



Shire of
Serpentine
Jarrahdale

Special Council Meeting

Confirmed Minutes

6.30pm

Monday 11 June 2018

- Purpose:**
1. Rating Strategy 2018/2019 – Notice of Intention to Raise Rates - Considerations of Rating Submissions
 2. Peel Regional Leaders Forum - Executive Director

Contact Us

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In Person

Shire of Serpentine Jarrahdale
6 Paterson Street, Mundijong WA 6123
Open Monday to Friday 8.30am-5pm (closed public holidays)



www.sjshire.wa.gov.au



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The purpose of this Council Meeting is to discuss and, where possible, make resolutions about items appearing on the agenda. Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on the basis of such decision or on any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting. Persons should be aware that the provisions of the *Local Government Act 1995* (Section 5.25(1)(e)) and *Council's Standing Orders Local Law 2002 (as amended)* – Part 14, Implementing Decisions. No person should rely on the decisions made by Council until formal advice of the Council decision is received by that person.

The Shire of Serpentine Jarrahdale expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any resolution of Council, or any advice or information provided by a Member or Officer, or the content of any discussion occurring, during the course of the Council meeting.



Minutes of the Special Council Meeting of the Shire of Serpentine Jarrahdale held on Monday 11 June 2018 in the Council Chambers, Civic Centre, 6 Paterson Street, Mundijong.

The Shire President, Cr Rich declared the meeting open at 6.30pm and welcomed Councillors, Staff and members of the gallery, and acknowledged that the meeting was being held on the traditional land of the Noongar People and paid her respects to their Elders past and present.

Minutes

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

In Attendance:

Councillors: M Rich Presiding Member
D Atwell
M Byas
R Coales
B Denholm
D Gossage
K McConkey
J See

Officers: Mr K Donohoe Chief Executive Officer
Ms H Sarcich Deputy CEO / Director Community Services
Mr F Sullivan Director Corporate Services
Mr A Schonfeldt Director Development Services
Mr S Harding Director Infrastructure Services
Ms A Liersch Agendas and Minutes Officer (Minute Taker)

Leave of Absence:

Apologies: Councillor S Piipponen

Observers:

Members of the Public – 13

Members of the Press – 1

Shire Officers – Mrs K Bartley, Manager Corporate Services;

2. Public question time:

2.1 Response to previous public questions taken on notice

Nil.

2.2 Public questions

Nil.



3. Public statement time:

Public statement time commenced at 6.31pm.

Dr Ivo Buters, Byford Medical Centre, 4 Clifton Street, Byford regarding SCM006/06/18

Economic facts:

- Australia's Inflation rate over the past 12 months is less than 2%
- Retail Trade in WA has only increased 0.1 % in the past 12 months
- WA building approvals have been down by 9% over the last 12 months

So business in WA is not exactly booming, it is struggling.

So why should this Council subject struggling business owners with a 22.6% increase in Shire rates?

The *My Council* website reveals that SJ Shire rates have increased by:

- 11.7% in 2013-2014
- 13.1 % in 2014-2015
- 12.3% in 2015-2016

In WA average Council rates have increase on average 7.5% but the SJ Shire has come out on top with an increase of 12.5%, approximately 5% above other Councils.

Further information of the *My Council* website reveals:

- the population growth rate is about 6%
- But wages and employee costs at the SJ Shire have increased by 12.5%

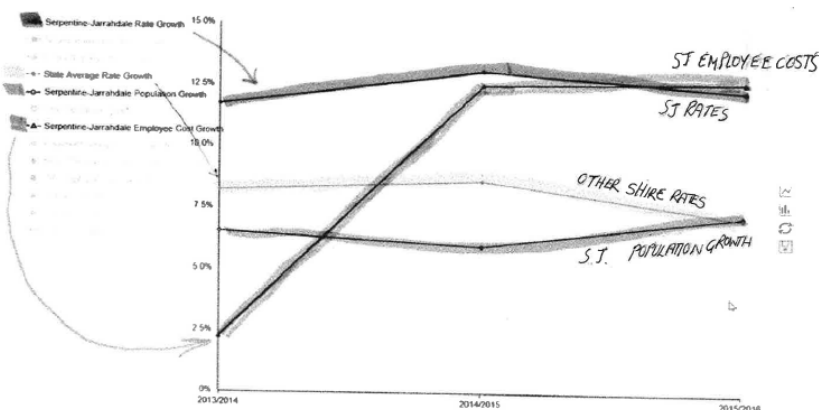
This indicates that the costs at the SJ Shire are way too high and instead of increasing rates the Shire should seriously cut cost for unnecessary projects and staff.

This Shire needs to be fiscally responsible and any rate increase of 22. 6% is crazy.

Council amalgamation was considered by the previous Liberal state government due to unnecessary increase in Council costs - this will be revisited if this Council continues to be fiscally irresponsible.

Thank you for allowing me to express my concerns

MY COUNCIL WEB SITE DATA



Public statement time concluded 6.34pm.



4. Petitions and deputations:

Nil.

5. Declaration of Councillors and Officers interest:

Nil.

6. Receipt of minutes or reports and consideration of adoption of recommendations from Committee meetings held since the previous Council meetings:

6.1 Reports for consideration:

SCM008/06/18 – Rating Strategy 2018/2019 – Notice of Intention to Raise Rates – Considerations of Rating Submissions (SJ2577)	
Author:	Kellie Bartley – Manager Corporate Services
Senior Officer/s:	Frazer Sullivan – Director Corporate Services
Date of Report:	5 June 2018
Disclosure of Officers Interest:	No officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

Introduction

The purpose of this report is for Council to consider the submissions in response to Council's advertised proposal for applying differential rates for the 2018/2019 financial year.

Relevant Previous Decisions of Council

SCM006/05/18 – Rating Strategy 2018/2019 – Differential General Rates and General Minimum Rate Payments 2018/2019

Background

At the Special Council Meeting held 7 May 2018, it was endorsed by Council to support the differential rates in the dollar and minimums proposed for the 2018/2019 financial year, for the advertising period of 21 days. This period is open from 10 May 2018 and submission are required to be lodged by the 5pm on 1 June 2018.

The report considered by Council set out the object and reasons for the proposed differential rates for the 2018/2019 financial year.

The differential rates proposed and advertised represented an overall increase of 4.97% for 2018/2019.



Community / Stakeholder Consultation

The proposed differential rates have been advertised and submissions invited in accordance with the requirements of section 6.36 of the *Local Government Act 1995*. The Shire placed advertisements in The Examiner Newspaper on 10 May 2018, *The West Australian* and in subsequent editions of the local newspaper, as well as the Shire's website and on noticeboards at the Shire Office and Mundijong Public Library.

In addition, Shire Officers consulted to those ratepayers directly affected with the rating categories of Industrial/Commercial and Intensive Farmland. Outlining the consultation process for the proposed rating categories.

Statutory Environment

In accordance with section 6.36 of the *Local Government Act 1995*, Council is required to give local public notice of its intention to levy differential general rates.

6.36. Local government to give notice of certain rates

- (1) *Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so.*
- (2) *A local government is required to ensure that a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).*
- (3) *A notice referred to in subsection (1) —*
 - (a) *may be published within the period of 2 months preceding the commencement of the financial year to which the proposed rates are to apply on the basis of the local government's estimate of the budget deficiency; and*
 - (b) *is to contain —*
 - (i) *details of each rate or minimum payment the local government intends to impose; and*
 - (ii) *an invitation for submissions to be made by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters within 21 days (or such longer period as is specified in the notice) of the notice; and*
 - (iii) *any further information in relation to the matters specified in subparagraphs (i) and (ii) which may be prescribed;*

and

- (c) *is to advise electors and ratepayers of the time and place where a document describing the objects of, and reasons for, each proposed rate and minimum payment may be inspected.*
- (4) *The local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.*

Comment

Discussion on Submissions



The Shire received 33 submissions. The summary of the schedule of rating submissions and officer's responses are detailed in attachment SCM008.1/06/18 and are required to be considered with the Officers report.

In adopting its annual budget, the Council must consider its Strategic Community Plan (SCP) and Corporate Business Plan (CBP) under section 5.56 of the *Local Government Act 1995*. The draft Long-Term Financial Plan (LTFP) is underpinned by key assumptions, including proposed rate increases over a ten-year period.

The basis for this proposed increase is as follows:

- Rate increases imposed by the Shire of Serpentine Jarrahdale have historically exceeded the rate of inflation (consumer price index) due to the high growth population demands on the provision of services and infrastructure. The new Local Government administration and Council is committed to keep rate increases to a moderate level. This will require a commitment to cost restraint, and the identification of operational efficiencies.
- The Perth CPI for the full year to March 2018 was 0.9%.
- The Local Government Cost Index (LGCI) predicted index will rise by 1.8% in 2018/2019.

Cost pressures facing Local Governments have recorded another rise. The primary driver for growth in the index in December was electricity, which increased by 9.7% in annual terms as new regulated tariffs came into effect for the 2017/2018 financial year. Street lighting costs were also up by 2.8% over the year.

Road and Bridge construction costs also increased during December, rising by 1.7% compared to a year earlier – the largest in four years. Machinery and equipment (2.9%) and wages (1.5%) also added to growth in the index over the year to December 2017.

With the economy starting to show signs of recovery, this will see costs faced by Local Governments also rise. It is therefore prudent for Local Governments to prepare for further modest price increases.

The continued modest growth in the LGCI indicates that the WA economy is stabilising, and that the cost pressures faced by Local Government are expected to increase in coming years as economic conditions improve. The Western Australian Local Government Association (WALGA) predicts the index will rise by 1.8% in 2018/19, mainly attributable to higher costs associated with energy and street lighting, wages and construction.



Initial Proposal Advertised

2018/2019 Differential General Rates and Minimum Payments Proposal

The following are the proposed Differential General Rates and Minimum Payments for the Shire of Serpentine Jarrahdale for the 2018/2019 financial year, to be effective from 1 July 2018.

Rate Category	Rate in Dollar (Expressed as cents in \$)	Minimum Payment
GRV Improved	9.0660	\$1,260
GRV Commercial/Industrial	10.8586	\$1,612
GRV Vacant	18.0414	\$ 970
UV Rural	0.3818	\$1,365
UV Intensive Farmland	0.7599	\$1,365

Revised Proposal

2018 / 2019 Revised Differential General Rates and Minimum Payments Proposal

With due consideration to the public submissions received, the following revised Differential General Rates and Minimum Payments for the Shire of Serpentine Jarrahdale for the 2018/2019 financial year, to be effective from 1 July 2018.

Rate Category	Rate in Dollar (Expressed as cents in \$)	Minimum Payment
GRV Improved	9.0135	\$1,260
GRV Commercial/Industrial	10.8389	\$1,612
GRV Vacant	17.8467	\$ 960
UV Rural	0.3818	\$1,365
UV Intensive Farmland	0.7599	\$1,365

Explanation for change

Following public consultation and consideration of submissions received and a revision of Council's growth projections, GRV Rating Category cents in \$ were adjusted downwards as follows;

- GRV Improved 9.0660 to 9.0135 – Reduced 0.58%
- GRV Commercial/Industrial 10.8586 to 10.8389 – Reduced 0.18%
- GRV Vacant 18.0414 to 17.8464 – Reduced 1.08%
- GRV Vacant minimum \$970 to \$960 – Reduced 1.03%

Officers are now recommending the revised growth expectations after taking into account the consideration of the submissions that have received and a general consensus of an increase in mining activity within the State. Therefore the relevant rating categories have been adjusted accordingly. The total budget yield has been reduced from 4.97% to 4.57%, with GRV Improved residential seeing a modest increase in yield of only 2.99% in total.



Conclusion

In light of the above remarks, the revised increase in total rate yield of 4.57% is considered to be equitable in order to fulfil the planned budget objectives. Rates do represent a high proportion of the Shire's annual income, and our annual planning processes will continue to assess the community's capacity and willingness to pay rates.

The Council will require some reliability and control over future rate increases to provide some level of certainty to the LTFP. As part of this strategy, Council's objective will be to achieve a stable rating price path for our community. Where new major projects or initiatives are likely to place an increased burden on ratepayers beyond the price path of the LTFP, increase community consultation, and demonstrated community support for such increases must be achieved, although the Shire will continue to maximize alternative revenue streams such as grant funding, and user pays fees and charges.

Attachments

- [SCM008.1/06/18](#) – 2018/2019 Summary of Rating Submissions (E18/5807)
- [SCM008.2/06/18](#) – Initial Rates Modelling Report 2018/2019 (E18/4357)
- [SCM008.3/06/18](#) – Revised Rates Modelling Report 2018/2019 (E18/5798)

Alignment with our Strategic Community Plan

Outcome 4.1	A resilient, efficient and effective organisation
Strategy 4.1.1	Provide efficient, effective, innovative, professional management of Shire operations to deliver the best outcome for the community within allocated resources.

Financial Implications

The proposed differential general rates and minimum payments will yield approximately \$22,669,000 in total rate revenue, which is a 4.57% increase on 2017/18 year to date rate revenue, which includes interim rate revenue raised. It is anticipated that 100% of the 2018/19 budget deficiency will be funded by the rate yield.

The draft Budget is structured on the following principles:

- Funding of Council's commitment to deliver the Community Infrastructure Implementation Plan;
- Integrated within the Long Term Financial Plan (to be adopted June 2018 OCM);
- Same or improved level of service;
- 1.9% CPI increase in all non-statutory fees and charges;
- Commitment to cost restraint wherever possible being tied to the Local Government Cost Index of 1.8%;
- Commitment to achieving operational efficiencies.
- Maintenance of a balanced budget.



Risk Implications

Risk has been assessed on the basis of the Officer's Recommendation. Provided the statutory provisions are complied with there are no risk management issues for apply a differential rate.

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
The shire would not be able to levy the 2018/2019 rates and charges in a reasonable timeframe	Rare (1)	Moderate (3)	Low (1-4)	Reputation - 3 Moderate - Substantiated, public embarrassment, moderate impact on key stakeholder trust or moderate media profile	Accept Officer Recommendation

Risk Matrix

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating of 3 has been determined for this item. Any items with a risk rating over 10 (considered to be high or extreme risk) will be added to the Risk Register, and any item with a risk rating over 17 will require a specific risk treatment plan to be developed.



Voting Requirements: Absolute Majority

SCM008/06/18 Officer Recommendation

That Council

1. Receives the 33 submissions and endorses the Officers comments outlined in attachment (SCM008.1/06/18) regarding the proposed 2018/2019 Summary of Rating Submissions in regards to 2018 /2019 Differential General Rates and Minimum Payments.
2. Amends the advertised Statement of Objects and Reasons to include the following statement within the reasons for the differential rating category of GRV Improved:
“It must be noted that the Rate in the Dollar for the GRV Improved has been reduced due to public consultation and consideration of submissions received and a revision of Council’s growth projections. The GRV Improved rate in the \$ was 9.0660 and reduced to 9.0135”.
3. Amends the advertised Statement of Objects and Reasons to include the following statement within the reasons for the differential rating category of GRV Commercial/Industrial:
“It must be noted that the Rate in the Dollar for the GRV Commercial / Industrial has been reduced due to public consultation and consideration of submissions received and a revision of Council’s growth projections. The GRV Commercial / Industrial rate in the \$ was 10.8586 and reduced to 10.8389”.
4. Amends the advertised Statement of Objects and Reasons to include the following statement within the reasons for the differential rating category of GRV Vacant:
“It must be noted that the Rate in the Dollar for the GRV Vacant has been reduced due to public consultation and consideration of submissions received and a revision of Council’s growth projections. The GRV Vacant rate in the \$ was 18.0414 and reduced to 17.8464”.
5. Amends the advertised Statement of Objects and Reasons to include the following statement within the reasons for the differential rating category of GRV Vacant Minimum Payment Rate:
“It must be noted that the GRV Vacant Minimum Payment Rate has been reduced due to public consultation and consideration of submissions received and a revision of Council’s growth projections. The GRV Vacant Minimum Payment Rate was \$970, reduced to \$960”.
6. After giving consideration to the public submissions, endorses the revised 2018/2019 Differential General Rates and Minimum Payments as follows, with a view of striking the rates as part of the 2018/2019 budget adoption:

Rate Category	Rate in Dollar (Expressed as cents in \$)	Minimum Payment
GRV Improved	9.0135	\$1,260
GRV Commercial/Industrial	10.8389	\$1,612
GRV Vacant	17.8467	\$ 960
UV Rural	0.3818	\$1,365
UV Intensive Farmland	0.7599	\$1,365

7. With respect to the “UV Rural” rate category, notes that this category includes both “Farmland” and “Conservation” properties, and a 31% concession has been applied to 156 “Farmland” properties giving an effective rate in the dollar of 0.2634 cents, and a 50% concession has been applied to 12 “Conservation” properties giving an effective rate in the dollar of 0.1909 cents.



SCM008/06/18

Alternate Councillor Motion

Moved Cr Gossage, seconded Cr See

That Council

- 1. Receives the 33 submissions and endorses the Officers comments outlined in attachment (SCM008.1/06/18) regarding the proposed 2018/2019 Summary of Rating Submissions in regards to 2018 /2019 Differential General Rates and Minimum Payments.**
- 2. Amends the advertised Statement of Objects and Reasons to include the following statement within the reasons for the differential rating category of GRV Improved:**
“It must be noted that the Rate in the Dollar for the GRV Improved has been reduced due to public consultation and consideration of submissions received and a revision of Council’s growth projections. The GRV Improved rate in the \$ was 9.0660 and reduced to 9.0135”.
- 3. Amends the advertised Statement of Objects and Reasons to include the following statement within the reasons for the differential rating category of GRV Commercial/Industrial:**
“It must be noted that the Rate in the Dollar for the GRV Commercial / Industrial has been reduced due to public consultation and consideration of submissions received and a revision of Council’s growth projections. The GRV Commercial / Industrial rate in the \$ was 10.8586 and reduced to 9.8074”.
- 4. Amends the advertised Statement of Objects and Reasons to include the following statement within the reasons for the differential rating category of GRV Vacant:**
“It must be noted that the Rate in the Dollar for the GRV Vacant has been reduced due to public consultation and consideration of submissions received and a revision of Council’s growth projections. The GRV Vacant rate in the \$ was 18.0414 and reduced to 17.8464”.
- 5. Amends the advertised Statement of Objects and Reasons to include the following statement within the reasons for the differential rating category of GRV Vacant Minimum Payment Rate:**
“It must be noted that the GRV Vacant Minimum Payment Rate has been reduced due to public consultation and consideration of submissions received and a revision of Council’s growth projections. The GRV Vacant Minimum Payment Rate was \$970, reduced to \$960”.
- 6. Amends the advertised Statement of Objects and Reasons to include the following statement within the reasons for the differential rating category of GRV Commercial / Industrial Minimum Payment Rate:**
“It must be noted that the GRV Commercial / Industrial Minimum Payment Rate has been reduced due to public consultation and consideration of submissions received and a revision of Council’s growth projections. The GRV Commercial / Industrial Minimum Payment Rate was \$1612, reduced to \$1344”.



7. After giving consideration to the public submissions, endorses the revised 2018/2019 Differential General Rates and Minimum Payments as follows, with a view of striking the rates as part of the 2018/2019 budget adoption:

Rate Category	Rate in Dollar (Expressed as cents in \$)	Minimum Payment
GRV Improved	9.0135	\$1,260
GRV Commercial/Industrial	9.8074	\$1,344
GRV Vacant	17.8467	\$ 960
UV Rural	0.3818	\$1,365
UV Intensive Farmland	0.7599	\$1,365

8. With respect to the “UV Rural” rate category, notes that this category includes both “Farmland” and “Conservation” properties, and a 31% concession has been applied to 156 “Farmland” properties giving an effective rate in the dollar of 0.2634 cents, and a 50% concession has been applied to 12 “Conservation” properties giving an effective rate in the dollar of 0.1909 cents.

Reason for difference to Officer Recommendation

Due to public consultation and the submissions received, the rate increase will be 3.9% instead of 4.57%. This will be achieved by reducing the GRV Commercial / Industrial rate category from a 24% increase to a 12% increase.

MOTION LOST 1/7

Councillor See, in accordance with Section 5.21(4)(b), *Local Government Act 1995* requested the votes be recorded.

Councillor Gossage voted FOR the motion.

Councillors Rich, Coales, Byas, Denholm, Atwell, See & McConkey voted AGAINST the motion.

COUNCIL DECISION

Moved Cr Byas , seconded Cr Gossage

That Standing Orders 9.5, 9.6, 10.7 and 10.13 be suspended at 6.38pm in order to further discuss item SCM008/06/18.

CARRIED 6/2

COUNCIL DECISION

Moved Cr Byas, seconded Cr See

That Standing Orders be reinstated at 7.01pm.

CARRIED UNANIMOUSLY 8/0

Cr Rich foreshadowed she would move a new motion if the current motion is lost. The intent of the foreshadowed motion would be for the GRV Commercial / Industrial Rate to be no more than 18% instead of 12%.



COUNCIL DECISION

Moved Cr Byas, seconded Cr McConkey

That the meeting be adjourned at 7.22pm to allow rate calculations to be undertaken.

CARRIED 5/3

COUNCIL DECISION

Moved Cr Byas, seconded Cr McConkey

That the meeting recommence at 8.04pm.

CARRIED UNANIMOUSLY 8/0

SCM008/06/18

COUNCIL DECISION / Foreshadowed Motion

Moved Cr Rich, seconded Cr McConkey

That Council

- 1. Receives the 33 submissions and endorses the Officers comments outlined in attachment (SCM008.1/06/18) regarding the proposed 2018/2019 Summary of Rating Submissions in regards to 2018 /2019 Differential General Rates and Minimum Payments.**
- 2. Amends the advertised Statement of Objects and Reasons to include the following statement within the reasons for the differential rating category of GRV Improved:**

“It must be noted that the Rate in the Dollar for the GRV Improved has been reduced due to public consultation and consideration of submissions received and a revision of Council’s growth projections. The GRV Improved rate in the \$ was 9.0660 and reduced to 9.0135”.

- 3. Amends the advertised Statement of Objects and Reasons to include the following statement within the reasons for the differential rating category of GRV Commercial/Industrial:**

“It must be noted that the Rate in the Dollar for the GRV Commercial / Industrial has been reduced due to public consultation and consideration of submissions received and a revision of Council’s growth projections. The GRV Commercial / Industrial rate in the \$ was 10.8586 and to be reduced to be no more than an 18% increase in yield on valuations received.”

- 4. Amends the advertised Statement of Objects and Reasons to include the following statement within the reasons for the differential rating category of GRV Vacant:**

“It must be noted that the Rate in the Dollar for the GRV Vacant has been reduced due to public consultation and consideration of submissions received and a revision of Council’s growth projections. The GRV Vacant rate in the \$ was 18.0414 and reduced to 17.8464”.

- 5. Amends the advertised Statement of Objects and Reasons to include the following statement within the reasons for the differential rating category of GRV Vacant Minimum Payment Rate:**



“It must be noted that the GRV Vacant Minimum Payment Rate has been reduced due to public consultation and consideration of submissions received and a revision of Council’s growth projections. The GRV Vacant Minimum Payment Rate was \$970, reduced to \$960”.

6. After giving consideration to the public submissions, endorses the revised 2018/2019 Differential General Rates and Minimum Payments as follows, with a view of striking the rates as part of the 2018/2019 budget adoption:

Rate Category	Rate in Dollar (Expressed as cents in \$)	Minimum Payment
GRV Improved	9.0135	\$1,260
GRV Commercial / Industrial	To be no more than an 18% increase in yield on valuations received	To be no more than an 18% increase in yield on valuations received
GRV Vacant	17.8467	\$ 960
UV Rural	0.3818	\$1,365
UV Intensive Farmland	0.7599	\$1,365

7. With respect to the “UV Rural” rate category, notes that this category includes both “Farmland” and “Conservation” properties, and a 31% concession has been applied to 156 “Farmland” properties giving an effective rate in the dollar of 0.2634 cents, and a 50% concession has been applied to 12 “Conservation” properties giving an effective rate in the dollar of 0.1909 cents.
8. Confirms the rate in the \$ for GRV Commercial / Industrial together with the amended Statement of Objects and Reasons as per clause 3 above at the adoption of the 2018/2019 Budget on 25 June 2018.

Reason for difference to Officers Recommendation

The Rating Strategy has been amended due to public consultation and consideration of submissions received and a revision of Council’s growth projections.

CARRIED BY ABSOLUTE MAJORITY 5/3

Councillor See, in accordance with Section 5.21(4)(b), *Local Government Act 1995* requested the votes be recorded.

Councillors Rich, McConkey, Denholm, Atwell and Byas voted FOR the motion.
Councillors Coales, Gossage and See voted AGAINST the motion.



SCM009/06/18 - Peel Regional Leadership Forum – Executive Director (SJ1350)	
Author:	Kenneth Donohoe – Chief Executive Officer
Senior Officer/s:	Chief Executive Officer
Date of Report:	28 May 2018
Disclosure of Officers Interest:	No officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

Introduction

The Peel Regional Leadership Forum (PRLF) was established in 2010 to provide a vehicle for the coordination and prioritisation of project funding across the Peel Region. Its membership comprises the local governments of the Region (the City of Mandurah and the Shires of Boddington, Murray, Serpentine Jarrahdale and Waroona) together with Regional Development Australia (RDA) Peel, the Peel Community Development Group and the Peel Harvey Catchment Council. The Peel Development Commission (PDC) attends meetings of the PRLF as a non-voting member.

The group has terms of reference and is identified in the PDC's Regional Blueprint as a significant stakeholder in influencing where Regional projects are developed in the Peel Region.

The PRLF has previously agreed in principle to the appointment of an Executive Director for the Forum but has now reviewed its position in response to budget constraints. The reviewed concept has resulted in a reduction to the proposed salary package for the role.

As this position has been reviewed, the matter is presented to Council for its reconsideration.

Relevant Previous Decisions of Council

OCM135.08.2017 - September 2017

Background

The PRLF has reviewed its previously adopted draft Business Plan and has, by majority consensus decision, chosen to adopt a more generalist version of the Business Plan that the majority of the group believes will allow a broader and more flexible approach to be taken to supporting the development of the Peel Region. A copy of this document is attached for Council's consideration.

While a more targeted approach was anticipated by the Shire of Serpentine Jarrahdale, and was adopted previously by the PRLF, there has been a change in funding direction and objectivity in relation to core projects since the October 2017 election cycle which has resulted in the adoption of a broader approach to strategic direction.

It is now the intention of the group that projects be presented through the support of an Executive Director on a case-by-case basis, with each Local Government presenting business concepts for consideration by the broader Regional group.



Community / Stakeholder Consultation

Both the Chief Executive Officer and Shire President attended a meeting of the group on 11 May 2018 where the new Business Case (attachment SCM009.1/06/18) 2018-2021 was presented and adopted by the PRLF.

Statutory Environment

The PRLF operates as an independent group for the Peel region and as such there are no specific statutory constraints applicable to its operation.

Council allocates members to the PRLF as an external body after its Council election cycle. Any financial commitments beyond that which Council has budgeted are required to be presented to member Councils for further consideration.

Comment

It was Council's previous preference for there to be a targeted approach to projects generally along the lines of the manner in which local government manages its strategy through an integrated planning approach. The approach currently proposed by PRLF does not seek this objective but rather proposes a more fluid approach to business planning.

While this approach might not be Council's preference, to not accept the current approach would lead to conflict in the group and potentially undermine investment in the Peel which crucially relies on the development of regional collaboration. There is significant competition for projects in the region and a collegiate approach will hopefully see regional projects progress to be considered on a case by case basis within an overall business planning framework.

If Council is not supportive of this approach, it is open to Council to resolve not to further support the PRLF and remove itself from the group. However, the Shire's designated representative body through the *Regional Development Commissions Act* is the PDC, which in turn identifies itself as seeking input from the PRLF for Regional Projects. Accordingly, the Shire's withdrawal from the group may hamper future projects that require funding support from the PDC, and while this could be challenged in a judicial process or through Parliamentary Commissioners complaint this would inevitably affect regional relationships and may be at a prolonged financial cost.

There remains perceived criticism that the Shire of Serpentine Jarrahdale was not an active supporter of the Peel Region in previous years and that (for whatever reason) Serpentine Jarrahdale was not at the table to discuss regional projects. This criticism may be correct, although a review of PDC strategic documents such as the Peel Regional Blueprint and the Peel Tourism Economic Development Infrastructure Strategy 2016-2020 does not appear to reflect a lack of engagement by the Shire in Regional objectives. However, the author has limited knowledge of how this engagement was presented and consulted by the Shire through the PRLF.

While the attached Business Plan is non-committal to any real objective at this particular time, investment in an Executive Director position may yield the resources necessary to further develop regional projects.

As per the last request to Council, the funding sought by the PRLF is for a three (3) year term with an anticipated budget of \$120,000 per annum as per the costing supplied by the City of Mandurah. The Shire of Serpentine Jarrahdale would be the second largest contributor to the overall budget after Mandurah. Given the challenges associated with the proposed Executive Director function, it may be difficult to attract candidates of the necessary calibre on the proposed salary; however, that will remain to be seen once the position is advertised.



Conclusion

The reviewed PRLF workshop outcomes continue to support the appointment of an Executive Director to develop and deliver on Regional aspirations. There is a risk to the Shire that the committed resources will be allocated to projects where the Shire does not receive value for money, or otherwise that without any clear business case development the group reverts to prioritising Regional Projects identified by the State through its Regional Blueprint and thus the flexibility of local delivery is compromised.

Attached to this report is correspondence sent to the Chief Executive Officer, PDC as part of the review of the PDC's Regional Blueprint (SCM009.2/06/18). As noted above the PDC is not a formal voting member of the PRLF but it does attend meetings and contribute to debate and direction. It is not known whether the PDC or the PRLF will necessarily support any of the proposals suggested from the workshop with Councillors, as some projects directly conflict with pre-determined positions. It is presumed likely that voting numbers may very well result in some (or even all) of the identified and communicated positions adopted. Council is also aware that the PDC is currently reviewing its strategies and within the existing Blueprint and has had presentations provided to the Council.

It is the Chief Executive Officer's recommendation that outcomes and deliverables based on a return on investment for the Peel and Shire should be carefully evaluated annually and that any support resolution of Council for a three (3) year term should be evaluated each budget cycle. While the PRLF may not support this, it should be recognised that as the level of funding support has been determined around population size of the member Councils, the Shire of Serpentine Jarrahdale would be a significant contributor to the funding of the position, only behind the City of Mandurah.

There is a risk that the insertion of an annual critique within a three (3) year commitment as a condition of any future annual payment may discourage candidates seeking to take on the role. However, quality candidates should not be deterred by a requirement to achieve annual milestones as a basis for ongoing employment.

Two options are presented to the Council for its consideration: One (1) to agree to the three year term with a review at the conclusion of the contract period; and Two (2) to agree to a three year term on the basis that if agreed milestones are not achieved annually, the Shire of Serpentine Jarrahdale would not support ongoing funding.

Option 1

That Council;

1. receives the Peel Regional Leadership Forum Business Plan of 11 May 2018 and acknowledges that the Peel Regional Leadership Forum endorsed this Plan on 11 May 2018.
2. supports the employment of the Executive Director position for the Peel Regional Leadership Forum for a three (3) year term on the basis that a comprehensive report evaluating the success or otherwise of the Peel Regional Leadership Forum's achievements in the Peel Region is provided to Council at the conclusion of this period before any further support for this position is considered.

Option 2 (Officer Recommendation)

That Council;

1. receives the Peel Regional Leadership Forums Business Plan and acknowledges that the Peel Regional Leadership Forum endorsed this Plan at its meeting of 11 May 2018.
2. Conditionally supports, in principle, the employment of the Executive Director position for the Peel Regional Leadership Forum for a three (3) year term.
3. advises the Peel Regional Leadership Forum that funding support for the Executive Director position will be on the basis that an annual comprehensive report evaluating the success or



otherwise of the Peel Regional Leadership Forum's achievements in the Peel Region is provided for Council's consideration annually and before the end of April each calendar year before any further support for this position will be considered.

Attachments

- [SCM009.1/06/18](#) - PRLF Business Plan 2018-2021 (E18/5479)
- [SCM009.2/06/18](#) - Correspondence to Peel Development Commission (E18/5797)

Alignment with our Strategic Community Plan

Council has directed the Chief Executive Officer to participate in providing leadership with other local government Chief Executive Officers in the Region to achieve Peel Regional objectives.

Development of the Peel Region may see specific projects developed collectively or individually based on a competitive and comparative basis. As such, membership of the Peel Regional Leadership Forum enhances opportunities for development of economic, social and environmental investment across all pillars of the Shires objectives: People, Place and Prosperity.

Financial Implications

Council has budgeted \$52,000 in the budget for the 2017/2018 financial year.

Employment of the Executive Director this financial year would be as per the table below. The ratios of financial contribution is based on population in this period.

Peel Regional Leaders Forum
Draft Budget 2017/18 to 2019/20

Budget	17/18 \$	18/19 \$	19/20 \$
Surplus B/F	50,000	52,000	25,260
City of Mandurah	72,808	83,771	88,873
Shire of Serpentine Jarrahdale	44,249	51,900	54,933
Shire of Murray	38,798	45,818	48,455
Shire of Waroona	17,180	20,433	21,591
Shire of Boddington	15,965	19,078	20,148
Peel Harvey Catchment Council	500	500	500
Peel Development Commission	500	500	500
Grants	50,000	50,000	50,000
	290,000	324,000	310,260
Staff Costs	130,000	190,740	194,560
Grant Projects	100,000	100,000	100,000
Office Costs	7,000	7,000	7,000
Audit Costs	1,000	1,000	1,000
Surplus C/F	52,000	25,260	7,700
	290,000	324,000	310,260



Risk Implications

Risk has been assessed on the basis of the Officer's Recommendation.

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
Council withdraw from the PRLF and not support recommendations of the Outcomes report.	Unlikely (2)	Moderate (3)	Moderate (5-9)	Service Interruption - 2 Minor - Temporary interruption to an activity – backlog cleared with existing resources	Accept Risk
Council does not fund the Executive Director Position	Possible (3)	Moderate (3)	Moderate (5-9)	Service Interruption - 3 Moderate - Interruption to Service Unit(s) deliverables – backlog cleared by additional resources	Accept Risk
Peel Regional Leadership Group Dissolves	Possible (3)	Moderate (3)	High (10-16)	Service Interruption - 3 Moderate - Interruption to Service Unit(s) deliverables – backlog cleared by additional resources	Accept Officer Recommendation



Risk Matrix

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

Voting Requirements: Simple Majority

SCM009/06/18 COUNCIL DECISION / Officer Recommendation

Moved Cr See, seconded Cr McConkey

That Council;

1. Receives the Peel Regional Leadership Forums Business Plan and acknowledges that the Peel Regional Leadership Forum endorsed this Plan at its meeting of 11 May 2018.
2. Conditionally supports in principle, the employment of the Executive Director position for the Peel Regional Leadership Forum for a three (3) year term.
3. Advises the Peel Regional Leadership Forum that funding support for the Executive Director position will be on the basis that an annual comprehensive report evaluating the success or otherwise of the Peel Regional Leadership Forum's achievements in the Peel Region is provided for Council's consideration annually and before the end of April each calendar year, before any further support for this position will be considered.

CARRIED UNANIMOUSLY 8/0

6.2 Confidential reports

Nil

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 8.17pm.

I certify that these minutes were confirmed at the
Ordinary Council Meeting held on 25 June 2018.

.....
Presiding Member

.....
Date