



MINUTES OF SPECIAL COUNCIL MEETING

HELD ON

TUESDAY, 2 JULY 2019

AT 5.30PM

IN COUNCIL CHAMBERS
CIVIC CENTRE
MANDURAH TERRACE MANDURAH

PRESENT:

MAYOR	R WILLIAMS	
COUNCILLOR	C KNIGHT	NORTH WARD
COUNCILLOR	P JACKSON	NORTH WARD
COUNCILLOR	D LEE	EAST WARD
COUNCILLOR	L RODGERS	EAST WARD
COUNCILLOR	S JONES	EAST WARD
HON COUNCILLOR	F RIEBELING	COASTAL WARD
COUNCILLOR	P ROGERS	TOWN WARD
COUNCILLOR	M ROGERS	TOWN WARD

MR	A CLAYDON	DIRECTOR WORKS AND SERVICES
MR	T FREE	DIRECTOR SUSTAINABLE COMMUNITIES
MR	D PRATTENT	ACTING DIRECTOR CORPORATE SERVICES
MR	B INGLE	ACTING DEPUTY CHIEF EXECUTIVE OFFICER
MRS	L SLAYFORD	MINUTE OFFICER

OPENING OF MEETING [AGENDA ITEM 1]

The Mayor declared the meeting open at 5.32pm.

ACKNOWLEDGEMENT OF COUNTRY [AGENDA ITEM 2]

Mayor Williams acknowledged that the meeting was being held on the traditional land of the Bindjareb people, and paid his respect to their Elders past and present.

APOLOGIES [AGENDA ITEM 3]

Councillors Schumacher and Wortley on leave of absence, Councillor Darcy an apology.

DISCLAIMER [AGENDA ITEM 4]

The Mayor advised that the purpose of this Special 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(e)) and Council's Consolidated Local Laws (Section 4.86) 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 City of Mandurah 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.

PUBLIC QUESTION TIME [AGENDA ITEM 5]

SP.1/7/19 K JOHNSTONE: RATE INCREASE

Ms Johnstone asked the following questions of Council:

1. Can the City of Mandurah explain how they endorse a 2.5% increase for 2019/20 when they increased rates at 2% in 2018/19?
1. *Mayor Williams advised this meeting was to adopt the proposed increase for public comment, not to endorse the increase. Following the 21 day consultation period feedback would be considered at the Special Council meeting of July 30. The City of Mandurah is a \$150 million organisation and there is a requirement to ensure community expectations were met particularly around the area's economic development strategy.*

The Acting Director Corporate Services provided the following additional response:

The purpose of this Special Council meeting is to allow the proposed rates to be advertised for public submissions. Adoption of the rates and the 2019/20 budget cannot take place until that process is completed.

The City faces demands for increases in services and capital investment as its population continues to grow. Although rates have increased each year, Council endeavours to keep this to the minimum possible while ensuring the provision of services.

2. How can the City of Mandurah justify the increase of rates against the Gross Rental Value or Unimproved Value when rents and housing values have dropped?
2. *Mayor Williams confirmed the Valuer General determines rateable value for properties in Western Australia. Council bases its increases on the rental value over the whole District not on the fluctuations of each individual area. The rate proposed is an average figure for the whole area comprising the local government of Mandurah.*

The Valuer General

3. If this increase is endorsed, can the City of Mandurah detail specifically what the increased raised amounts will be spent on, assuring the residents that it will be spent on services.
3. *The Mayor confirmed that Council wishes to hear from the community about what the 2.5% increase can achieve for the overall economy of the District. Council was not trying to impose burdens on its residents but desiring to build on the needs of the community in what are very tough economic times. Submissions from residents will permit expenditure to be discussed and explained. The decision of a rate increase could be different to what is proposed for advertising.*

DEPUTATIONS [AGENDA ITEM 6]

Nil.

DECLARATION OF INTERESTS [AGENDA ITEM 7]

Nil.

QUESTIONS FROM ELECTED MEMBERS [AGENDA ITEM 8]

Questions of which due notice has been given

Nil.

Questions of which notice has not been given

Nil.

REPORTS [AGENDA ITEM 9]

SP.2/7/19 ADOPTION OF THE 2019/20 RATES FOR ADVERTISING

The 2019/20 Draft Budget outlines how the City will deliver its existing level of services, deliver economic investment, and provide asset management and community infrastructure investment. The budget has been prepared acknowledging both the current economic conditions and the priorities for expenditure, particularly in economic development, identified during community consultation.

Mandurah faces a range of economic issues which are interlinked. These include, but are not limited to, the lack of employment opportunities and the need to attract economic investment. In recommending an average rate increase of 2.5%, the City recognises that, although its capacity to create major job growth and investment may be limited, it nevertheless has a significant role to play both in direct economic investment and in creating the type of environment which will stimulate businesses to establish and grow, and tourists to visit and spend. The budget establishes economic expenditure programmes, including capital investment, designed to deliver both medium and long term outcomes.

The City has received revalued gross rental valuations (GRV) for all properties and these values are applied from 1 July 2019. As with all revaluations, property prices have not moved uniformly, and some areas will receive higher-than-average increases while, conversely, others will experience lower-than-average increases, or a reduction in rates.

The *Local Government Act 1995* requires local governments which have differential rates, to advertise their proposed rates, and invite public submissions. Council is requested to adopt the rates in the dollar and Objects and Reasons for advertising purposes.

The Acting Director Corporate Services delivered a visual presentation to the meeting outlining Mandurah's economic base, declines in consumer spending and building approvals. Whilst economic development is a State and Federal Government task, and not generally considered a Local Government function, there was a need for local governments to provide the foundations for future economic development within the Mandurah area, not necessarily for growth but also to sustain existing economies to assist in alleviating business closures and reduce underemployment and unemployment.

The proposed rate increase of 2.5% was proposed to provide 1% expenditure for economic development within the area with the balance of 1.5% allocated to areas such as the maintenance and improvement of services and asset management.

Mayor Williams moved the report recommendation which was seconded by Councillor Jones. Opportunities for involvement in science and technology and airport development should be embraced to diversify Mandurah's economy base, encourage business and employment. Further discussion ensued encouraging submissions from the public which would be considered prior to a final decision being made on July 30.

RESOLVED: R Williams / S Jones

That Council

- 1. Notes the 2019/20 draft budget including the initiatives taken and capital investment programmes.**

2. Approves the following rates in the dollar and minimum rates, equivalent to a 2.5% average increase, and Objects and Reasons for 2019/20 for the purpose of advertising for public submissions:

Introduction

This statement is provided:

- to inform electors and ratepayers of the City of the objects and reasons for the differential rates being proposed for the 2019/20 financial year;
- to invite submissions from ratepayers on the proposed differential rates and minimum payments;
- in accordance with the *Local Government Act 1995 Section 6.36*.

Submissions must be in writing and ratepayers wishing to do so are invited to lodge their comments by no later than close of business 5.00 pm on Sunday 28 July 2019.

Written submissions can be:

- Made on www.haveyoursaymandurah.com.au
- Mailed to the Chief Executive Officer, City of Mandurah, PO Box 210, Mandurah WA 6210.
- Lodged in person at the City's Administration Centre, 3 Peel Street, Mandurah.

Please note that all submissions are provided to Council as public documents and will be disclosed in a Council report.

In order to help with the understanding of how the City manages its rates, this document provides an overview of the rating system in Western Australia as well as explaining the reasons as to why the City sets particular rates.

An overview of rating

Legislation

Please note that all references are to the Local Government Act 1995.

Basis of rates (S. 6.28)

The key element of rating is the establishment of land values. To achieve this, the Minister for Local Government must determine whether the predominant use of land is for rural or non-rural purposes. The categories of land values are:

- Use for rural purposes--- valuation is on the basis of the unimproved value (UV) of the land.
- Use for non-rural purposes – the gross rental value (GRV) of the land.

The Minister has previously determined that land use in the City of Mandurah is predominantly for non-rural purposes and all properties are valued on a GRV basis¹.

¹ The Gross Rental Value of a property is the amount of annual rental which the Valuer General determines the property would earn if it were offered on an open rental market.

Rates and service charges (S. 6.32)

When it adopts its budget the City must seek funding by imposing a general rate on all properties. This is expressed as a rate in the dollar (RID) which, when multiplied by the GRV's for properties determines the amount of money raised. This RID can be applied:

- Uniformly, through the application of a single rate in the dollar for all types of property.
- Differentially, by applying different rates to certain types of property.

Differential general rates (S. 6.33)

Differential rates can be imposed on land which has one, or a combination of, the following characteristics:

- The purpose for which a land is zoned (e.g. residential, commercial).
- A purpose for which land is held or used as determined by the local government.
- Whether or not the land is vacant land.

A local government cannot impose a differential rate which is more than twice the lowest rate without the approval of the Minister for Local Government.

Minimum payment (S. 6.35)

A local government can impose a minimum rate. If, for an individual property, the GRV multiplied by the rate in the dollar is less than the minimum rate, the minimum rate is payable.

A local government cannot impose a minimum rate on more than 50% of properties in each category. The exception to this is vacant land where, with Ministerial permission, this can be exceeded.

Giving notice of rates to be imposed (S. 6.36)

Before a local government can impose differential rates for the year it must firstly advertise:

- Details of each RID and minimum payment to be imposed.
- An invitation for a submission to be made by an elector or ratepayer in respect of this and any related matters within 21 days.
- Where and how this document may be viewed.

All submissions received must be considered by Council prior to the rates being imposed.

Objects and reasons for the City's 2019/20 proposed differential rates

The City proposes to impose differential general rates to all gross rental values in its district according to one or a combination of:

- The purpose for which land is zoned.
- Whether or not the land is vacant land.

The following rate categories have been assigned to properties:

Improved land	Vacant land
Residential improved Business improved	Residential vacant Business vacant Urban development

The City also imposes a minimum payment to recognise that properties must contribute a minimum amount for the provision of services and infrastructure which benefit all the community.

Increase in rates for 2019/20

The City proposes to levy an average 2.5% increase in rates.

In 2019/20, all properties in the City have been subject to a revaluation by the Valuer General. Properties are revalued every three years and the City is required to apply the GRV's provided.

The effect of the revaluation is that individual property values do not move uniformly. Some values may not change or may even reduce. Others can increase and, in some cases, the increase will be significant.

This means that, although the City is seeking a revenue increase of 2.5%, some properties will experience rate increases of more than this and some will see little change or even a reduction in rates. Because the City is permitted only one RID for each property category, it is not possible to prevent this happening.

Rates by category

Residential improved land – rate in the dollar \$0.09594

This rate is regarded as the base rate as it represents the most number of properties in the City. This rate aims to ensure that the proportion of rates raised from this category is between 70% and 75% of total rates.

Residential vacant - rate in the dollar \$ 0.16300

This rate is set at a higher level as the City wishes to promote the development of all properties to their full potential. This will act to stimulate economic growth and development in the community.

Business improved - rate in the dollar \$ 0.09783

This rate is set at a higher level to recognise that certain expenditures in the budget are specifically directed towards the economic development of the City. Examples of this are:

- The Economic Development function which is largely directed towards the encouragement of business to locate in the City and to support business organisations.
- The promotion of tourism.
- Costs related to the general improvement of to the road streetscapes of the entry roads to Mandurah, including landscaping, tree plantings and the provision of pedestrian and cycle paths.

Business vacant - rate in the dollar \$ 0.16560

This rate is set at a higher level as the City wishes to promote the development of all properties to their full potential. This will act to stimulate economic growth and development in the community.

Urban development - rate in the dollar \$ 0.13059

This rate relates to land held for future development. As with other vacant land rates, this rate is set at a higher level as the City wishes to promote the development of all properties to their full potential.

Minimum rates

The minimum rates for 2019/20 are set at:

- | | | | |
|------------------------|------------|----------------------|----------|
| • Residential improved | \$1,108.00 | • Residential vacant | \$917.00 |
| • Business improved | \$1,108.00 | | |
| • Business vacant | \$1,108.00 | | |
| • Urban Development | \$1,108.00 | | |

Mark R Newman
Chief Executive Officer

CARRIED UNANIMOUSLY: 9/0

CLOSE OF MEETING [AGENDA ITEM 10]

There being no further business the Mayor declared the meeting closed at 6.01pm.

CONFIRMED (MAYOR)