



dorset
C O U N C I L

LATE AGENDA ITEMS

Ordinary Agenda

Council Meeting

15 July 2019

it's in the making

Qualified Persons Advice

The *Local Government Act 1993*, Section 65, provides (in part) as follows: -

- A general manager must ensure that any advice, information or recommendation given to the Council is given by a person who has the qualifications or experience necessary to give such advice, information or recommendation.
- A council is not to decide on any matter which requires the advice of a qualified person without considering such advice unless the general manager certifies in writing that such advice was obtained and taken into account in providing general advice to the Council and a copy of that advice or, if the advice was given orally, a written transcript or summary of that advice is provided to the Council with the general managers certification.

I therefore certify that with respect to all advice, information or recommendation provided to the Council in or with this agenda:

- a. the advice, information or recommendation is given by a person who has the qualifications or experience necessary to give such advice, information or recommendation; and
- b. where any advice is directly given by a person who does not have the required qualifications or experience that person has obtained and taken into account in that person's general advice the advice from an appropriately qualified or experienced person.



TIM WATSON
General Manager

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Council Meeting
LATE AGENDA ITEMS
15 July 2019

Item 114A/19 **Motion to Rescind – Item 102/19 Rates Resolution 2019/20**
Reporting Officer: Acting General Manager, Rohan Willis
Ref: DOC/19/7416

Purpose

The purpose of this agenda item is to rescind Council minute number 102/19 to make and levy rates and charges for the period 01 July 2019 to 30 June 2020.

Background

At the 24 June 2019 Council Meeting Council resolved to make and levy rates and charges for the period 01 July 2019 to 30 June 2020.

Item 102/19 - Rates Resolution 2019/20

Decision

MOVED: Cr Jessup | SECONDED: Cr Stein

That Council make and levy rates and charges for the period 01 July 2019 to 30 June 2020 in accordance with the resolution, which follows:

1. GENERAL RATE

1.1 That pursuant to section 90 of the *Local Government Act 1993* (the **Act**), Council makes the following general rate on all rateable land (excluding land which is exempt pursuant to the operation of section 87 of the Act) within the municipal area of Dorset for the period commencing 1 July 2019 and ending 30 June 2020:

(a) **7.933 cents in the dollar** on the assessed annual value of the land.

1.2 That pursuant to section 90(4) of the Act, Council sets a minimum amount payable in respect of the general rate specified in clause 1.1 of this resolution in the amount of **\$272.50**.

2. SERVICE RATES AND SERVICE CHARGES

2.1 That pursuant to sections 93, 93A, 94 and 95 of the Act, Council makes the following service rates and service charges on all rateable land in the municipal area of Dorset (including land which is otherwise exempt from rates pursuant to section 87 of the Act but excluding land owned by the Crown to which the Council does not supply the relevant services) for the period commencing on 1 July 2019 and ending on 30 June 2020, namely:

- (a) A service charge in the amount of **\$93.65** for waste management services on all rateable land for the making available by Council of waste transfer station facilities (being a waste management facility).
- (b) Pursuant to sections 94(3) and 107 of the Act, Council declares by absolute majority that the service charge for waste management services specified in clause 2.1(a) of this resolution is varied as follows:
 - i. for all land in the locality of Derby which is used or predominantly used for commercial purposes, the service charge is increased to the amount of **\$1,000**.
- (c) Service charges for waste management in respect of all land to which Council supplies waste management services comprising the supply of a kerb-side garbage collection service and/or the supply of a kerb-side recycling collection service, as follows:
 - i. **\$257.90** for a large (i.e. 240 litre) mobile garbage bin;
 - ii. **\$130.50** for a medium (i.e. 120 litre) mobile garbage bin;
 - iii. **\$110.45** for a small (i.e. 80 litre) mobile garbage bin; and
 - iv. **\$124.15** where Council supplies a recycling collection service.

2.2 If any land to which any of the waste management service charges in paragraphs 2.1(a), (b) or (c) is applicable is the subject of separate rights of occupation, which are separately valued in the valuation list prepared under the *Valuation of Land Act 2001*, then the charges apply to each separate right of occupation.

2.3 Pursuant to section 93A of the Act, Council makes the following service rate in respect of the fire service contributions it must collect under the *Fire Service Act 1979* for the rateable parcels of land within the municipal area of Dorset:

- (a) for land within the Bridport and Scottsdale Volunteer Brigade Rating District, a service rate of **0.45 cents in the dollar** of assessed annual value; and
- (b) for land within the General Land Rating District a service rate of **0.366 cents in the dollar** of assessed annual value.

Pursuant to section 93(3) of the Act, Council sets a minimum amount of **\$41** payable for the service rate in respect of the fire service contributions it must collect under the *Fire Service Act 1979*.

3. SEPARATE LAND

That for the purposes of these resolutions the rates and charges shall separately apply to each parcel of land which is shown as being separately valued in the valuation list prepared under the *Valuation of Land Act 2001*.

4. INSTALMENT PAYMENTS

That pursuant to section 124 of the Act, Council determined that ratepayers:-

- (a) may pay the rates and charges by one payment, in which case the due date for that payment is 30 September 2019; and
- (b) may pay rates and charges by four (4) equal instalments, in which case Council determines that the dates by which the instalments are to be paid are as follows:
 - i. the first instalment on or before 30 September 2019; and
 - ii. the second instalment on or before 30 November 2019; and
 - iii. the third instalment on or before 31 January 2020; and
 - iv. the fourth instalment on or before 31 March 2020.

5. DEFAULT INTEREST ON LATE PAYMENT

Pursuant to section 128(1)(b) of the Act, if any rate or instalment is not paid in full within 14 days of the date it falls due, then there is payable a daily interest charge equal to the prescribed percentage calculated in accordance with section 128(2) of the Act in respect of the unpaid rate or instalment for the period during which the relevant amount remains unpaid.

6. ADJUSTED VALUES

That for the purpose of each of these resolutions, any reference to assessed annual value includes a reference to that value as adjusted pursuant to section 89 of the Act.

7. TERMS USED

Words and expressions used both in these resolutions and in the Act or the *Fire Service Act 1979* have in these resolutions the same respective meanings as they have in those statutes.

Carried Unanimously

Subsequent to the passing of the resolution Council Officers began the task of commissioning the preparation of the annual rates notices for residents. During this process, when conducting final control checks for the purposes of identifying any errors, the relevant Council Officers identified that the rates resolution had not incorporated adjustment factors supplied by the Officer of the Valuer-General.

The effect of this error is that the cents in the dollar in the rate resolution was increased from the prior year when indeed it should have been decreased in order to implement Council's objective of containing the rate increase at 2.75%. The impact of this error is that rates would increase by as much as 15% which is clearly not Council's wish or in the interests of the broader community.

Planning, Environment & Statutory Requirements

Pursuant to the *Local Government (Meeting Procedures) Regulations 2015* – R.18, a Council may overturn a previous decision of Council.

Risk Management

N/A

Financial & Asset Management Implications

N/A

Community Considerations

N/A

Officer's Comments

Given the importance of the annual rates resolution it is imperative that the error be rectified as a matter of urgency. Council Officers via the General Manager have communicated the error to Councillors as soon as the error was identified. On identifying the error Officers have halted the preparation of the annual rates notices and advertising requirements and will recommence this process pending the passing of a new rates resolution.

As per the background in this report and comments above, it is recommended that Council rescind in full the rates resolution made at the 24 June 2019 Council Meeting. In doing so the previous decision will become null and void and will need to be replaced with a new rates resolution which is included in the 15 July 2019 Council Agenda as a late Item 114B/19.

Recommendation

That Council rescind in full, decision 102/19 – Rates Resolution 2019/20 made at the 24 June 2019 Council Meeting.

***Voting Requirement under the Act | Absolute Majority**

Purpose

The purpose of this agenda report is to re-make the 2019/2020 Rates Resolution.

Background

At the 24 June 2019 Council Meeting, Council adopted its 2019/20 rates resolution via agenda item 102/19.

Subsequent to the June Council Meeting, Officers conducted final checks and reconciliations of the rates modelling prior to the calculation of rate notices. During this process Officers became aware of a critical omission relating to the adjustment factor that is supplied by the Office of the Valuer-General every two years.

Adjustment factors are applied to all properties in a valuation district or locality if the Office of the Valuer-General determines that there is sufficient market evidence to support that values are moving at a different rate than the rest of the municipality.

The failure to base financial modelling on the adjusted values has resulted in Council's rates resolution increasing the cents in the dollar, when indeed the cents in the dollar should have been decreased to bring into effect Council's desire to increase overall rates revenue by 2.75%.

Planning, Environment and Statutory Requirements

Officers sought legal advice and also sought guidance from the Director of Local Government regarding the process to rescind the rates resolution at the June Council Meeting and re-make the rates via a new rates resolution. Section 109K(4) of the *Local Government Act 1993* clarifies that a council may re-make or adjust a rates resolution prior to the deadline of 31 August pursuant to section 90(1) if it chooses to do so.

This provision can be utilised by Council in conjunction with Regulation 18 of the *Local Government (Meeting Procedures) Regulations 2015* which allows for a motion to overturn a decision of Council.

Risk Management

Officer checklist for setting of rates has been updated to ensure this error is not repeated.

Financial and Asset Management Implications

In order for this error to be rectified, Officers have undertaken extensive financial modelling based on the adjusted values to determine the new cents in the dollar required for an overall rates revenue increase of 2.75% as per the adopted 2019-20 budget estimates. The impact of lowering the cents in the dollar value has been explored in the table below utilising a cross section of median assessed annual values (AAVs):

	Location	AAV % Increase	General Rate 2019/20	General Rate 2018/19	\$ Change	% Change
Non-Vacant Residential	Scottsdale	5%	\$ 722.51	\$ 734.73	-\$12.22	-1.66%
	Bridport	5%	\$ 881.43	\$ 899.34	-\$17.91	-1.99%
	Derby	0%	\$ 545.65	\$ 582.16	-\$36.51	-6.27%
	Ringarooma	0%	\$ 571.99	\$ 610.27	-\$38.28	-6.27%
	Winnaleah	0%	\$ 485.44	\$ 517.92	-\$32.49	-6.27%
	Pioneer	0%	\$ 312.34	\$ 333.24	-\$20.90	-6.27%
	Gladstone	0%	\$ 387.60	\$ 413.54	-\$25.94	-6.27%
	Tomahawk	0%	\$ 696.17	\$ 742.76	-\$46.59	-6.27%
Other	Primary Production	15%	\$ 932.09	\$ 864.75	\$67.34	7.79%
	Commercial	15%	\$ 985.93	\$ 917.25	\$68.68	7.49%
	Industrial	10%	\$ 573.15	\$ 555.91	\$17.24	3.10%
	Community Services	15%	\$ 449.26	\$ 416.93	\$32.32	7.75%
	Other	15%	\$ 272.50	\$ 265.20	\$7.30	2.75%

NB: The rate figures are indicative of the General Rate only.

Community Considerations

The adjustment factors saw the AAV adjusted by between 10% - 15% for all land classed as primary production, commercial, industrial, community services and other, and 5% for residential land in Bridport and Scottsdale.

To factor in the AAV increases as per the above table, the cents in the dollar has been lowered by 6.27% to 7.2367 cents to achieve Council's desired overall general rate increase of 2.75%.

Officer's Comments

It is recommended that Council resolve to adopt the following rates resolution to bring into effect an overall rates revenue increase of 2.75%. This overall increase for the community has been set in the context of Council costs predicted to increase by 3.38% in 2019/20, as measured by the Council Cost Index and the ability for Council to deliver key services and infrastructure spend as per the adopted Long Term Financial Plan.

Recommendation

That Council make and levy rates and charges for the period 01 July 2019 to 30 June 2020 in accordance with the resolution, which follows:

1. GENERAL RATE

1.1 That pursuant to section 90 of the *Local Government Act 1993* (the **Act**), Council makes the following general rate on all rateable land (excluding land which is exempt pursuant to the operation of section 87 of the Act) within the municipal area of Dorset for the period commencing 1 July 2019 and ending 30 June 2020:

(a) **7.2367 cents in the dollar** on the assessed annual value of the land.

1.2 That pursuant to section 90(4) of the Act, Council sets a minimum amount payable in respect of the general rate specified in clause 1.1 of this resolution in the amount of **\$272.50**.

2. SERVICE RATES AND SERVICE CHARGES

2.1 That pursuant to sections 93, 93A, 94 and 95 of the Act, Council makes the following service rates and service charges on all rateable land in the municipal area of Dorset (including land which is otherwise exempt from rates pursuant to section 87 of the Act but excluding land owned by the Crown to which the Council does not supply the relevant services) for the period commencing on 1 July 2019 and ending on 30 June 2020, namely:

(a) A service charge in the amount of **\$93.65** for waste management services on all rateable land for the operational costs of Council's waste transfer stations (being a waste management facility), public waste collection, cartage of waste and rehabilitation of Council's former tip sites.

(b) Pursuant to sections 94(3) and 107 of the Act, Council declares by absolute majority that the service charge for waste management services specified in clause 2.1(a) of this resolution is varied as follows:

i. for all land in the locality of Derby which is used or predominantly used for commercial purposes, the service charge is increased to the amount of **\$1,000**.

(c) Service charges for waste management in respect of all land to which Council supplies waste management services comprising the supply of a kerb-side garbage collection service and/or the supply of a kerb-side recycling collection service, as follows:

- i. **\$257.90** for a large (i.e. 240 litre) mobile garbage bin;
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2.3 Pursuant to section 93A of the Act, Council makes the following service rate in respect of the fire service contributions it must collect under the *Fire Service Act 1979* for the rateable parcels of land within the municipal area of Dorset:

(a) for land within the Bridport and Scottsdale Volunteer Brigade Rating District, a service rate of **0.4272 cents in the dollar** of assessed annual value; and

(b) for land within the General Land Rating District a service rate of **0.3319 cents in the dollar** of assessed annual value.

Pursuant to section 93(3) of the Act, Council sets a minimum amount of **\$41** payable for the service rate in respect of the fire service contributions it must collect under the *Fire Service Act 1979*.

3. SEPARATE LAND

That for the purposes of these resolutions the rates and charges shall separately apply to each parcel of land which is shown as being separately valued in the valuation list prepared under the *Valuation of Land Act 2001*.

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***Voting Requirement under the Act | Absolute Majority**