



## MISSION AND VALUES OF COUNCIL

*"A Sustainable Community that is inclusive, attractive, healthy and pleasant to live in, that uses our land so as to preserve our history and environment, respects the rights and equality of our citizens and manages our future growth wisely."*

# AGENDA

FOR THE

SPECIAL MEETING OF COUNCIL

**16 JUNE 2015**

## **OUR VISION**

***"A thriving and friendly community that recognises our history and embraces cultural diversity and economic opportunity, whilst nurturing our unique natural and built environment."***

## **OUR MISSION**

***"To deliver affordable and quality Local Government services."***

## **CORE VALUES OF THE SHIRE**

***The core values that underpin the achievement of the mission will be based on a strong customer service focus and a positive attitude:***

**Communication**

**Integrity**

**Respect**

**Innovation**

**Transparency**

**Courtesy**

### **DISCLAIMER**

The purpose of Council Meetings 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 (e)) establish procedures for revocation or rescission of a Council decision. 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 Broome 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.

**SHIRE OF BROOME**  
**SPECIAL MEETING OF COUNCIL**  
**TUESDAY 16 JUNE 2015**  
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## NOTICE OF MEETING

Dear Council Member,

The next Special Meeting of the Shire of Broome will be held on Tuesday, 16 June 2015 in the Council Chambers, Corner Weld and Haas Streets, Broome, commencing at 5.00pm for the purpose of considering:

- FREDERICK ST /DAMPIER TCE CONNECTION AND LOOKOUT
- NOTICE OF INTENTION TO IMPOSE 2015/2016 DIFFERENTIAL RATES

Regards

A handwritten signature in black ink, appearing to read 'K R Donohoe', with a horizontal line underneath the name.

K R DONOHOE  
**Chief Executive Officer**

11/06/2015

**1. OFFICIAL OPENING**

**2. ATTENDANCE AND APOLOGIES**

Attendance:

Leave of Absence:

Apologies: Cr M Manado  
Cr C Mitchell

Officers:

Public Gallery:

**3. DECLARATIONS OF FINANCIAL INTEREST / IMPARTIALITY**

FINANCIAL INTEREST			
Councillor	Item No	Item	Nature of Interest

IMPARTIALITY			
Councillor	Item No	Item	Nature of Interest

**4. PUBLIC QUESTION TIME**

**5. MATTERS FOR WHICH THE MEETING MAY BE CLOSED**

Under section 5.23 (2)(d) of the *Local Government Act 1995* Council may resolve to move the meeting behind closed doors.

**6.**

**REPORTS  
OF  
OFFICERS**

# 6.1

## OUR PEOPLE



### ***PRIORITY STATEMENT***

Embracing our cultural diversity and the relationship between our unique heritage and people, we aim to work in partnership with the community to provide relevant, quality services and infrastructure that meet the needs and aspirations of our community and those visiting and doing business in our region.

Supporting and contributing to the well-being and safety of our community is paramount, as is our focus on community engagement and participation.

Council aims to build safe, strong and resilient communities with access to services, infrastructure and opportunities that will result in an increase in active civic participation, a reduction in anti-social behaviour and improved social cohesion.

There are no reports in this section.



# 6.2

## OUR PLACE



### ***PRIORITY STATEMENT***

The Shire of Broome has an abundance of unique natural features, coastal attractions, significant streetscapes, historic precincts and a mix of old and new urban developments.

Our aim is for all communities and settled areas, including the Broom Township, to be a place where the natural environment, on which life depends, is maintained, whilst at the same time the built environment contributes to the economy and a quality lifestyle for all.

Preserving the Shire's natural environment is a critical community outcome. Council will put into place strategies that nurture and improve the Shire's unique environment and biodiversity.

The Shire will work in partnership with the community and other agencies to ensure responsible and accountable management of both the natural and build environments is achieved in the short term and for future generations.

**6.2.1 FREDERICK ST /DAMPIER TCE CONNECTION AND LOOKOUT**

<b>LOCATION/ADDRESS:</b>	Cnr Frederick St and Dampier Tce
<b>APPLICANT:</b>	Nil
<b>FILE:</b>	PLA94
<b>AUTHOR:</b>	Special Projects Coordinator
<b>CONTRIBUTOR/S:</b>	Manager Economic Development
<b>RESPONSIBLE OFFICER:</b>	Deputy Chief Executive Officer
<b>DISCLOSURE OF INTEREST:</b>	Nil
<b>DATE OF REPORT:</b>	23 March 2015

**SUMMARY:** The Shire has been successful in receiving funding from Tourism WA Demand – Driver Infrastructure. Initially this comprises \$300,000 in this financial Year and a second \$300,000 in the 2015/16 financial year subject to matching funding being secured.

To match the \$300,000 funding in the 2014/15 FY and to enable works to commence on the road connection phase (and consultation and detailed design of the lookout) as soon as possible, Officers are proposing Council make its previously committed \$300,000 towards the project from the Road Reserve this year rather than borrowings in the 2015/16 FY.

Funding for construction of the lookout phase can be considered once further consultation has been undertaken and the Chinatown Revitalisation Business Case is endorsed by Cabinet which is expected to occur over the coming months. If these funds are approved they can be used to match the second \$300,000 from identified from Tourism WA in the 2015/16 FY.

**BACKGROUND**Previous Considerations

OMC 21 February 2013	Item 9.2.1
OMC 26 February 2015	Item 9.2.8

That Council:

1. Endorses the Chief Executive Officer's attempts to seek funding from the Kimberley Development Commission from Royalties for Regions, and Tourism WA from the TDDI scheme for implementation of the Dampier Terrace/Frederick Street Connection and associated viewing platform identified in the Chinatown Development Strategy in line with this report.
2. Agrees to commit expenditure of \$300,000 from Shire funds identified for Chinatown Revitalisation towards this project should other funding be secured.
3. Requests the Chief Executive Officer to prepare a Community Engagement Plan for this project and undertake consultation with the Chairman and representatives of the Mallingbarr community as soon as practicable.

Following Council's resolution the following has occurred in regard to this project:

1. Officers met with the Chairperson of the Mallingbar Aboriginal Community on 5 March 2015. The Chairperson indicated support for the proposal with some minor amendments to the concept which have been included.

2. The Shire President wrote to Nyamba Buru Yawuru formally advising them of the project and seeking feedback and comment.
3. Funding contract has been secured for \$300,000 from Tourism WA of a potential \$600,000 for the entire project. The criteria of this funding is that it is matched dollar for dollar by the proponent, hence Officers are only recommending Council commit to the initial \$300,000 at this stage.
4. The concepts have been further refined incorporating feedback from a number of stakeholders and the final concept is also attached for Councils consideration.
5. Officers have prepared the Business Case requesting \$300,000 from the State Government. The final draft of this business case has been provided to the Kimberley Development Commission for comment prior to lodgement. Advice from the State Government is that this request is best considered in conjunction with the Chinatown Revitalisation Business Case as single cohesive project.

## COMMENT

To facilitate delivery of this project as soon as possible and to meet the obligations of the Tourism WA funding, officers are proposing Council approve the Shire's allocation of \$300,000 for this project in this financial year. This would allow for the road component of the project to progress. This funding would also allow consultation to be undertaken and design to be prepared for the lookout component of the project. Funds for this could be drawn from the Road Reserve. This would negate the need to provide these funds as part of the 2015/16 financial year as previously resolved.

The lookout component of the project is proposed to be undertaken as a detailed design tender with a subsequent construction tender if and when the Chinatown Revitalisation Project funds become available. If funding from the State is not forthcoming Council can then consider if it will match the \$300,000 in the 2015/16 financial year to progress the lookout component of the project or not progress any further. Council is not required to make this decision at this stage and it is recommended to commit the \$300,000 this year to complete the road component of the project.

It is therefore recommended to accept \$300,000 of the Tourism WA funding for the 2014/15 FY and match these funds with \$300,000 from the Road Reserve to facilitate this project progressing prior to 30 June 2015.

The Final Concept can be found in **Attachment 1-6**.

## CONSULTATION

Preliminary consultation has been undertaken with Nyamba Buru Yawuru, and Mallingbarr Body Corporate. Minor adjustments to the concept have been made in response to this consultation. Both parties received the proposal with positive comments however as part of the community engagement plan continued engagement will be undertaken as the project enters detailed design and implementation.

## STATUTORY ENVIRONMENT

Nil

## POLICY IMPLICATIONS

Nil

**FINANCIAL IMPLICATIONS**

**Funding Source: Frederick Street/Dampier Terrace Lookout and Road Connection**

Funding Type	Capital or Start Up Expense	Life Cycle Costs (Annual)		Funding Details (eg RLCIP)	Account Number
		Cost \$	*Cost Type		
Grant	\$900,000			Tourism WA TDDI \$600,000 (only \$300,000 committed at this stage) and Royalties for Regions \$300,000 (Not committed at this time).	
Reserve	\$300,000			Transfer from Road Reserve	101219600
<b>TOTAL</b>	<b>\$1,200,000</b>				
*Cost Type – Asset: New, Upgrade, Renewal, Maintenance, Operating. Service: Start up and Operating					

**STRATEGIC IMPLICATIONS**

**Our People Goal – Foster a community environment that is accessible, affordable, inclusive, healthy and safe:**

Accessible and safe community spaces

**Our Place Goal – Help to protect the nature and built environment and cultural heritage of Broome whilst recognising the unique sense of the place:**

A preserved, unique and significant historical and cultural heritage of Broome

Retention and expansion of Broome's iconic tourism assets and reputation

**Our Prosperity Goal – Create the means to enable local jobs creation and lifestyle affordability for the current and future population:**

Key economic development strategies for the Shire which are aligned to regional outcomes working through recognised planning and development groups/committees

**VOTING REQUIREMENTS**

*Absolute Majority*

**REPORT RECOMMENDATION:***That Council:*

1. *Thanks Tourism WA for the Tourism Demand – Driver Infrastructure (TDDI) funding which will be used for this project;*
2. *Accepts the \$300,000 for the 2014/15 financial year towards the Road Connection component noting it requires matching contribution from the Shire of \$300,000 (which is addressed below).*
3. *Approves a budget amendment to transfer \$300,000 from the Road Reserve via General Ledger Account 101219600 for the commencement of works on the project in this financial year and approves a new job number to be established under subprogram 124 – Road Construction for the purpose of commencing the extension to Frederick St and connection to Dampier Terrace*
4. *Acknowledges that this \$300,000 is considered as part of the Shire's \$2 million commitment towards Chinatown Revitalisation as per the long term financial plan and therefore requests the Chief Executive Officer to reflect this in the 2015/16 draft budget.*
5. *Authorises the Chief Executive Officer to accept the second \$300,000 for the 2015/16 financial year (to be used for the lookout component) if matching funding is allocated from the Chinatown Revitalisation Business Case from Royalties for Regions.*

**(ABSOLUTE MAJORITY REQUIRED)****Attachments**

1. Concept Cover Page
2. Concept Site Plan
3. Concept Floor Plan
4. Concept Design Elements
5. Concept Infrastructure Elements
6. Staging of Works Diagram

# 6.3

## OUR PROSPERITY



### ***PRIORITY STATEMENT***

Our region has grown significantly over the past years in terms of population, economy and industry – this will continue! Balancing ecological sustainability with economic growth and retaining the ‘look and feel’ of Broome and its environs are an ongoing challenge for the region. Encouraging appropriate investment and business development opportunities to ensure a strong, diverse economic base is essential for community prosperity and the success of our future generations.

Focusing on developing clear pathways linking education with employment for our youth and the community at large is essential as we aim to retain our local people and continue to build a skilled and highly motivated workforce.

Business and Industry partnerships must be fostered to ensure sustainable economic growth is achieved, along with the provision of affordable and equitable services and infrastructure. Ensuring development meets community needs and legislative requirements whilst creating close community relationships and enhancing our understanding of local heritage and cultural issues will continue to be a major focus. The built environment must contribute to the economy, long term viability of the region and provide a quality lifestyle for all.

**6.3.1 NOTICE OF INTENTION TO IMPOSE 2015/2016 DIFFERENTIAL RATES**

<b>LOCATION/ADDRESS:</b>	Nil
<b>APPLICANT:</b>	Nil
<b>FILE:</b>	ARA01,ARA12
<b>AUTHOR:</b>	Director Corporate Services
<b>CONTRIBUTOR/S:</b>	Manager Financial Services Rates Coordinator
<b>RESPONSIBLE OFFICER:</b>	Director Corporate Services
<b>DISCLOSURE OF INTEREST:</b>	Nil
<b>DATE OF REPORT:</b>	12 May 2015

**SUMMARY:** As part of the 2015/2016 Annual Budget process, Council is required to endorse the proposed differential rates for local public notice seeking public comment for not less than 21 days. This provides an opportunity for public submissions to be considered prior to the final adoption of rates. In summary, the proposed rates for the 2015/2016 financial year delivers a general rate increase of 3.97% compared to last financial year to balance the draft budget for 2015/16.

There are two main factors impacting this year's proposed rates. Firstly, the triennial Gross Rental Valuation (GRV) and the annual Unimproved Valuation (UV) revaluations. Secondly, in line with the Council's resolution of 18 December 2014, Council has resolved its intention to phase out concessions within the UV-Rural Differential Rating Category over a three year period. A number of options have been presented within the context of this report to assist Council in these deliberations.

**BACKGROUND**Previous Considerations

OMC 8 May 2008	Item 9.4.5
OMC 17 December 2008	Item 9.4.3
OMC 2 September 2009	Item 9.4.5
OMC 14 April 2011	Item 9.2.1
SMC 13 July 2011	Item 9.3.1 & 9.3.2
OMC 19 April 2012	Item 9.4.4
SMC 24 July 2013	Item 9.4.1
SMC 28 August 2013	Item 9.4.3
SMC 27 June 2014	Item 9.4.3
OMC 18 December 2014	Item 9.3.1

Notice of Intention to Impose 2015/2016 Differential Rates

As part of the annual budget process Council must determine the general rate in the dollar and the minimum payment for differential rating categories to be used in the following year. Pursuant to Section 6.36 of the *Local Government Act 1995* the proposed differential general rates in the dollar and minimum payments must be endorsed for advertising for a period of not less than 21 days, providing allowance for public submissions. Council must then consider any submissions received prior to the formal adoption of the Differential rates as part of the annual budget process.

Officers have sought to include prioritised initiatives and projects with significant regard for Council's suite of Integrated Planning documents. A number of Council Workshops have been held including:

- Rates Review – 26 August 2014
- Rates Review – 21 October 2014
- Rates Review – 18 December 2014 (OMC)
- Draft Fees & Charges/Rates Review – 31 March 2015
- Draft Capital Budget and Project Site Visit– 21 April 2015
- Draft Operating Budget/Engineering Works & Plant Costing/Project Briefs/Rates Review – 7 May 2015

The draft budget was primarily developed with reference to Council's adopted *Corporate Business Plan 2015 – 2019, Long Term Financial Plan and Asset Management Plans*. Consideration was also given to a number of project briefs that were submitted by staff and presented to Council through the aforementioned workshops.

Following deliberations at the Budget Workshop on 7 May 2015 and feedback provided by Councillors, amendments have been made to the draft budget documents (Circulated to Councillors 29 May 2015). The draft documents include a general rate increase of 3.97% as compared to actual rate revenue received to date for the 2014/15 year.

At the Special Meeting of Council held 19 February 2015, Council resolved to adopt the new Shire of Broome Corporate Business Plan 2015-19 (CBP), taking effect 1 July 2015. In review of this document, Council has had significant regard for the financial capacity of the organisation to deliver priority initiatives, achieve desired levels of service and maintain adequate levels of asset renewal. As part of this process and to achieve a more sustainable future, a review of the organisation's structure was undertaken, resulting in a restructure that has achieved savings in operational expenses in the order of \$1.8M annually.

This adjustment has improved the long term financial sustainability of the Shire of Broome. It has resulted in a reduction in the reliance on Reserve funding and improved the Shire's conformity with financial ratio targets prescribed by the Department of Local Government and Communities (Department). Key achievements in this year's budget include:

- Improved efficiencies realising further savings in the Parks and Gardens and Works and Services areas.
- A focus by officers on leveraging Council funds to attract significant grant funding has been successful and this is reflected in the proposed capital projects in the 2015/2016 financial year.
- A focus on revenue raised through fees and charges based on an improved user pays philosophy.

All of these factors have resulted in a proposed rate increase of 3.97% to deliver the priorities and services of Council. This proposed increase is below the indicative figure of 5% included within the Shire's Long Term Financial Plan.

The proposed increase of 3.97% enables the delivery of the following key capital projects within the draft budget:

- Chinatown Revitalisation Project - \$12M (\$10M proposed State funding)



- BRAC Aquatic Renewal - \$3.3M (including grant funding and developer contributions)
- Kimberley Regional Offices - \$4.7M
- Buckley's Rd Waste Facility Closure - \$1.1M
- Archer St Renewal and McDaniel Street Intersection Upgrade - \$1.4M (including grant funding)
- New roundabout at the intersection of Cable Beach East Rd/Reid Rd/TAFE - \$600k (fully grant funded)
- Denham Rd Construction - \$400k (fully grant funded)
- New roundabout at the intersection of Hamersley and Hass Streets - \$600k (fully grant funded)
- Plant Replacement - \$600k (Key items include replacement of a Road Sweeper, Loader and Tipper Truck)

The basis of the proposed rate modelling (including the GRV and UV revaluations) to achieve these capital projects and normal operational services is outlined below. Background is also provided on a review of concessions that has been undertaken as part of an overarching rates review for Council's consideration.

#### Gross Rental Value (GRV) Revaluations

The Valuer General's Office determines the valuation of 'individual' properties utilising a GRV methodology, to which Council then applies its rates in the dollar. This rating methodology explains why there are individual property variances that occur throughout all GRV rating categories. It is significant to note that the Valuer General's triennial GRV revaluation was undertaken in September 2014 and this will take effect in the 2015/2016 financial year. The impacts of this revaluation are explained further in this report.

The revaluations for all GRV properties were received in full by the Shire on 22 May 2015. Officers have assessed the revaluations for the impact on each rating category, ratepayers in general and with regard for the general rate requirement.

#### Unimproved Value (UV) Revaluations

UV properties are re-valued annually with the results effective from 1 July 2015. UV revaluations were received on 19 May 2015. Officers have assessed the revaluations for the impact on each rating category, ratepayers in general and with regard for the total general rate requirement.

#### Review of Concessions

A review of concessions was initiated as a response to issues of statutory non-compliance that were raised by the Department in 2013 (Attachment 1). In effect, the Department directed Council through its advice that it could not provide a rating category for Coconut Well or 12 Mile or ANY other specific locality. This direction has highlighted that Council's former rating methodology, which was based on locality, was essentially providing concessions through a Differential Rating category as opposed to a formal "concession" under the provisions of Section 6.47 of the *Local Government Act 1995*. It is therefore recognised that Council has for over 15 years been providing "concessions" through differential rating prior to instruction from the Department to remove locality based rating categories.

A review of Shire records back to the mid 1990s indicates that different rates in the dollar have historically been applied in these areas in part, to negate the property valuation

affect on the rates payable to the Shire. Rating categories were in the past established by location, achieving a lower contribution from these ratepayers than others within the UV rating category. This lower level of rates payable was applied by the local government of the time in recognition of the provision of a lower level of service, either from the Shire or from other service providers. Attachment 2 provides background on the introduction of formal concessions in these areas.

Arguably when these areas were first developed, the level of service provided by the Shire was not equal to that in similar type subdivisions developed around the State. Over time however, the use of these locations has generally transitioned to a higher level of service, with the Shire investing funds to improve levels of service and amenity in these areas. In recent times, the following key initiatives and projects have been delivered in these areas:

- Local roads – sealed
- Mcguigan Road - sealed,
- Denham Rd - scheduled for construction 2015,
- Roads within the 12 Mile area - proposed for reseal in 2015

The cost of these initiatives are estimated to be in the order of over \$2M over the last 11 years, compared to annual rates collected in this area of approx \$278k per annum (based on 2014/15 budget rates revenue).

Council's Asset Management Plan and Long Term Financial Plan nominate increased expenditure in these areas over the short and longer term in comparison to historical expenditure. One of the five rating principles of the Department is to have a consistent rating methodology. Given the Shire has increased expenditure in the areas of Coconut Well, 12 Mile and to properties with a Horticultural Land Use and proposed to spend further funds in the future, it is an appropriate time to consider whether these concessions are still relevant in these areas. It is the recommendation of this report that concessions be phased out to ensure a consistent and fair rating approach is applied to all ratepayers of the district.

As requested through Council Workshops and although difficult to compare properties in these areas to those in town, research (Attachment 3) indicates that properties with a similar rental return in town are paying a higher level of rates as compared to these areas. Council's resolution of 18 December 2014 provided intent to phase out concessions to ensure a consistent rating methodology is occurring in the UV – Rural category and through workshops indicated that a comparative rate to similarly valued properties in town, within the constraints of a different valuation methodology, was preferred. This does not negate the fact that some properties in these areas have been independently assessed for change in rating methodology from UV to GRV that forms part of a separate review process.

At the most recent budget workshop held with Council on 7 May 2015, further information and consideration was requested for a small number of shortlisted potential projects. The draft budget has been updated in consultation with the Executive Management Team on 27 May 2015 to reflect some of these changes; however the same funding requirement from rates has been maintained. A copy of the updated draft budget was circulated to Councillors on 29 May 2015 for review.

## **COMMENT**

Notice of Intention to Impose 2015/2016 Differential Rates

As part of the budget workshops with Council, it was identified that \$20.9M in rates revenue was required to achieve a balanced budget. Rate modelling has been undertaken with regard for this funding requirement and adjustments in proposed general rates in the dollar and minimum payments have been made with consideration to the received revaluations and movements in property numbers. This equates to a 3.97% increase in general rates compared to actual rate revenue to date for 2014/2015. The intent has been to maintain parity to last year's revenue per category to ensure a fair and consistent approach was applied to all ratepayers.

The following factors have been considered in the rates analysis due to their significant impact on ratepayers and yield:

- The number of rateable properties compared to last year has grown by 2.83% (or 188 Properties). This is consistent with growth in previous years but needs to be accounted within the setting of the proposed rate in the dollar.
- Movements in valuations have fluctuated between rating categories and in summary the following has occurred:
  - Rateable values on average in the GRV Residential, GRV Tourism, UV Rural and UV Commercial Rural categories have decreased; and
  - Rateable values on average in the GRV Residential Vacant, GRV Commercial and UV Mining categories have increased slightly.
- Minimum payments are proposed to increase 2% to \$1,224.

The above significant factors have been incorporated into the proposed objects and reasons for Differential Rating proposed for 2015/16 for Council's consideration of adoption for advertising. The only changes to last year reflect percentage comparisons within the GRV objects and reasons to the base rate GRV Differential Rating category (i.e. GRV Residential). Three scenarios have been attached for Council consideration that is aligned to options presented further in this report with regard to concessions.

From a statutory point of view, it is important to note that Section 6.35 of the *Local Government Act 1995* requires a Local Government to ensure that the general rate is imposed on not less than 50% of the number of separately rated properties or 50% of the number of properties in a Differential general rate category. This has been achieved in all categories except in GRV – Residential Vacant. It is proposed that Ministerial approval be sought in this circumstance to ensure a consistent rate increase is applied to all properties within this category.

In line with previous years, Ministerial approval must also be sought in accordance with Section 6.33 of the *Local Government Act 1995* for the proposed UV-Mining Differential General rate as this is more than twice the lowest UV general rate.

### Review of Concessions

As part of the 2013/2014 budget (and as maintained in the 2014/2015 budget) concessions were established across certain properties within the new UV-Rural Rating Category to ensure minimal changes in the rates in the dollar from the previous year. Concessions included: Coconut Well – 48%, 12 Mile – 27%, Horticultural Land Use – 11%. These concessions apply to 129 properties and result in a total concession value of \$166K representing 0.79% of total rates revenue. While this does not represent a significant

impact on the Shire's revenue, it is acknowledged this provides relief to individual ratepayers.

With regard to concessions forming part of the 2015/2016 budget, the following options are provided for Council's consideration:

#### Option 1 – Concessions Remain

This option involves making no changes and maintaining the concessions at current levels. The affected property owners would pay rates comparable to previous years plus any future nominal increases adopted as part of the annual budget. One of the implications is that this sets a precedent for potential concessions based on localities resulting in higher levels of inequity across ratepayers.

#### Option 2 – Phase Concessions Out Over 3 Years Commencing 2015/2016

This option involves phasing the concessions out over 3 years as intended in Council's resolution at the OMC 18 December 2014 to mitigate the financial impact on ratepayers:

Property Type	Current 2014/15 Concession	Proposed 2015/16 Concession	Proposed 2016/17 Concession	Proposed 2017/18 Concession
Horticultural Land Use	11%	7.33%	3.67%	Nil
12 Mile	27%	18%	9%	Nil
Coconut Well	48%	32%	16%	Nil

#### Option 3 – Phase Concessions Entirely Commencing 2015/2016

This option involves removing the concession in 2015/2016 to implement a fair and equitable rating philosophy as soon as possible. The financial impact of such a proposal on ratepayers would be significant compared to last year.

In review of the three options, it is the recommendation of this report that Council proceeds with option 2 as the preferred option for the following reasons:

- Achieves a consistent rating approach (ie. Removes concessions within 3 years)
- Materiality as compared to total rate yield (A \$166K concession value does not greatly impact total rate yield and could be phased out)
- Consistent with Council's existing resolution of 18 December 2014 indicating this intention.
- Individual Ratepayer financial impact gradually introduced over 3 years (For example, a ratepayer in Coconut Well may be impacted by \$3,000 should concessions be phased out completely in one year.)

## CONSULTATION

In considering this matter the following consultation has been conducted:

Following the adoption of the 2014/15 Annual Budget on 27 June 2014, and in line with the Council resolution, correspondence was forwarded in conjunction with the issue of Rates Notices in August 2014 advising ratepayers in these areas that a review of concessions will be included in the full rates review which may affect future concessions.

A workshop was subsequently convened on the 26 August 2014 and further information was provided at a follow up meeting held on 21 October 2014 where Council was presented with a number of potential scenarios to phase out the concessions. Council formally considered these options at the OMC held on 18 December 2014 and at this meeting resolved an intention to phase these concessions out over a three year period, commencing from 2015/16.

A letter was accordingly issued 15 January 2015 advising the owners of all of the 129 affected properties of Council's intention to phase out the concessions over a 3 year period and invited them to express any Concerns/Feedback at a Community Information Session held on 5 March 2015.

On 5 March 2015, the Director of Corporate Services and Manager of Financial Services convened an information session attended by 17 ratepayers. The workshop provided background information on rating methodology, differential rating categories and the proposed phasing out of concessions. In summary, the property owners expressed concern regarding the fairness and equity of rates payable upon the removal of concessions. Comment was also made in regards to the benefits of services provided to these areas compared to the rates levied and comparative to other ratepayers in town. Additionally, property owners requested justification for the UV base rate in the dollar that was determined when the rating categories were consolidated.

Department of Local Government and Communities

Whelans Town Planning Consultants

## **STATUTORY ENVIRONMENT**

### **Local Government Act 1995**

#### *S6.28 Basis of Rates*

- 1). *The Minister is to -*
  - (a) *determine the method of valuation of land to be used by a local government as the basis for a rate; and*
  - (b) *publish a notice of the determination in the government gazette.*
- 2). *In determining the method of valuation of land to be used by a local government the Minister is to have regard to the general principle that the basis for a rate on any land is to be -*
  - (a) *where the land is used predominantly for rural purposes, the unimproved value of the land, and*
  - (b) *where the land is used predominantly for non-rural purposes, the gross rental value of the land.*

#### *S6.33 Differential general rates*

1. *A local government may impose differential general rates according to any or a combination, of the following characteristics -*
  - (a) *the purpose for which the land is zoned under a local planning scheme in force under the Planning and Development Act 2005;*
  - (b) *the predominant purpose for which the land is held or used as determined by the local government;*
  - (c) *whether or not the land is vacant land; or*

(d) any other characteristic or combination of characteristics prescribed.

S6.47. *Concessions*

*Subject to the Rates and Charges (Rebates and Deferments) Act 1992, a local government may at the time of imposing a rate or service charge or at a later date resolve to waive\* a rate or service charge or resolve to grant other concessions in relation to a rate or service charge.*

*\* Absolute majority required*

## **POLICY IMPLICATIONS**

2.1.5 Rural Rating

2.1.6 Tourism Administration Policy

## **FINANCIAL IMPLICATIONS**

In 2014/15 Council provided rates concessions to properties within 12 Mile, Coconut Wells and properties with a Horticultural land use to the value of approximately \$166k. It is proposed to phase this out over a three year period commencing in the 2015/16 Financial Year.

The proposed differential rates and minimum payments for the 2015/2016 financial year will raise an estimated rates revenue of \$20.9M.

## **STRATEGIC IMPLICATIONS**

**Our People Goal – Foster a community environment that is accessible, affordable, inclusive, healthy and safe:**

Effective communication

Affordable services and initiatives to satisfy community need

**Our Prosperity Goal – Create the means to enable local jobs creation and lifestyle affordability for the current and future population:**

Affordable and equitable services and infrastructure

**Our Organisation Goal – Continually enhance the Shire's organisational capacity to service the needs of a growing community:**

Responsible resource allocation

Effective community engagement

## **VOTING REQUIREMENTS**

*Simple Majority*

**REPORT RECOMMENDATION:**

That Council:

1. In accordance with Section 6.36 of the Local Government Act 1995 endorses the following proposed differential general rates and minimum payments for advertising seeking public submissions for a period not less than 21 days:

DIFFERENTIAL RATE CATEGORY	RATE IN THE DOLLAR (cents)	MINIMUM PAYMENT
Residential (GRV)	9.3990	\$1,224
Residential – Vacant (GRV)	15.2200	\$1,224
Commercial (GRV)	10.3800	\$1,224
Tourism (GRV)	14.7150	\$1,224
Mining (UV)	12.2250	\$1,224
Rural (UV)	0.5836	\$1,224
Commercial Rural (UV)	2.9656	\$1,224

2. Adopts the Objects and Reasons for each of the proposed differential general rates and minimum payments in point 1 above as Attached (Option 2).
3. Authorises the Chief Executive Officer to apply to the Minister for Local Government for approval:
  - (a) Under Section 6.33 of the Local Government Act 1995 to impose differential rates for those rates that are more than twice the lowest differential rate.
  - (b) Under Section 6.35 of the Local Government Act 1995 to impose a minimum payment of \$1224 on GRV - Residential Vacant properties.
4. Endorses the phasing out of concessions in the locations identified below commencing in the 2015/16 financial year over a 3 year period as follows:

Property Type	Current 2014/15 Concession	Proposed 2015/16 Concession	Proposed 2016/17 Concession	Proposed 2017/18 Concession
Horticultural Land Use	11%	7.33%	3.67%	Nil
12 Mile	27%	18%	9%	Nil
Coconut Well	48%	32%	16%	Nil

**Attachments**

1. Advice from Department of Local Government and Communities
2. Background Information - Establishment of UV Rural Category
3. Comparative Property Analysis
4. Option 1 - Objects and Reasons
5. Option 1 - Rate Model
6. Option 2 - Objects and Reasons
7. Option 2 - Rates Model
8. Option 3 - Objects and Reasons
9. Option 3 - Rate Model



# 6.4

## OUR ORGANISATION



### ***PRIORITY STATEMENT***

Council will strive to create an environment where local governance is delivered in an open and accountable manner; where we provide leadership to the region in such areas as planning and financial management; where the community has the opportunity to contribute to the Council's decision making thereby fostering ownership of strategies and initiatives.

In delivering open, accountable and inclusive governance, we will be ever mindful that we operate within a highly regulated environment that requires a high level of compliance.

Council will strive to be the conduit between the other spheres of government and the community, translating State and Federal law, policy and practice into customer focussed, on ground service delivery that support's Broome's unique lifestyle.

The Region is experiencing significant change with Council dedicated to sound governance, effective leadership and innovation, and high quality services. Building organisational capacity is a priority with a commitment to delivering services to the community in a sustainable, effective and accountable way.

There are no reports in this section.

**7.**

**REPORTS  
OF  
COMMITTEES**

There are no reports in this section.

**8. MATTERS BEHIND CLOSED DOORS**

**9. MEETING CLOSURE**