

**CCS446 GERALDTON HOTROD & COUNTRY INC. (GERALDTON CITY SPEEDWAY) – REQUEST FOR DONATION TO COVER RATES**

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| <b>AGENDA REFERENCE:</b> | <b>D-19-072899</b>   |
| <b>AUTHOR:</b>           | <b>P Radalj, Director Corporate and Commercial Services</b>  |
| <b>EXECUTIVE:</b>        | <b>P Radalj, Director Corporate and Commercial Services</b>  |
| <b>DATE OF REPORT:</b>   | <b>26 September 2019</b>   |
| <b>FILE REFERENCE:</b>   | <b>RV/3/0005-08</b>  |
| <b>ATTACHMENTS:</b>      | <b>Yes (x3)</b><br><b>A. Letter Requesting Donation</b><br><b>B. Aerial Map of Property</b><br><b>C. CCS371 – Previous Council Item -Request for Donation GGRC</b> |

**EXECUTIVE SUMMARY:**

The Geraldton Hotrod & Country Inc. club (Geraldton City Speedway) have approached the City with a request that Council considers and puts in place a similar arrangement to what currently exists between the City and Geraldton Greenough Rifle Club (Inc). That arrangement grants an annual donation to the Geraldton Greenough Rifle Club (Inc) equivalent to the rates levied on their two properties each year and is reviewed every five years.

**EXECUTIVE RECOMMENDATION:**

That Council by Absolute Majority pursuant to Section 6.8 of the Local Government Act 1995 RESOLVES to:

1. AUTHORISE an annual donation to the Geraldton Hotrod & Country Inc. (Geraldton City Speedway) equivalent to the rates levied on Lot 2 (6) Bernie Clune Drive Moonyoonooka, subject to the condition that the property in question continues to be used for its current purposes and remains vested to Geraldton Hotrod & Country Inc. (Geraldton City Speedway); and
2. MAKE the determination to grant this donation for a period of five (5) years, commencing from 1 July 2019.

**PROPONENT:**

The proponent is the Geraldton Hotrod & Country Inc. (Geraldton City Speedway).

**BACKGROUND:**

As previously communicated to Council, when it last considered to continue the Geraldton Greenough Rifle Club annual donation equivalent to rates levied, there are only a handful of other sporting or community groups that are on freehold land i.e. Tenindewa, Tardun, Pindar Progress Associations and Macedonian Society of Geraldton – they have all been granted individual exemptions by past Council resolutions, except for the Geraldton Hot Rod Club which pays rates on their land.

The majority of sporting and community groups are exempt from rates under a Council Decision 27 March 2001, which was effective from 1 July 2001 and states:-

*“That Council cease to rate community and sporting clubs occupying Council or DOLA lease land as of the beginning of the 2001-2002 year”.*

In the adoption of the 2007-08 Budget (Council Item CS015, 14 August 2007), Council resolved to:

*“Not provide any concession or relief to any privately owned sporting or recreational grounds, however Council will consider by way of a donation an amount equivalent to the rates levied”.*

The property is primarily used for the following purposes:

- Speedway activities;
- Go-karting and Motard; and
- Off-road activities.

The Midwest Kart Club lease (10yr by 10yr) their portion of land they use from the Geraldton Hotrod & Country Inc. club. The amount of the lease is around \$1,600 per annum with these funds going towards maintaining the surrounds – firebreaks and fencing. The Geraldton Off-Road Club pay a nominal amount annually to the Geraldton Hotrod & Country Inc. club in lieu of utilities costs.

#### **COMMUNITY, ENVIRONMENT, ECONOMY AND GOVERNANCE ISSUES:**

##### **Community:**

The land is used by three sporting clubs which not only adds to and provides infrastructure that supports the City’s strong sporting culture but also brings strong patronage to the City through national and state series and titles.

##### **Environment:**

There are no adverse environmental impacts.

##### **Economy:**

There are no adverse economic impacts.

##### **Governance:**

Council is required to impose rates on this land as under the Local Government Act 1995 it does not satisfy any provisions on not being rateable. An annual donation arrangement is considered the best governance option as Council is not exempting the land from being rated.

##### *Disclosure of Interest:*

No Officer involved in the preparation of this report has a declarable interest in this matter.

#### **RELEVANT PRECEDENTS:**

This proposed donation arrangement has relevance to Council’s previous resolutions related to the Geraldton Greenough Rifle Club annual donation (CCS371 – 23 October 2018).

#### **COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no community/councillor consultation.

**LEGISLATIVE/POLICY IMPLICATIONS:**

Section 6.26(2) of the Local Government Act 1995 defines land that is not rateable land. The land in question does not satisfy any of the provisions of sections 6.26(2) of the Act, and is therefore rateable land. Council is therefore obliged to impose rates on the land.

Section 6.47 of the Act empowers a Council to waive rates or grant other concessions:

6.47. Concessions

*Subject to the Rates and Charges (Rebates and Deferrals) Act 1992, a local government may at the time of imposing a rate or service charge or at a later date resolve to waive\* a rate or service charge or resolve to grant other concessions in relation to a rate or service charge. \* Absolute majority required.*

Section 6.8 of the Local Government Act 1995 requires any expenditure not included in the annual budget to be authorised by Absolute Majority.

**FINANCIAL AND RESOURCE IMPLICATIONS:**

The levied rates on the property in 2019-20 is \$1,290.65. Under any donation arrangement, the owner of the property is still liable to pay annual ESL and rubbish charges if applicable.

**INTEGRATED PLANNING LINKS:**

|                         |  |
|-------------------------|--|
| <b>Title: Community</b> | <b>1.2 Recreation and Sport</b>  |
| Strategy 1.2.1          | Supporting the strong sporting culture that has shaped Greater Geraldton's identity and lifestyle. |
| <b>Title: Community</b> | <b>1.5 Recognise, value and support everyone</b>   |
| Strategy 1.5.1          | Supporting and strengthening community groups, organisations and volunteer services.               |

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT**

If Council were to consider to waive rates which is effectively exempting the land from rates being levied, it would be establishing a new precedent to not impose rates on rateable land.

As there is a similar donation arrangement in place with a sporting club on freehold land, the issue and perception of parity should form part of the consideration on this matter.

**ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS**

The following options were considered by City Officers:

**Option 1:**

As per Executive Recommendation in this report.

**Option 2:**

That Council by Simple Majority under section 5.20 of the Local Government Act 1995 RESOLVES to:

1. DEFER consideration of the application by the Geraldton Hotrod & Country Inc. (Geraldton City Speedway) for reimbursement of their rates on the property at Lot 2 (6) Bernie Clune Drive Moonyoonooka; and
2. MAKE the determination based on the following reason:
  - a. To be determined by Council.

**Option 3:**

That Council by Absolute Majority under section 6.47 of the Local Government Act 1995 RESOLVES to:

1. WAIVE rates on the property at Lot 2 (6) Bernie Clune Drive Moonyoonooka; and
2. MAKE the determination based on the following reasons:
  - a. That the aforementioned land continues to be used for its current purposes and ownership remains vested in Geraldton Hotrod & Country Inc. (Geraldton City Speedway).

**COUNCIL DECISION**

**MOVED CR CLUNE, SECONDED CR HALL**

That Council by Absolute Majority pursuant to Section 6.8 of the Local Government Act 1995 RESOLVES to:

1. AUTHORISE an annual donation to the Geraldton Hotrod & Country Inc. (Geraldton City Speedway) equivalent to the rates levied on Lot 2 (6) Bernie Clune Drive Moonyoonooka, subject to the condition that the property in question continues to be used for its current purposes and remains vested to Geraldton Hotrod & Country Inc. (Geraldton City Speedway); and
2. MAKE the determination to grant this donation for a period of five (5) years, commencing from 1 July 2019.

**CARRIED BY ABSOLUTE MAJORITY 12/0**

Time: 6:04 PM

Not Voted: 2

No Votes: 0

Yes Votes: 12

| <b>Name</b>          | <b>Vote</b>        |
|----------------------|--------------------|
| <b>Cr. Douglas</b>   | <b>YES</b>         |
| <b>Cr. Bylund</b>    | <b>NOT PRESENT</b> |
| <b>Cr. Caudwell</b>  | <b>YES</b>         |
| <b>Cr. Colliver</b>  | <b>YES</b>         |
| <b>Cr. Clune</b>     | <b>YES</b>         |
| <b>Cr. Critch</b>    | <b>NOT PRESENT</b> |
| <b>Cr. Elphick</b>   | <b>YES</b>         |
| <b>Cr. Hall</b>      | <b>YES</b>         |
| <b>Cr. Keemink</b>   | <b>YES</b>         |
| <b>Cr. McIlwaine</b> | <b>YES</b>         |

|                       |            |
|-----------------------|------------|
| <b>Cr. Reymond</b>    | <b>YES</b> |
| <b>Cr. Tanti</b>      | <b>YES</b> |
| <b>Cr. Thomas</b>     | <b>YES</b> |
| <b>Mayor Van Styn</b> | <b>YES</b> |