



Powerhouse of the Pilbara

## PRE-BUDGET MEETING

# MINUTES

The Pre-Budget Meeting of Council was held  
in the Council Chambers, Welcome Road, Karratha,  
on 5 May 2010 at 5.30pm

  
Colene Longmore  
CHIEF EXECUTIVE OFFICER

---

# TABLE OF CONTENTS

---

ITEM	SUBJECT	PAGE NO
<b>1</b>	<b>OFFICIAL OPENING .....</b>	<b>3</b>
<b>2</b>	<b>PUBLIC QUESTION TIME.....</b>	<b>3</b>
<b>3</b>	<b>RECORD OF ATTENDANCES / APOLOGIES / LEAVE OF ABSENCE... </b>	<b>3</b>
<b>4</b>	<b>CORPORATE SERVICES .....</b>	<b>4</b>
4.1	<i>FINANCE</i> .....	4
4.1.1	DIFFERENTIAL RATES 2010/2011 FINANCIAL YEAR.....	4
<b>5</b>	<b>CLOSURE &amp; DATE OF NEXT MEETING.....</b>	<b>14</b>

## **1 OFFICIAL OPENING**

The Ordinary Meeting of Council held in the Council Chambers, Welcome Road, Karratha on 5 May 2010 was declared open at 5.40pm. Cr Lockwood also acknowledged the traditions of the Ngarluma people, on whose land we are gathered here today.

## **2 PUBLIC QUESTION TIME**

Nil

## **3 RECORD OF ATTENDANCES / APOLOGIES / LEAVE OF ABSENCE**

**Councillors:**  
Cr Nicole Lockwood [President]  
Cr John Lally [Deputy President]  
Cr Fay Cechner  
Cr Evette Smeathers  
Cr Sharon Vertigan  
Cr Fiona White-Hartig

**Staff:**

Collene Longmore	Chief Executive Officer
Paul Anderson	Assistant to CEO
Ray McDermott	Exec Manager, Corporate Svces
Simon Kot	Exec Manager, Community Svces
Craig Watts	A/Exec Manager, Development Svces
Troy Davis	Exec Manager, Technical Svces

**Apologies:** Cr Harry Hipworth and Cr Ben Lewis  
**Absent:** Cr Garry Bailey, Cr Joanne Pritchard and Cr Des Rothe  
**Leave of Absence:** Nil.

**Members of Public:**  
**Members of Media:**

## **4 CORPORATE SERVICES**

### **4.1 FINANCE**

#### **4.1.1 DIFFERENTIAL RATES 2010/2011 FINANCIAL YEAR**

<b>File No:</b>	<b>AA/5/7</b>
<b>Attachment(s)</b>	<b>Differential Rates for 2010/2011 Financial Year</b>
<b>Responsible Officer:</b>	<b>Ray Mcdermott Executive Manager Corporate Services</b>
<b>Author Name:</b>	<b>Belinda Tussler Revenue Accountant</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>

---

#### **REPORT PURPOSE**

To set the proposed differential rate model for the 2010/11 financial year.

#### **Background**

Council has used differential rating for all Gross Rental Valued (GRV) properties and a General Rate for properties rated on Unimproved Value (UV) over recent financial years. The differential model that was adopted for 2009/2010 allowed Council to minimise the impact of the revaluation conducted by the Valuer General's Office.

Concessions have been applied historically to Pastoral and Cossack properties.

#### **Issues**

The rate models provided for Council's consideration is for an increase of 5% (\$824,329), in addition to estimated "Natural Growth" of \$1,023,187 representing a total increase of \$1,847,516. The 5% increase has been used as a benchmark following discussions held at the April 2010 internal Corporate Services Portfolio Meeting.

In considering an increase in rate yield in addition to estimated Natural Growth the impact of increasing or decreasing the rate models provided is \$145,005 (ie: a 6% increase would be \$1,847,516 plus \$145,005, resulting in an increase of \$1,992,521).

To allow Council to minimise the impact of an impending rise in Unimproved Values from 1 July 2010 it is recommended that Differential Rates on Unimproved Valued (UV) properties be introduced. It is also recommended minimum rates for Unimproved Value (UV) properties are increased as they have access to the same services and facilities as GRV properties and should therefore be making a reasonable contribution to the provision of these services. The minimum for Prospecting assessments cannot be raised higher than the proposed rate model due to statutory limitations.

The rate models provided incorporate within the Differential Rates for Pastoral Unimproved Properties, the pastoral concession that has previously been provided as a concession following rates generation.

The increase in rates yield required is difficult to anticipate given the fluid nature of the development situation that the council is currently experiencing. The cabinet submission has

---

significant impact upon the ongoing funding of the Council. Other significant resources projects are also planned to come on stream, which will provide additional rates income. The City of the North projects will also have an impact upon Council's rating base, although this may take some time to realise, resources are required to undertake and progress these projects.

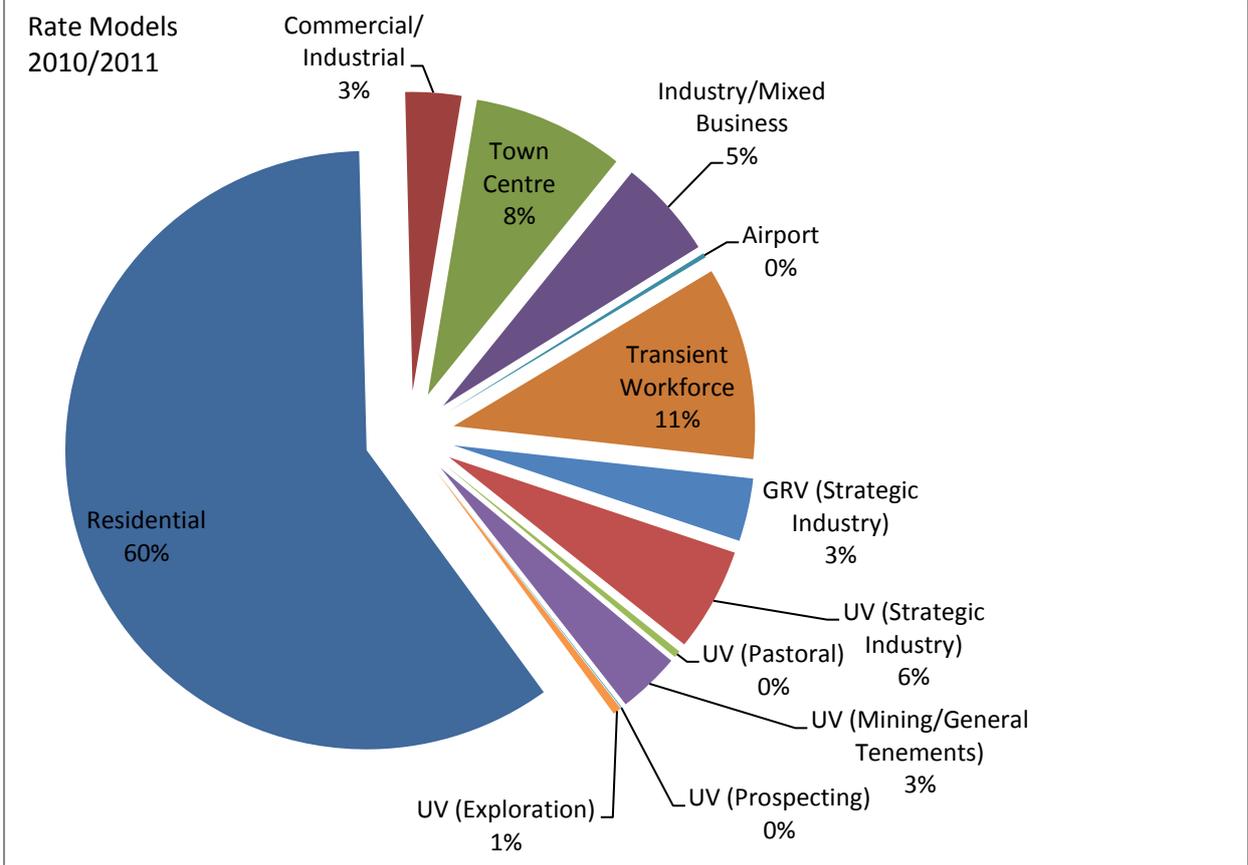
The following models represent the revenue streams derived from a natural growth model based on the 2009/2010 model as well as a natural growth model plus 5%.

Base Model - as per 2009/10 rates in \$								
Rate Code	Total Props	Value	Min Amt	%	Props on Min	Rates to Raise	Annual Rate Run	Natural Growth
Residential	6,521	355,224,124	1,000	2.5692	1,464	9,769,862	9,279,879	
Commercial/Industrial	84	9,398,267	1,000	5.1384	32	492,315	401,970	
Town Centre	300	25,123,910	1,000	5.1384	130	1,335,917	1,342,382	
Airport	12	772,460	1,000	5.1384	1	39,757	39,757	
Industry/Mixed Business	487	19,926,180	1,000	3.7564	225	874,145	859,072	
Transient Workforce	10	20,307,100	1,000	8.4228		1,710,426	1,701,793	
GRV (Strategic Industry)	2	10,845,000	1,000	5.1384		557,259	588,347	
UV (Strategic Industry)	58	8,542,487	200	10.6950	18	916,843		
UV (Pastoral)	11	811,491	200	10.6950		86,789		
UV (Mining/General Tenements)	168	5,063,368	200	10.6950	62	549,031		
UV (Prospecting)	44	76,275	100	10.6950	9	8,746		
UV (Exploration)	87	678,954	200	10.6950	20	74,824	1,154,793	
						-	Pastoral Concession	
						24,735		
	<b>7,784</b>	<b>456,769,616</b>			<b>1,961</b>	<b>16,391,180</b>	<b>15,367,993</b>	<b>1,023,187</b>

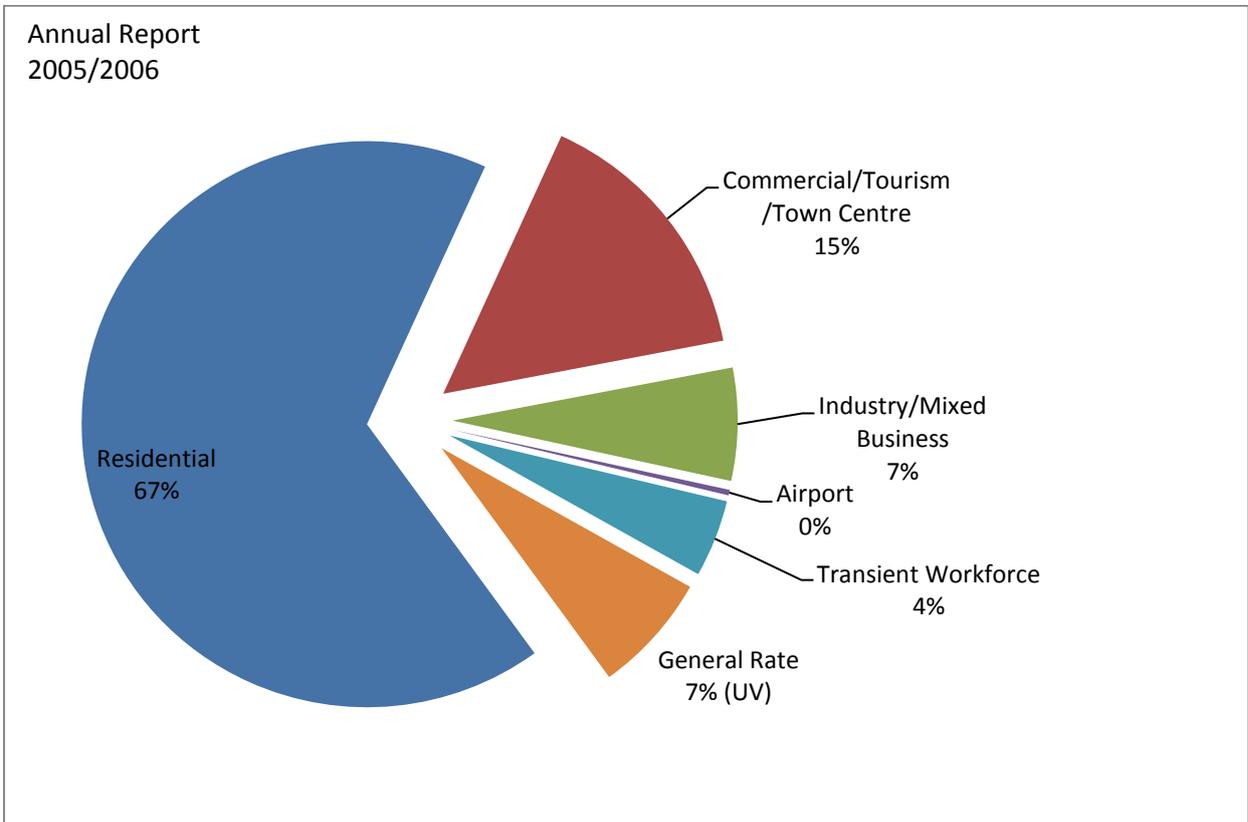
### Recommended Model for 2010/2011 Rates

Model 2A - 2009/10 rates in \$ plus 5% - changes to minimum increases								
Rate Code	Total Props	Value	Min Amt	%	Props on Min	Actual Rates to Raise	No change \$	Difference
Residential	6,521	355,274,124	1,050	2.6977	1,463	10,258,784	9,769,862	488,922
Commercial/Industrial	84	9,398,267	1,050	5.3953	32	516,929	492,315	24,614
Town Centre	300	25,123,910	1,050	5.3953	130	1,402,708	1,335,917	66,791
Airport	12	772,460	1,050	5.3953	1	41,745	39,757	1,988
Industry/Mixed Business	487	19,926,180	1,050	3.9442	225	917,848	874,145	43,704
Transient Workforce	10	20,307,100	1,050	8.8439		1,795,940	1,710,426	85,513
GRV (Strategic Industry)	2	10,845,000	1,050	5.3953		585,120	557,259	27,861
UV (Strategic Industry)	58	8,532,487	400	11.2298	20	965,178	916,843	48,335
UV (Pastoral)	11	811,491	400	5.6149		45,564	62,054	-16,490
UV (Mining/General Tenements)	168	5,073,724	400	11.2298	75	590,753	549,031	41,723
UV (Prospecting)	44	76,275	200	11.2298	12	10,143	8,746	1,397
UV (Exploration)	88	691,853	400	11.2298	31	84,796	74,824	9,972
	<b>7,785</b>	<b>456,832,871</b>			<b>1,989</b>	<b>17,215,509</b>	<b>16,391,180</b>	<b>824,329</b>

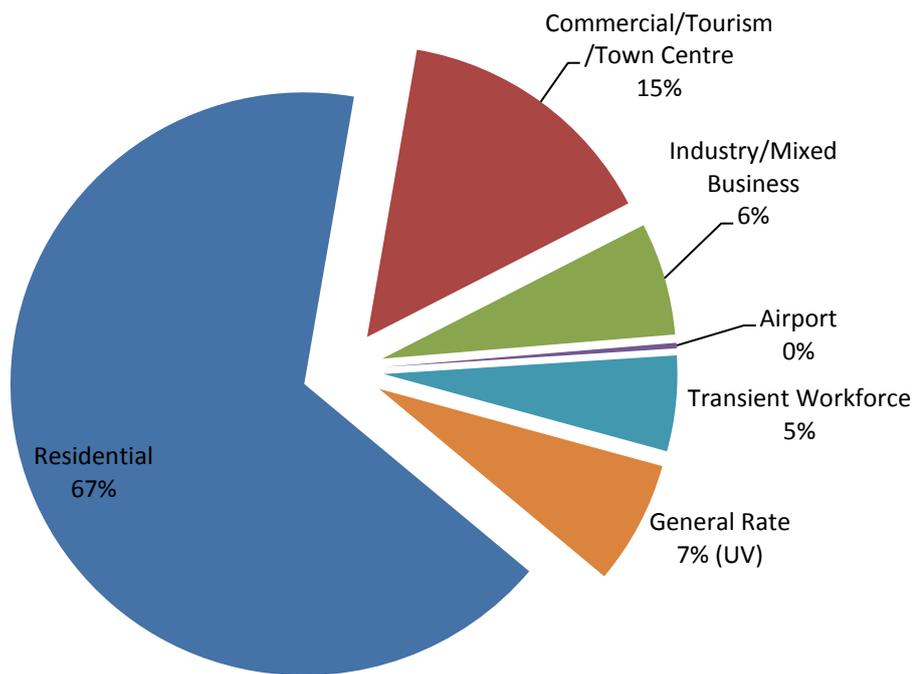
\*NB: Items less than 1% show as 0% on the following graphs.



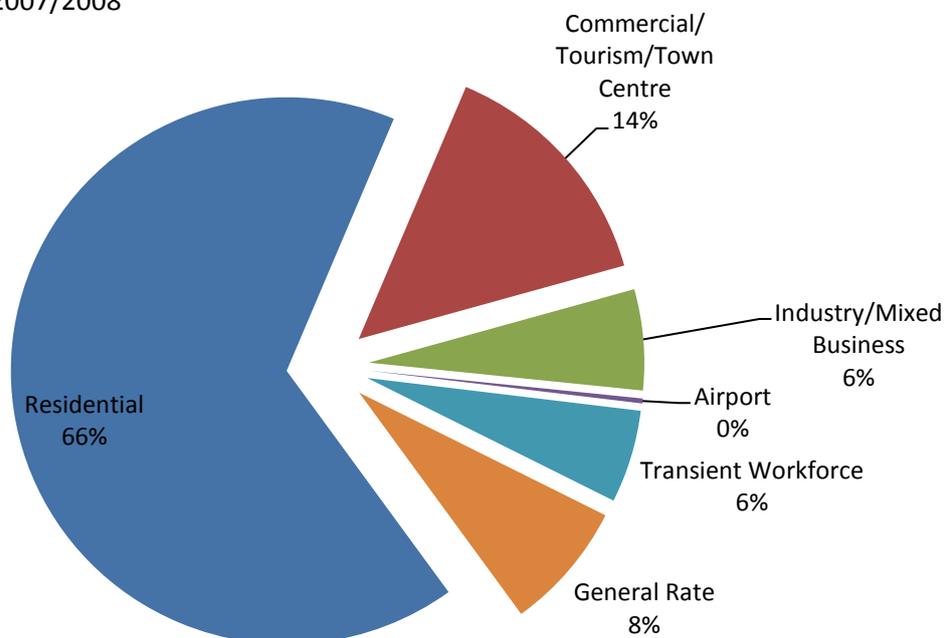
The following graphs represent the rate mix incorporated into Council’s Annual Budgets and Annual Reports since 2005/2006.



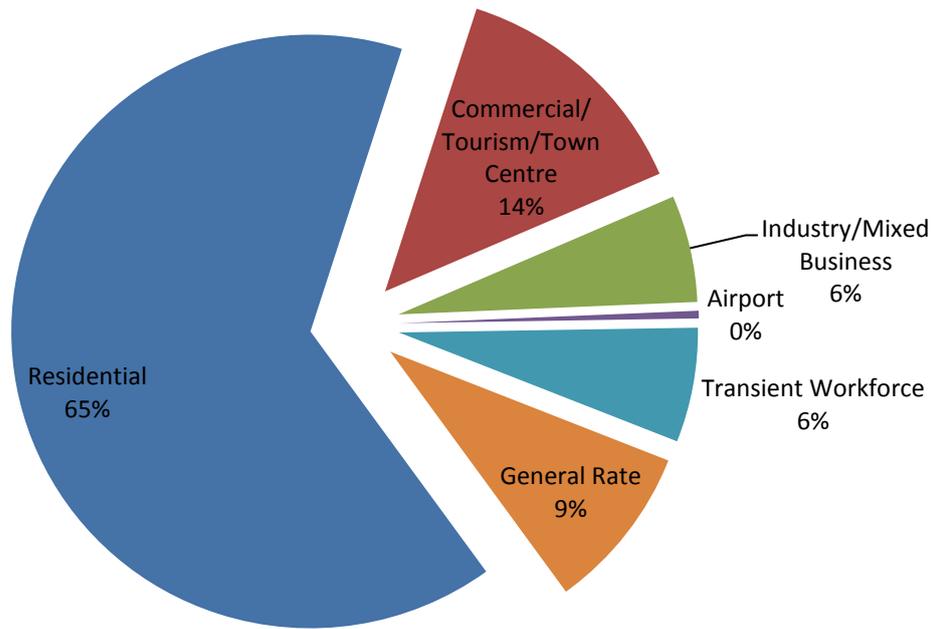
Annual Report  
2006/2007



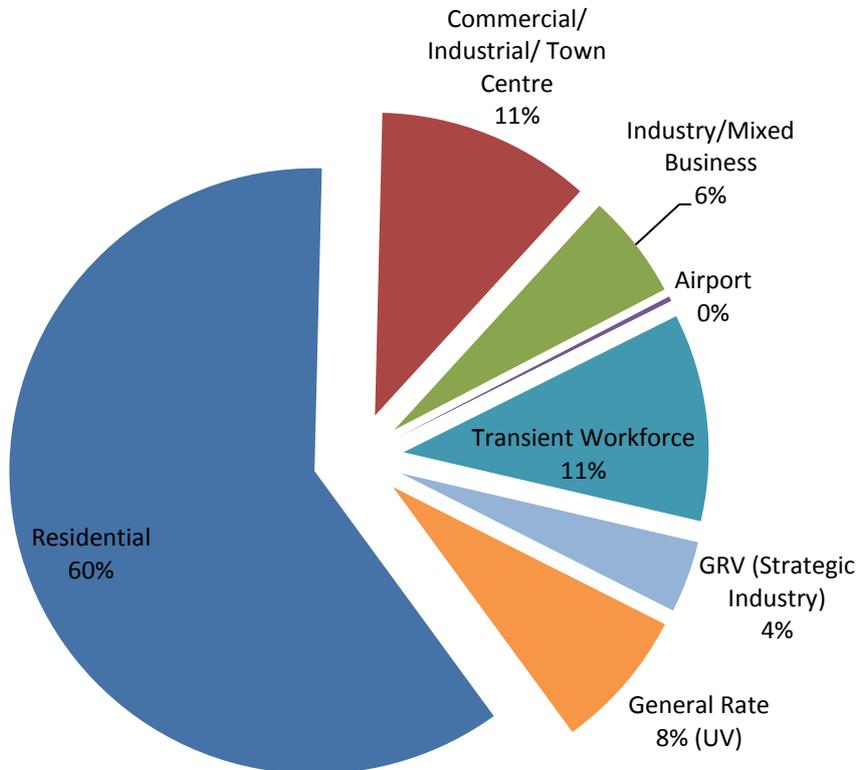
Annual Report  
2007/2008



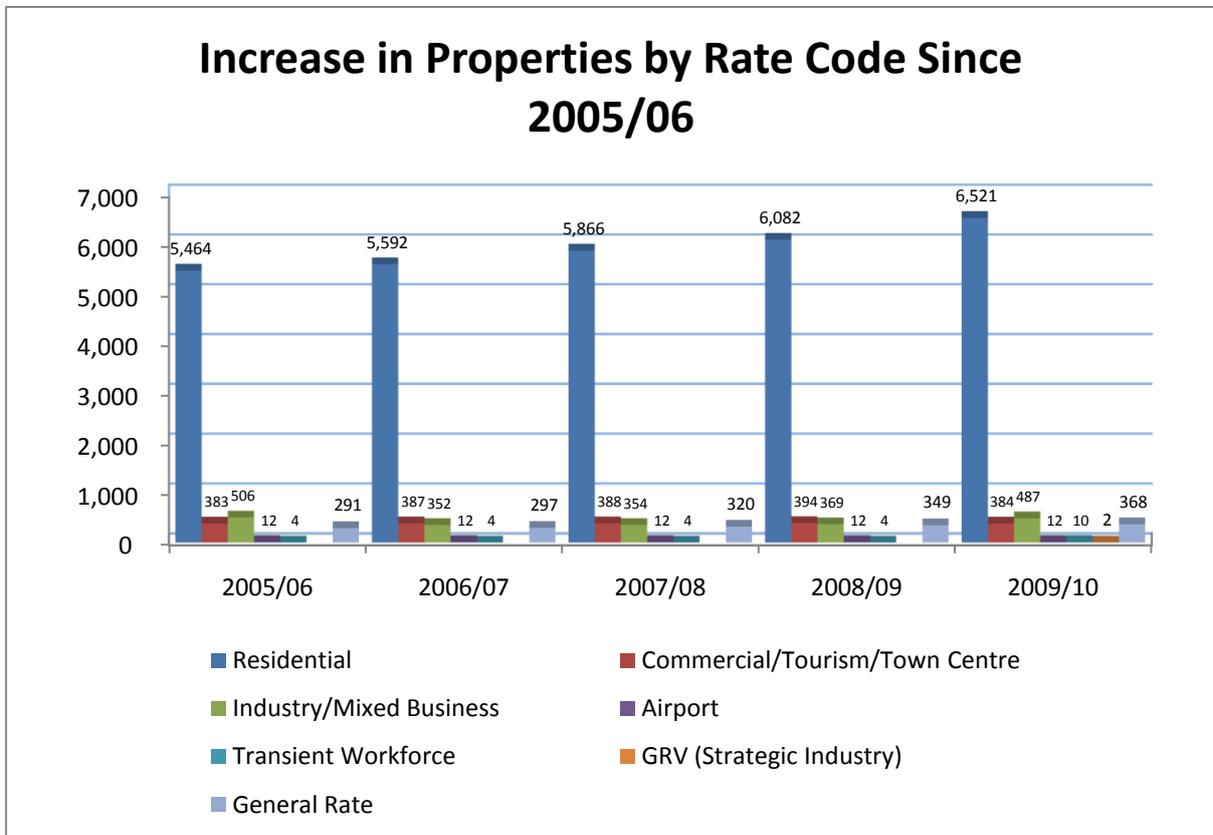
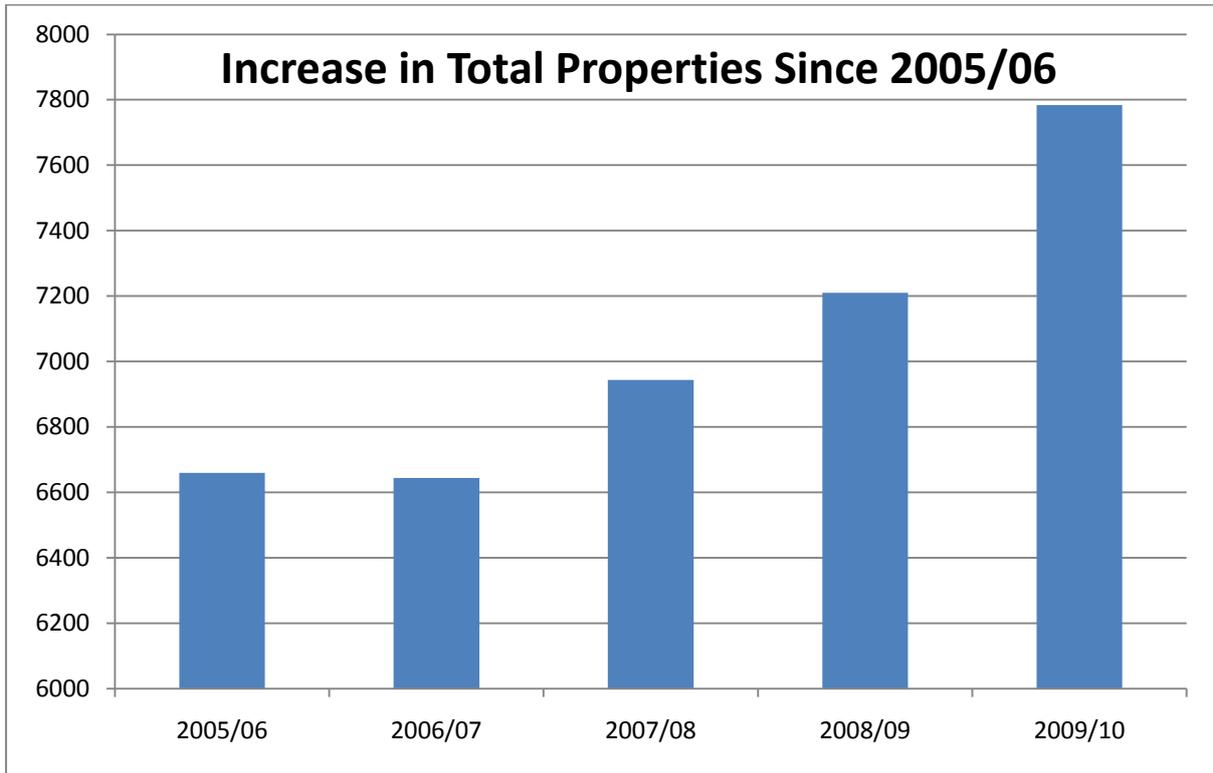
Annual Report  
2008/2009



Annual Rate Run 2009/2010



The following graphs show the increase in the total number of rateable assessments since 2005/06 representing 20.5% increase over five years.



**Options**

Council has the following options available:

Adopt a Natural Growth rates model plus \_\_\_% increase and advertise its intention to levy differential rates on gross rental value and unimproved value properties.

**Policy Implications**

There are no relevant policy implications pertaining to this matter.

**Legislative Implications**

The Differential Rating conducted by Council is subject to the legislative requirements specified in the Local Government Act 1995, Section 6.36, and the Local Government Financial Management Regulations 1996. The requirements relate to methodology, local public notice and reporting.

**Financial Implications**

The financial implications resulting from this report include Natural Growth from 2009/10 rates levied of \$1,023,187, plus \$145,005 per percentage increase in the applied Differential Rates in the dollar.

The Rate Model adopted by Council will directly influence Council's ability to fund expenditure requirements posed to be included in the 2010/11 budget.

Minor expenses will be incurred in meeting advertising requirements.

**Conclusion**

The 2010/11 Annual Budget will contain expenditure considerations driven by the Karratha City of the North plan, projects already being undertaken as a result of the Karratha 2020 plan, and projects emanating from Council's Strategic Plan.

In order for these projects to be incorporated and funded in Council's Forward Financial Plan, it is imperative that these projects be considered in Council's setting of its differential rates model.

**Voting Requirements**

Simple.

---

**RECOMMENDATION****Council Resolves to:**

1. Adopt a Natural Growth rates model plus \_\_\_% increase; and
2. Advertise its attention to levy differential rates on gross rental value and unimproved value properties.

---

**COUNCIL RESOLUTION**

Res No : 15100  
MOVED : Cr Smeathers  
SECONDED : Cr Lally

**That Council suspend Standing Orders to allow for open discussion of this item.**

**CARRIED**

---

FOR : Cr Lockwood, Cr Lally, Cr Cechner, Cr Smeathers, Cr Vertigan and Cr White-Hartig  
AGAINST : Nil

---

**COUNCIL RESOLUTION**

Res No : 15101  
MOVED : Cr Vertigan  
SECONDED : Cr Lally

**That Council reinstate Standing Orders.**

**CARRIED**

---

FOR : Cr Lockwood, Cr Lally, Cr Cechner, Cr Smeathers, Cr Vertigan and Cr White-Hartig  
AGAINST : Nil

**Amendment to the Recommendation****Reason**

The Council considered that the Industry/Mixed Business use category should be increased to greater reflect a comparative to other commercial operations in the district.

**COUNCIL RESOLUTION**

**Res No** : 15102  
**MOVED** : Cr Cechner  
**SECONDED** : Cr Smeathers

1. Industry Mixed Business category rate in the dollar based on 09/10 rates levy be increased to 4.4474 cents in the dollar
2. Adopt a Natural Growth rates model plus 7% for all categories, and
3. Advertise its intention to levy differential rates on gross rental value and unimproved value properties.

<b>Differential Rates 2010/11</b>		
	<b>Min Amt</b> s	<b>Rate in \$</b>
<b>Gross Rental Value</b>		
Residential	1070.00	2.7490
Commercial/Industrial	1070.00	5.4981
Town Centre	1070.00	5.4981
Airport	1070.00	5.4981
Industry/Mixed Business	1070.00	4.7872
Transient Workforce	1070.00	9.0124
GRV (Strategic Industry)	1070.00	5.4981
<b>Unimproved Value</b>		
Strategic Industry	400.00	11.4437
Pastora	400.00	5.7218
Mining/General Tenements	400.00	11.4437
Prospecting	200.00	11.4437
Exploration	400.00	11.4437

**CARRIED**

**FOR** : Cr Lockwood, Cr Lally, Cr Cechner, Cr Smeathers, Cr Vertigan and Cr White-Hartig  
**AGAINST** : Nil

**5 CLOSURE & DATE OF NEXT MEETING**

The meeting closed at 6.40pm and the next Ordinary Council meeting is the 17 May 2010.

---

I, Shire President, Cr Nicole Lockwood, of the Shire of Roebourne, hereby declare on behalf of the Councillors of the Shire of Roebourne that the enclosed Minutes are a true and accurate record of the Pre-Budget Meeting held on 5 May 2010.

.....  
Signed

Date \_\_\_\_/\_\_\_\_/\_\_\_\_