

Corporate & Works Committee

Agenda: *Corporate & Works Committee*

Date: *Monday 4 March 2013*

Time: *6.00pm*

Outline of Meeting Protocol & Procedure:

- The Chairperson will call the Meeting to order and ask the Committee/Staff to present apologies or late correspondence.
- The Chairperson will commence the Order of Business as shown in the Index to the Agenda.
- At the beginning of each item the Chairperson will ask whether a member(s) of the public wish to address the Committee.
- If person(s) wish to address the Committee, they are allowed four (4) minutes in which to do so. Please direct comments to the issues at hand.
- If there are persons representing both sides of a matter (eg applicant/objector), the person(s) against the recommendation speak first.
- At the conclusion of the allotted four (4) minutes, the speaker resumes his/her seat and takes no further part in the debate unless specifically called to do so by the Chairperson.
- If there is more than one (1) person wishing to address the Committee from the same side of the debate, the Chairperson will request that where possible a spokesperson be nominated to represent the parties.
- The Chairperson has the discretion whether to continue to accept speakers from the floor.
- After considering any submissions the Committee will debate the matter (if necessary), and arrive at a recommendation (R items which proceed to Full Council) or a resolution (D items for which the Committee has delegated authority).

Recommendation only to the Full Council (“R” Items)

- Such matters as are specified in Section 377 of the Local Government Act and within the ambit of the Committee considerations.
- The voting of money for expenditure on works, services and operations.
- Rates, Fees and Charges.
- Donations
- Matters which involve broad strategic or policy initiatives within responsibilities of the Committee.
- Matters not within the specified functions of the Committee.
- Asset Rationalisation.
- Corporate Operations:-
 - Statutory Reporting;
 - Adoption of Council's Community Strategic Plan, Delivery Program and Operational Plan;
 - Delegations; and
 - Policies.
- Tenders as per Regulation requirements.
- Leases.
- Matters reserved by individual Councillors in accordance with any Council policy on "safeguards" and substantive changes.

Delegated Authority (“D” Items)

- General financial and corporate management of the Council, except those specifically excluded by statute, by Council direction or delegated specifically to another Committee.
Note: This not to limit the discretions of nominated staff members exercising Delegated Authorities granted by the Council.
- Statutory reviews of Council's Delivery Program and Operational Plan;
- Finance Regulations, including:-
 - Authorisation of expenditures within budgetary provisions where not delegated;
 - Quarterly review of Budget Review Statements;
 - Quarterly and other reports on Works and Services provision; and
 - Writing off of rates, fees and charges because of non-rateability, bad debts, and impracticality of collection.
- Auditing.
- Property Management.
- Asset Management.
- Traffic Management - Works Implementation.
- Works and Services - Monitoring and Implementations.
- Legal Matters and Legal Register.
- Parks and Reserves Management.
- Infrastructure Management, Design and Investigation.
- To require such investigations, reports or actions as considered necessary in respect of matters contained within the Business Agenda (and as may be limited by specific Council resolution).
- Confirmation of the Minutes of its Meetings.
- Any other matter falling within the responsibility of the Corporate and Works Committee and not restricted by the Local Government Act or required to be a Recommendation to Full Council as listed above.

Committee Membership:

7 Councillors

Quorum:

The quorum for a Committee meeting is 4 Councillors.

WOOLLAHRA MUNICIPAL COUNCIL

Notice of Meeting

28 February 2013

To: His Worship the Mayor, Councillor Andrew Petrie ex-officio
Councillors Katherine O'Regan (Chair)
Ted Bennett
Peter Cavanagh
Deborah Thomas
Elena Wise
Susan Wynne
Jeff Zulman

Dear Councillors

Corporate & Works Committee Meeting – 4 March 2013

In accordance with the provisions of the Local Government Act 1993, I request your attendance at a Meeting of the Council's **Corporate and Works Committee** to be held in the **Council Chambers, 536 New South Head Road, Double Bay, on Monday 4 March 2013 at 6.00pm.**

Gary James
General Manager

Additional Information Relating to Committee Matters

Site Inspection

Other Matters

Meeting Agenda

Item	Subject	Pages
1	Leave of Absence and Apologies	
2	Late Correspondence Note Council resolution of 27 June 2011 to read late correspondence in conjunction with the relevant Agenda Item	
3	Declarations of Interest	

Items to be Decided by this Committee using its Delegated Authority

D1	Confirmation of Minutes of Meeting held on 11 February 2013	1
D2	General Revaluation of Land – 87.G 2013	2

Items to be Submitted to the Council for Decision with Recommendations from this Committee ‘Nil R Items’

Item No: D1 Delegated to Committee
Subject: **Confirmation of minutes of meeting held on 11 February 2013**
Author: Les Windle, Manager – Governance
File No: See Council Minutes
Reason for Report: The Minutes of the Meeting of Monday 11 February 2013 were previously circulated. In accordance with the guidelines for Committees' operations it is now necessary that those Minutes be formally taken as read and confirmed.

Recommendation:

That the Minutes of the Corporate and Works Committee Meeting of 11 February 2013 be taken as read and confirmed.

Les Windle
Manager – Governance

Item No: D2 Delegated to Committee
Subject: **General Revaluation of Land**
Author: Don Johnston, Manager Finance
File No: 87.G 2013
Reason for Report: To provide the Committee with a high level overview of the general revaluation of land in the Woollahra Local Government Area.

Recommendation:

That the report be received and noted.

Background:

Council uses land values provided by the Valuer General (VG) for the levying of Rates. The base date of the land valuations currently used is 1 July 2009. In December 2012, the Valuer General provided Council with land values with a base date of 1 July 2012. The new land values will be used for levying the 2013/14 Rates.

This report provides a high level overview of the movements in land values between 1 July 2009 and 1 July 2012.

It should be noted at the outset that the revaluation will not change Council's total Rates income, but will result in changes in Rates levied on individual properties depending on their respective increase or decrease in land value. It should also be noted that the report covers land valuations, not rateable values, that is, strata or company title units are not reported individually but as one valuation. The rateable value for individual strata or company title units, which is based on respective unit entitlements, will increase by the same percentage as the overall valuation.

Discussion:

The timeline for the general revaluation process, provided by the VG, is set out below.

July 2012	Market analysis and determination of land values at 1 July 2012
Sept – Nov 2012	Land values audited by Land and Property Information
December 2012	Land Values issued to Council
Jan – Feb 2013	Notices of Valuation issued to landowners (60 day objection period commences)
Mar – Apr 2013	Objection period closes

As noted above, Council received updated land values for the Woollahra LGA in December 2012. The VG issued Notices of Valuation to landowners in mid-January. A copy of the VG's media release is attached as **ANNEXURE 1**.

At the conclusion of the objection period Council will receive Supplementary Valuations as and when any objections are determined. These Supplementary Valuations will be updated up until the 2013/14 Rates Notices are issued in July 2013.

Overall Movement in Land Value

For the whole Local Government Area (LGA), land valuations increased from \$27,578,988,095 in 2009 to \$28,347,653,010 in 2012. This is an increase of \$768,664,915 or 2.79%.

There is a small difference in the overall increase in residential land values and business land values.

	% Increase
LGA	2.79
Residential	2.81
Business	3.11
Non Rateable*	1.30

*Non Rateable properties include schools, churches, registered charities, hospitals and open space.

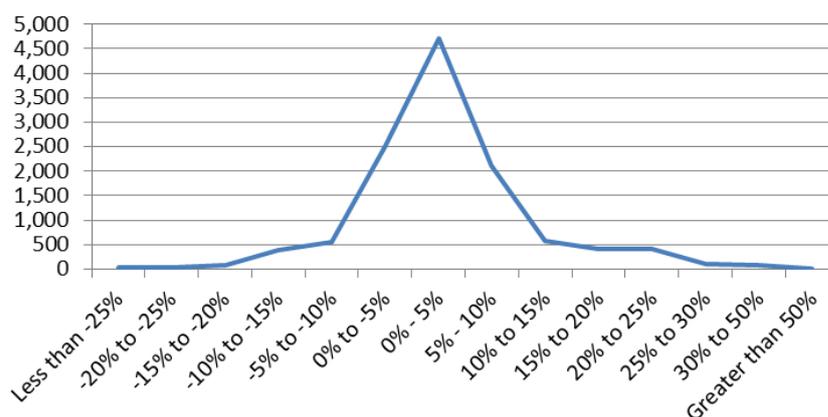
While the overall increase in land values was not large, there was a wide range of increases and decreases in land values. The tables and charts below summarise the movements in land values for residential and business properties

Residential Properties

Range	No. of Valuations	% of Valuations
Less than -25%	32	0.3
-20% to -25%	25	0.2
-15% to -20%	80	0.7
-10% to -15%	380	3.2
-5% to -10%	553	4.6
0% to -5%	2,512	20.8
0% - 5%	4,701	39.0
5% - 10%	2,122	17.6
10% to 15%	584	4.8
15% to 20%	410	3.4
20% to 25%	423	3.5
25% to 30%	115	1.0
30% to 50%	91	0.8
Greater than 50%	21	0.2
	12,049	100.0

The majority (77%) of residential valuations are in the 5% decrease to 10% increase range. There is only a handful of properties at the extremities of the range of variations. This is depicted in the graph below.

Residential Valuations



The movement in land values in individual suburbs also varies quite widely. The increases in Paddington (2.82%) and Bellevue Hill (3.13%) are closest to the overall 2.81% increase in residential land values. The only suburb to record an overall decrease in land values was Darling Point.

Suburb	No. of Valuations	% Change
Bellevue Hill	2,049	3.13
Darling Point	415	-4.34
Double Bay	673	7.86
Edgecliff	336	8.89
Paddington	3,357	2.82
Point Piper	280	4.12
Rose Bay	981	1.00
Vaucluse	1,880	0.11
Watsons Bay	209	1.98
Woollahra	1,869	11.58

Again, within each suburb, there is a range of movements in land values. To give some idea of this, the table below provides the largest decrease and increase for each suburb. As noted earlier in the report, 77% of all residential property valuations changed by between a 5% decrease and a 10% increase. The percentage of properties that fall into this range varies from suburb to suburb. It is also shown in the table below.

Suburb	No. of Valuations	% in -5% to 10% Range	Largest Decrease	Largest Increase
Bellevue Hill	2,049	85%	-34.80%	77.40%
Darling Point	415	70%	-27.00%	61.06%
Double Bay	673	55%	-19.52%	51.28%
Edgecliff	336	69%	-23.26%	38.49%
Paddington	3,357	93%	-16.55%	274.17%
Point Piper	280	33%	-33.10%	39.33%
Rose Bay	981	88%	-33.69%	37.79%
Vaucluse	1,880	69%	-32.70%	118.83%
Watsons Bay	209	62%	-16.23%	32.37%
Woollahra	1,869	63%	-26.51%	64.07%

The suburbs with the most diverse land value changes are Point Piper and Double Bay where only 33% and 55% respectively fall into the -5% to 10% range (compared to 77% overall). The least diversity appears in the Paddington, Rose Bay and Bellevue Hill where 93%, 88% and 85% of properties fall into that range.

The largest increase, 274%, addressed an anomaly with a specific property's 2009 valuation. This property's 2009 valuation was \$302,000 compared to neighbouring valuations of at least \$700,000. Its 2012 valuation is \$1,130,000, consistent with neighbouring valuations. This is an increase of \$828,000 or 274%. The large increases in Vaucluse, Bellevue Hill, Darling Point and Double Bay also address one off anomalies. Owners of these properties have the option of lodging an objection with the VG in relation to their 2012 valuations.

Indicative Impact on 2013/14 Rates Levied.

To most equitably levy residential rates Council has, for many years, had a rating structure where 50% (the maximum permitted) of rates are levied using a base amount and 50% is levied based on land value.

For 2012/13 this structure resulted in the following residential rates being levied:

Rate Component	%	Rates Levied	No. of Assessments/ Land Value	Base Amount/ Rate in \$
Base Amount	49.96	12,915,624	24,376	529.85
Ad Valorem (based on value)	50.04	12,937,960	25,278,925,160	0.05118
Total	100.00	25,853,584		

Retaining this rating structure for 2013/14 will mitigate the impact of changes in land values.

The current average rateable residential land value in the Woollahra LGA is just over \$1,000,000. The table below presents an overview of the impact of changes in land values on lower, average and higher valued residential assessments:

Land Value 2009	Land Value 2012	% Change	12/13 Residential Rates	13/14 Residential Rates*	\$ Change	% Change
250,000	187,500	-25%	657.80	643.69	-14.11	-4.4%
250,000	237,500	-5%	657.80	669.66	11.86	1.2%
250,000	270,000	10%	657.80	689.14	31.34	5.5%
250,000	325,000	30%	657.80	715.11	57.31	11.1%
1,000,000	750,000	-25%	1,041.65	935.85	-105.80	-10.2%
1,000,000	950,000	-5%	1,041.65	1,039.73	-1.92	-0.2%
1,000,000	1,100,000	10%	1,041.65	1,117.64	75.99	7.3%
1,000,000	1,300,000	30%	1,041.65	1,221.52	179.87	17.3%
5,000,000	3,750,000	-25%	3,088.85	2,494.05	-594.80	-18.3%
5,000,000	4,750,000	-5%	3,088.85	3,013.45	-75.40	-2.2%
5,000,000	5,500,000	10%	3,088.85	3,403.00	314.15	9.9%
5,000,000	6,500,000	30%	3,088.85	3,922.40	833.55	26.0%

* Indicative Rates based on 3.4% increase - subject to detailed modelling and confirmation

Just over 70% of residential properties fall into the land value range of \$250,000 to \$5,000,000. We also know that 77% of property valuation changes are in the -5% to 10% range. As a guide, this indicates that the majority of ratepayers' rates will change by between -2.2% and 9.9% depending on the movement in their respective land values. More detailed modelling of the impact of changes in land values will be done in conjunction with developing the draft rating structure for 2013/14 which will be reported to the Corporate & Works Committee in April.

Business Properties

In what is an overview report, it is difficult to provide the same level of analysis for business properties as there are thirteen sub-categories of business rates (based on business centres). This will mean that any variation in land value changes between suburbs can be more closely managed because of the flexibility the sub-categories provides when setting rates in the dollar.

Again, detailed modelling will be done and reported in conjunction with the draft rating structure for 2013/14, but in this report, an overview of changes in land value only is provided.

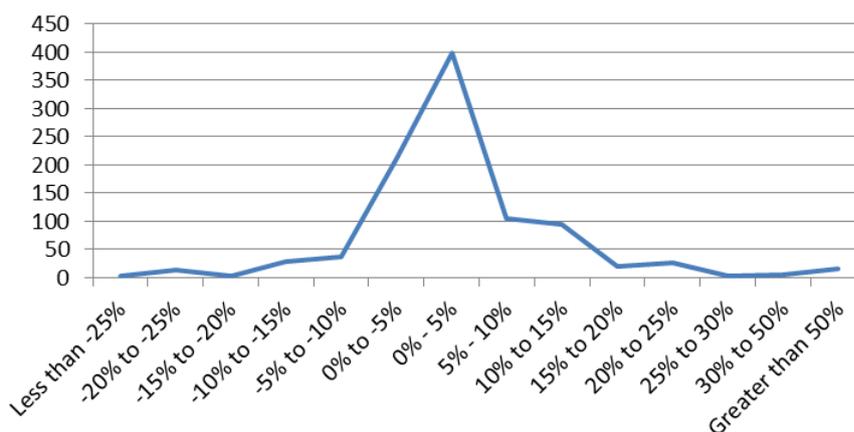
As noted earlier in the report, the overall increase in business land values was 3.11%. There is a range of variations in individual valuations as shown in the table below.

Range	No. of Valuations	% of Valuations
Less than -25%	3	0.3
-20% to -25%	14	1.4
-15% to -20%	4	0.4
-10% to -15%	29	3.0
-5% to -10%	37	3.8
0% to -5%	212	21.9
0% - 5%	398	41.1
5% - 10%	106	10.9
10% to 15%	95	9.8
15% to 20%	20	2.1
20% to 25%	27	2.8
25% to 30%	4	0.4
30% to 50%	5	0.5
Greater than 50%	15	1.5
	969	100.0

Thirteen of the fifteen properties with increases over 50% are in Queen Street, Woollahra. Another is in Moncur Street while the final property is in Bay Street, Double Bay. Unlike the large changes in residential valuations, there are no discernible anomalies being addressed by these increases. It actually appears that the increase in Double Bay may create an anomaly with the \$4,970,000 to \$8,400,000 increase being out of step with surrounding properties. Again it is noted that landowners can lodge an objection with the VG in relation to their 2012 valuation.

Similar to residential valuations, the majority of changes (74%) fall into the 5% decrease to 10% increase range. This is depicted in the graph below.

Business Valuations



The movement in land values in individual suburbs is shown below.

Suburb	No. of Valuations	% Change
Bellevue Hill	25	0.71
Darling Point	12	-8.35
Double Bay	183	6.00
Edgecliff	53	1.05
Paddington	354	0.10
Point Piper	7	-14.06
Rose Bay	90	5.92
Vaucluse	46	-8.70
Watsons Bay	14	-1.07
Woollahra	185	13.56

Conclusion:

While land values have increased overall in the Woollahra LGA by around 3%, the change in valuations of individual properties varies quite widely. The report summarises the changes in values in both residential and business properties and, for residential properties, provides an indication of the impact of the changes on rates levied across a range of land values.

Detailed modelling of the impact of the changes in land values arising from the general revaluation will be undertaken and reported to the Committee in conjunction with the development of the 2013/14 draft rating structure. It is anticipated that this will be reported to the Committee in April.

Don Johnston
Manager Finance

Stephen Dunshea
Director Corporate Services

Annexures:

1. Valuer General's press release dated 16 January 2013.

**POLITICAL DONATIONS DECISION MAKING FLOWCHART
FOR THE INFORMATION OF COUNCILLORS**

