation:

That Council:

1. Appoint WALGA to manage the recruitment of a new Chief Executive Officer.
2. Confirm that the Staff Management Working Group together with WALGA are to prepare a draft position description and employment contract to be presented to Council for approval.

SCM010/06/16 COUNCIL DECISION / New Motion:

Moved Cr Hawkins, seconded Cr Ellis

That Council:

1. Appoint WALGA to manage the recruitment of a new Chief Executive Officer.

- 2. Hold a facilitated workshop to finalise the selection criteria.**
- 3. Confirm that the Staff Management Working Group together with WALGA are to prepare a draft position description and employment contract to be presented to Council for approval.**

CARRIED BY ABSOLUTE MAJORITY 8/0

COUNCIL DECISION:

Moved Cr Ellis, seconded Cr Hawkins

That the meeting be reopened to the public at 6.59pm.

CARRIED UNANIMOUSLY

Members of the public returned to the Chambers and the Presiding Members advised that a new motion was carried for item SCM010/06/16 with an absolute majority vote of 8/0.

7. Motions of Which Notice has been Given:

Nil

8. Urgent Business:

Nil

9. Closure:

There being no further business the Presiding Member declared the meeting closed at 7.02pm.

I certify that these minutes were confirmed at the
Ordinary Council Meeting held on 27 June 2016

.....
Presiding Member

.....
Date
