



## **MINUTES OF SPECIAL COUNCIL MEETING**

**HELD ON**

**TUESDAY, 30 JULY 2019**

**AT 5.30PM**

**IN COUNCIL CHAMBERS  
CIVIC CENTRE  
MANDURAH TERRACE MANDURAH**

### ***PRESENT:***

|            |                         |                                       |
|------------|-------------------------|---------------------------------------|
| MAYOR      | R WILLIAMS              |                                       |
| COUNCILLOR | C KNIGHT [DEPUTY MAYOR] | NORTH WARD                            |
| COUNCILLOR | P JACKSON               | NORTH WARD                            |
| COUNCILLOR | R WORTLEY [5.35pm]      | NORTH WARD                            |
| COUNCILLOR | D LEE                   | EAST WARD                             |
| COUNCILLOR | L RODGERS               | EAST WARD                             |
| COUNCILLOR | S JONES                 | EAST WARD                             |
| COUNCILLOR | M DARCY                 | COASTAL WARD                          |
| COUNCILLOR | P ROGERS                | TOWN WARD                             |
| COUNCILLOR | M ROGERS                | TOWN WARD                             |
|            |                         |                                       |
| MR         | T FREE                  | ACTING CHIEF EXECUTIVE OFFICER        |
| MR         | A CLAYDON               | DIRECTOR WORKS AND SERVICES           |
| 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 5.31pm.

### **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]**

Councillor Schumacher and Hon Councillor Riebeling on leave of absence

### **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] [Opened at 5.32pm, closed at 5.37pm]**

#### **SP.3/7/19 G GIBBS: RATE CHARGES FOR LATITUDE LAKELANDS**

Mrs Gibbs requested clarification as to the difference between the Royal Australian Air Force Association (RAAFA) villages and Latitude Village and why RAAFA did not pay rates. Mrs Gibbs also asked if the Latitude Village rates could be reduced.

The Acting Director Corporate Services outlined how the Local Government Act regulates that property utilised for charitable purposes is exempt from paying rates. The RAAFA village is operated as a charitable organisation and therefore claim exemption under the Act. The City has challenged this ruling in both the State Administrative Tribunal and Supreme Court however the Supreme Court has ruled against the City and the RAAFA village is thereby exempt from paying rates.

The Acting Director Corporate Services offered to meet with Mrs Gibbs and discuss the rating process in relation to houses within the Latitude Village.

### **DEPUTATIONS [AGENDA ITEM 6]**

Nil.

**SP.4/7/19      DECLARATION OF INTERESTS [AGENDA ITEM 7]**

Mayor Williams declared an interest in Minute SP.5/7/19 Waste Alliance Budget for 2019/20 due to his position as Council's representative on the Waste Alliance Board. Mayor Williams noted he would remain in the Chamber, consider the item on its merits and vote accordingly.

**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.5/7/19      WASTE ALLIANCE BUDGET FOR 2019/20 (DP) (REPORT 1)**

The City operates its waste management services in an Alliance with its commercial partner, Cleanaway Pty Ltd. The contractual arrangement has enabled the City to participate in the financial performance of the contract and to work with its Alliance partner to develop and refine services.

Over the years, the City has been able to demonstrate that it has obtained value for money from this arrangement. In 2019/20 it has been possible to limit costs per household to an increase of 1.9% when compared with the prior year.

Council is requested to endorse the 2019/20 Waste Alliance budget and note the inclusion of a household waste management charge of \$273 being an increase over the prior year of \$5.

Councillor Jones moved the report recommendation which was seconded by Councillor Wortley. Benefits of the Waste Alliance were touched upon noting the cost savings achieved to both the City and ratepayers.

RESOLVED: S Jones / R Wortley

**That Council:**

- 1.      Endorses a Waste Management fee of \$273 per service for 2019/20.**
- 2.      Endorses the Waste Alliance budget for 2019/20.**

CARRIED ABSOLUTELY: 10/0



**SP.6/7/19 ADOPTION OF THE CITY'S BUDGET, RATES AND FEES AND CHARGES  
SCHEDULE FOR 2019/20 (PB) (REPORT 2)**

The City has prepared its draft budget for 2019/20. The following key matters have been identified:

- Demand for capital expenditure continues to grow. The continued development of Lakelands District Open Space, various road upgrade projects, and development of the Eastern and Western Foreshores and Smart Street Mall, are outlined in the 2019/20 Draft Budget. With Capital Expenditure of \$39.7 million, significant resources have been allocated for the City's key assets.
- 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.
- Delivering existing level of services, 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.

Taking into account these factors, an average rates increase of 2.5% has previously been advertised for community feedback. Council is now requested to adopt the 2019/20 budget together with the differential and minimum rates and Specified Area Rates for that year.

Councillor Jackson moved, Councillor Wortley seconded, the report recommendation. Elected Members discussed areas of involvement by the Local Government, such as crime prevention and economic development, which are not traditional local government responsibilities. Increased involvement in these areas was benefitting the community as a whole. Areas such as economic development were aimed at reducing unemployment and under-employment, festivals and events being coordinated to create a vibrant and interesting place to live and work for everyone.

RESOLVED: P Jackson / R Wortley

**That Council\*:**

**1. Adopts the following rates in the dollar and Objects and Reasons for 2019/20:**

|                        | <b>Rates \$</b> | <b>Minimum \$</b> |
|------------------------|-----------------|-------------------|
| • Residential improved | 0.09594         | 1,108.00          |
| • Residential vacant   | 0.16300         | 917.00            |
| • Business improved    | 0.09783         | 1,108.00          |
| • Business vacant      | 0.16560         | 1,108.00          |
| • Urban development    | 0.13059         | 1,108.00          |

***Objects and reasons for differential 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 basis<sup>1</sup>.

***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.**

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<sup>1</sup> 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.

***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<br>Business improved | Residential vacant<br>Business vacant<br>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 a 2.5% increase in the Rate in the Dollar for all categories.

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 |                      |          |

**2. Adopts the following Specified Area Rates for the 2019/20 financial year:**

|                        | Rate \$  |
|------------------------|----------|
| Port Mandurah Canals   | 0.003931 |
| Waterside Canals       | 0.000000 |
| Mandurah Quay          | 0.002363 |
| Port Bouvard Eastport  | 0.001541 |
| Port Bouvard Northport | 0.007613 |
| Mandurah Ocean Marina  | 0.018271 |
| Mariners Cove          | 0.001238 |

**3. Adopts the 2019/20 Budget shown at Attachments 1, 2 and 3 including the Statutory Budget, Budget by Business Unit and the Capital Expenditure budget.**

**4. Adopts the Fees and Charges Schedule as part of the 2019/20 budget in accordance with Attachment 4 of this report.\***

**5. For financial reporting purposes adopts the following as material variances:**

- |  |       |
|--|-------|
| a. Labour costs (not including other employee costs) | ± 5%  |
| b. All other costs                                   | ± 10% |

**6. Adopts an instalment interest rate of 5.5% as a charge on rates payments by instalments to apply to the second, third and fourth instalments.**

**7. Adopts an interest charge of 7% per annum calculated daily as a charge on overdue rates and overdue debtors other than rates.**

**8. Notes and endorses work undertaken to review expenditure and productivity both during the budget process and throughout the year.**

**9. Notes that, during 2019/20, work will be undertaken to assess potential efficiencies in the following areas:**

- Continued operation of Halls Head Recreation Centre
- Lease versus direct purchase of light vehicles.
- Potential for capping of employee costs as % of revenues.
- Outsourcing of road construction works.

**10. Approves the following payments for fees and allowances to Elected Members:**

|                              | 2019/20<br>\$ |
|------------------------------|---------------|
| Mayoral allowance            | 84,421        |
| Deputy mayoral allowance     | 21,105        |
| Mayoral attendance fee       | 45,140        |
| Councillor attendance fee    | 30,094        |
| Telecommunications allowance | 3,500         |



CARRIED ABSOLUTELY: 10/0

**CLOSE OF MEETING [AGENDA ITEM 10]**

There being no further business the Mayor declared the meeting closed at 5.46pm.

CONFIRMED ..... (MAYOR)