

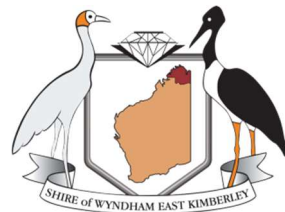
I hereby certify that the Minutes of the Ordinary Council Meeting held are a true and accurate record of the proceedings contained therein.

David Heyel

Shire President

24 August 2021

Date



SHIRE OF WYNDHAM | EAST KIMBERLEY

MINUTES
SPECIAL COUNCIL
MEETING

8 JULY 2021

DISCLAIMER

Members of the Public are advised that recommendations to Council contained within this Agenda and decisions arising from the Council meeting can be subject to alteration.

Applicants and other interested parties should refrain from taking any action until such time as written advice is received confirming Council's decision with respect to any particular issue.

An audio and/or video record will be made of these proceedings to assist in the taking of minutes.

Signed on behalf of Council

A handwritten signature in black ink, appearing to read 'V. E. Lawrence', written in a cursive style.

VERNON LAWRENCE

ACTING CHIEF EXECUTIVE OFFICER

NOTES

- 1. Councillors wishing to make alternate motions to officer recommendations are requested to provide notice of such motions electronically to the minute taker prior to the Council Meeting.**
- 2. Councillors needing clarification on reports to Council are requested to seek this from relevant Officers prior to the Council meetings.**

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**SHIRE OF WYNDHAM EAST KIMBERLEY
SPECIAL COUNCIL MEETING AGENDA
KUNUNURRA COUNCIL CHAMBERS
TO BE HELD ON 8 JULY 2021 AT 5:00PM**

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

Members of the Public are advised that recommendations to Council contained within this Agenda and decisions arising from the Council meeting can be subject to alteration.

Applicants and other interested parties should refrain from taking any action until such time as written advice is received confirming Council's decision with respect to any particular issue.

An audio and/or video record will be made of these proceedings to assist in the taking of minutes.

I declare the Meeting open at 5.00pm.

**2. RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE
(PREVIOUSLY APPROVED)**

Cr D Menzel	Shire President
Cr M Dear	Councillor
Cr D Pearce	Councillor
Cr A Petherick	Councillor
Cr J Farquhar	Councillor
Cr T Chafer	Councillor – attending remotely

V Lawrence	Chief Executive Officer
G Wright	Acting Director Infrastructure
N Kearns	Director Planning and Community Development
F Heading	Director Corporate Services
S Maitland	Minute Taker

Apology

Cr G Lodge	Councillor
Cr N Brook	Councillor
Cr M McKittrick	Councillor

3. DECLARATION OF INTEREST

- Financial Interest

NIL

- Impartiality Interest

NIL

- Proximity Interest

NIL

4. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

NIL

5. PUBLIC QUESTION TIME

Question from Mark Northover, 100 Mills Rd Kununurra

Relates to Agenda Item # 8 – Annual Budget 2021/22 – Differential General Rates and Minimum Payments

Question

With regards to the proposed changes to Ratings relating to Rural properties. How does council propose to continue with a “rating system that:-

a. Promotes simplicity, transparency and understanding; and Reduces complexity; and Is open to scrutiny.” during this current Covid lock down or isolation

Response provided by CEO, Vernon Lawrence:

Firstly, the differential rating system has been in place in the Shire for a long time. For transparency this policy is tabled at Council annually for a review, is open for public comment and is scrutinised by the Minister for Local Governments office to ensure compliance with the provisions of the legislation and regulations. The Shire receives very few, if any, submissions on the policy on an annual basis. With regard to complexity, the wider community consumes community assets differently and at different rates. A differential system seeks to ensure that the burden of maintaining community assets sits proportionately across the community within the framework that the Shire can legally operate in. The result is never absolutely ideal. The Shire will be doing a review of the differential system in this financial year to ensure that objectives of fairness and equity are re-evaluated and improved upon if necessary.

b. Continue taxing one component of wealth, being real property when in fact wealth has clearly diminished.

Response provided by CEO, Vernon Lawrence:

Rating properties is the only mechanism that is available to the Shire to raise revenue to provide community services.

c. Does council consider this a cruel tax under current circumstances when the administration is enjoying a 1% increase?

Response provided by CEO, Vernon Lawrence:

Raising rates is never going to be a popular process. This is equally true of paying income tax, sales taxes, fuel levies, import duties and excise duties. The raising of revenue is however critical if the Shire is to meet its legislative and asset management obligations. This is no different to any local government in Australia. The 1% increase for the administration is a contractual arrangement under the Enterprise Agreement. For the 2021/22 financial year the 1% essentially compensates for the anticipated change in CPI.

6. PETITIONS

NIL

7. REPORT

7.1. ANNUAL BUDGET 2021/22 - DIFFERENTIAL GENERAL RATES AND MINIMUM PAYMENTS

DATE:	08 July 2021
AUTHOR:	Director Corporate Services
RESPONSIBLE OFFICER:	Felicity Heading, Director Corporate Services
FILE NO:	FM.05.14
DISCLOSURE OF INTERESTS:	NIL

VOTING REQUIREMENT 1

Simple Majority

OFFICER'S RECOMMENDATION 1

That Council:

1. Endorse revised Council Policy *CP/FIN-3200 Strategic Rating* as per Attachment 1; and
2. Endorse the revised 2021/22 Rating Model as follows and as per Attachment 2, with the intention of striking the rates as part of the 2021/22 Budget adoption, subject to receiving Ministerial approval for the UV Rural Residential differential rating category.

Differential Rating Category	Total Properties	Total Rateable Value of Properties \$	Proposed Minimum Payment \$	Proposed Rate in the Dollar	% of Properties on Minimum Payments	Proposed Concessions	Proposed Rates Revenue Budget 2021/22 \$
GRV - Residential	1,697	32,493,871	1,123	0.1463	1.30%		4,760,031
GRV - Other Vacant	126	520,841	1,123	0.2269	77.78%		178,805
GRV - Commercial	188	12,871,625	1,123	0.1443	8.51%		1,863,081
GRV - Industrial	178	7,457,086	1,123	0.1403	5.06%		1,052,089

GRV - Rural Residential	26	272,424	1,123	0.1463	11.54%		41,521
UV - Rural Residential	200	28,935,000	1,123	0.0168	21.50%		488,634
UV - Pastoral	21	17,364,229	1,123	0.0570	0.00%	569,058	420,703
UV - Commercial/Industrial	68	12,516,580	1,123	0.0078	35.29%		117,912
UV - Agriculture	80	60,935,109	1,123	0.0117	1.25%		713,093
UV - Horticulture	93	27,215,000	1,123	0.0102	0.00%		277,593
UV - Mining	64	1,832,448	1,123	0.2767	43.75%		525,518
UV - Mining Exploration and Prospecting	41	490,179	313	0.1383	24.39%		68,842
UV - Other	5	8,960,000	1,123	0.0066	20.00%		59,368
TOTALS	2,787	211,846,392				569,058	
Total Budgeted Net Rates Revenue Raised							10,567,190

Cr D Menzel foreshadowed that he had an alternate motion to put to the floor in the event that the Officer Recommendation was not supported by Council.

Council Decision

That Council:

1. Endorse revised Council Policy *CP/FIN-3200 Strategic Rating* as per Attachment 1; and
2. Endorse the revised 2021/22 Rating Model as follows and as per Attachment 2, with the intention of striking the rates as part of the 2021/22 Budget adoption, subject to receiving Ministerial approval for the UV Rural Residential differential rating category.

Differential Rating Category	Total Properties	Total Rateable Value of Properties \$	Proposed Minimum Payment \$	Proposed Rate in the Dollar	% of Properties on Minimum Payments	Proposed Concessions	Proposed Rates Revenue Budget 2021/22 \$
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GRV - Residential	1,697	32,493,871	1,123	0.1463	1.30%		4,760,031
GRV - Other Vacant	126	520,841	1,123	0.2269	77.78%		178,805
GRV - Commercial	188	12,871,625	1,123	0.1443	8.51%		1,863,081
GRV - Industrial	178	7,457,086	1,123	0.1403	5.06%		1,052,089
GRV - Rural Residential	26	272,424	1,123	0.1463	11.54%		41,521
UV - Rural Residential	200	28,935,000	1,123	0.0168	21.50%		488,634
UV - Pastoral	21	17,364,229	1,123	0.0570	0.00%	569,058	420,703
UV - Commercial/Industrial	68	12,516,580	1,123	0.0078	35.29%		117,912
UV - Agriculture	80	60,935,109	1,123	0.0117	1.25%		713,093
UV - Horticulture	93	27,215,000	1,123	0.0102	0.00%		277,593
UV - Mining	64	1,832,448	1,123	0.2767	43.75%		525,518
UV - Mining Exploration and Prospecting	41	490,179	313	0.1383	24.39%		68,842
UV - Other	5	8,960,000	1,123	0.0066	20.00%		59,368
TOTALS	2,787	211,846,392				569,058	
Total Budgeted Net Rates Revenue Raised							10,567,190

Moved: Cr T Chafer
Seconded: Cr D Pearce
Against: Cr A Petherick

Decision: 0/6

With the Officer Recommendation being lost, the following foreshadowed motion was put to the Council.

That Council:

- 1. Does not endorse revised Council Policy *CP/FIN-3200 Strategic Rating* as per Attachment 1; and**
- 2. Does not endorse the revised 2021/22 Rating Model as follows and as per Attachment 2, with the intention of striking the rates as part of the 2021/22 Budget adoption, subject to receiving Ministerial approval for the UV Rural Residential differential rating category.**

Differential Rating Category	Total Properties	Total Rateable Value of Properties \$	Proposed Minimum Payment \$	Proposed Rate in the Dollar	% of Properties on Minimum Payments	Proposed Concessions	Proposed Rates Revenue Budget 2021/22 \$
GRV - Residential	1,697	32,493,871	1,123	0.1463	1.30%		4,760,031
GRV - Other Vacant	126	520,841	1,123	0.2269	77.78%		178,805
GRV - Commercial	188	12,871,625	1,123	0.1443	8.51%		1,863,081
GRV - Industrial	178	7,457,086	1,123	0.1403	5.06%		1,052,089
GRV - Rural Residential	26	272,424	1,123	0.1463	11.54%		41,521
UV - Rural Residential	200	28,935,000	1,123	0.0168	21.50%		488,634
UV - Pastoral	21	17,364,229	1,123	0.0570	0.00%	569,058	420,703
UV - Commercial/Industrial	68	12,516,580	1,123	0.0078	35.29%		117,912
UV - Agriculture	80	60,935,109	1,123	0.0117	1.25%		713,093
UV - Horticulture	93	27,215,000	1,123	0.0102	0.00%		277,593
UV - Mining	64	1,832,448	1,123	0.2767	43.75%		525,518
UV - Mining Exploration and Prospecting	41	490,179	313	0.1383	24.39%		68,842
UV - Other	5	8,960,000	1,123	0.0066	20.00%		59,368

TOTALS	2,787	211,846,392				569,058	
Total Budgeted Net Rates Revenue Raised							10,567,190

3. Request the CEO to obtain a definitive legal position on the application of the concessions within the UV-Rural Residential rating category and the UV-Pastoral rating category and to clarify the inconsistent treatment of concessions by the Department of Local Government Sport and Cultural Industries with respect to Ministerial approval of differential rates.

Council Decision

Minute Number: 08/07/2021 – 118470

That Council:

- 1. Does not endorse revised Council Policy CP/FIN-3200 Strategic Rating as per Attachment 1; and**
- 2. Does not endorse the revised 2021/22 Rating Model as follows and as per Attachment 2, with the intention of striking the rates as part of the 2021/22 Budget adoption, subject to receiving Ministerial approval for the UV Rural Residential differential rating category.**

Differential Rating Category	Total Properties	Total Rateable Value of Properties \$	Proposed Minimum Payment \$	Proposed Rate in the Dollar	% of Properties on Minimum Payments	Proposed Concessions	Proposed Rates Revenue Budget 2021/22 \$
GRV - Residential	1,697	32,493,871	1,123	0.1463	1.30%		4,760,031
GRV - Other Vacant	126	520,841	1,123	0.2269	77.78%		178,805
GRV - Commercial	188	12,871,625	1,123	0.1443	8.51%		1,863,081
GRV - Industrial	178	7,457,086	1,123	0.1403	5.06%		1,052,089
GRV - Rural Residential	26	272,424	1,123	0.1463	11.54%		41,521
UV - Rural Residential	200	28,935,000	1,123	0.0168	21.50%		488,634

UV - Pastoral	21	17,364,229	1,123	0.0570	0.00%	569,058	420,703
UV - Commercial/ Industrial	68	12,516,580	1,123	0.0078	35.29%		117,912
UV - Agriculture	80	60,935,109	1,123	0.0117	1.25%		713,093
UV - Horticulture	93	27,215,000	1,123	0.0102	0.00%		277,593
UV - Mining	64	1,832,448	1,123	0.2767	43.75%		525,518
UV - Mining Exploration and Prospecting	41	490,179	313	0.1383	24.39%		68,842
UV - Other	5	8,960,000	1,123	0.0066	20.00%		59,368
TOTALS	2,787	211,846,392				569,058	
Total Budgeted Net Rates Revenue Raised							10,567,190

- 3. Request the CEO to obtain a definitive legal position on the application of the concessions within the UV-Rural Residential rating category and the UV-Pastoral rating category and to clarify the inconsistent treatment of concessions by the Department of Local Government Sport and Cultural Industries with respect to Ministerial approval of differential rates.**

Moved: Cr D Menzel

Seconded: Cr A Petherick

Decision: 6/0

PURPOSE

For the Council to consider endorsing the revised Council Policy *CP/FIN-3200 Strategic Rating* and the revised 2021/22 rate model for inclusion in the 2021/22 Annual Budget.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Leader - plan and provide direction through policy and practices

Regulator - enforce state legislation and local laws

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

Background

As part of the rate setting and annual budget process each year, Local Governments in Western Australia are required to seek Ministerial approval for any proposed differential rate that is more than twice the lowest differential rate imposed. Advertising the rates and seeking Ministerial approval is part of the normal process undertaken each year prior to Council adopting its Annual Budget.

At the 27 April Ordinary Council meeting the revised Council Policy *CP/FIN-3200 Strategic Rating* and the proposed differential rates and minimum payments for the 2021/22 financial year were adopted for advertising incorporating a 1% average increase. Advertising of the proposed rates commenced on 1 May 2021 with a closing date for public submissions on 28 May 2021.

On 26 May 2021 the annual Unimproved Value (UV) valuation rolls were received from Landgate and loaded into the Shire's rates model for 2021/22. The rolls included significant and varying reductions in values for the UV Rural Residential category.

At the 1 June 2021 Special Council Meeting, Council considered public submissions received and endorsed a revised rating model which included an adjusted rate in the dollar and proposed rate concessions for the UV Rural Residential rating category designed to mitigate the impact of the changes in values to ensure that the rates for individual ratepayers in this category received the intended 1% increase in rates for the 2021/22 financial year.

On 4 June 2021 applications were submitted to the Minister for Local Government for the differential rates and minimum payments with the expectation that the approvals would be received prior to Council adopting the 2021/22 Annual Budget at the 29 June 2021 Ordinary Council Meeting.

On 29 June 2021 Ministerial approval was received for all the proposed differential rates and minimum payments with the exception of the differential rate for the UV Rural Residential rating category. This notification was received 19 minutes before the Ordinary Council Meeting was scheduled to start. As the rating model and the annual budget cannot be adopted without the required Ministerial approval for all differential rates, the proposal to

adopt the 2021/22 Annual Budget was withdrawn from the agenda at the 29 June 2021 Ordinary Council Meeting.

Subsequent to 29 June, amendments to the rating model have been made to ensure that the differential rate for the UV Rural Residential rating category meets the requirements for Ministerial approval. The revised rating model and the implications of the changes made are presented in this report for consideration by Council.

Council Decisions relevant to this report

At the 27 April 2021 Ordinary Council Meeting, Council resolved the following:

Council Decision

Minute Number: 118424 - 27/04/2021

Moved: Cr M McKittrick

Seconded: Cr G Lodge

That Council:

- 1. Endorse the revised Council Policy CP/FIN-3200 Strategic Rating;**
- 2. Endorse the 2020/21 Rating Model as follows, with the intention of seeking public submissions thereon and thereafter reporting to Council before striking the rates as part of the 2021/22 Budget adoption, subject to receiving Ministerial approval where required by legislation;**

Differential Rating Category	Total Properties	Total Rateable Value of Properties \$	Proposed Minimum Payment \$	Proposed Rate in the Dollar	% of Properties on Minimum Payments	Proposed Rates Revenue Budget 2021/22 \$
GRV - Residential	1,697	32,481,391	1,123	0.1463	1.30%	4,758,205
GRV - Other Vacant	124	514,841	1,123	0.2269	78.23%	176,922
GRV - Commercial	188	12,864,449	1,123	0.1443	8.51%	1,862,045
GRV - Industrial	178	7,457,086	1,123	0.1403	5.06%	1,052,089
GRV - Rural Residential	26	272,424	1,123	0.1463	11.54%	41,521

UV - Rural Residential	200	43,920,000	1,123	0.0111	0.00%	487,512
UV - Pastoral	21	21,053,985	1,123	0.0570	0.00%	425,932*
UV - Commercial/Industrial	68	13,550,080	1,123	0.0078	30.88%	125,549
UV - Agriculture	81	60,726,109	1,123	0.0117	1.23%	711,501
UV - Horticulture	93	28,651,000	1,123	0.0102	0.00%	292,240
UV - Mining	64	1,815,307	1,123	0.2767	43.75%	520,933
UV - Mining Exploration and Prospecting	45	524,542	313	0.1383	24.44%	73,861
UV - Other	5	8,975,000	1,123	0.0066	20.00%	59,368
TOTALS	2790	232,806,214				10,587,678

* includes proposed concession subject to Council approval

3. Endorse for advertising for a minimum of twenty-one (21) days and seek public submissions on:

- a. **Council Policy CP/FIN-3200 Strategic Rating (Attachment 1) that outlines the principles which underpin the proposed 2021/22 rating model, including the Object of and Reasons for Differential Rates;**
- b. **The 2021/22 Rating Model (Attachment 3) which incorporates the Object of and Reasons for Differential Rates, along with the proposed differential rates and minimum payments to be applied from 1 July 2021 for the 2021/22 financial year in accordance with section 6.36 of the Local Government Act 1995.**

4. Hold a Special Council Meeting on 1 June 2021 to:

- a. **Consider Public Submissions received in relation to the Proposed Differential General Rates and Minimum Payments and Strategic Rating Policy;**
- b. **Endorse Council Policy CP/FIN-3200 Strategic Rating Including the 2021/22 Rating Model, with the intention of striking rates as part of the 2021/22 Budget adoption;**
- c. **Request the CEO, or their delegate to seek Ministerial approval where required by legislation.**

Carried: 9/0

At the 1 June 2021 Special Council Meeting, Council resolved the following:

Council Decision

Minute Number: 118451 - 1/6/2021

That Council:

- 1. Notes the submissions received in relation to the proposed Differential General Rates and Minimum Payments and Strategic Rating Policy, and thanks the respondents for their input;**
- 2. Notes that Budget efficiencies have been identified as part of the 2021/22 Budget process and these efficiencies will be included in the Annual Budget presented to Council for adoption; and**
- 3. Adopt revised Council Policy CP/FIN-3200 Strategic Rating as per Attachment 1.**

Moved: Cr D Menzel

Seconded: Cr N Brook

Against: Cr A Petherick

Decision: 6/1

Council Decision

Minute Number: 118452 - 1/6/2021

That Council:

- 1. In accordance with Section 6.47 of the Local Government Act 1995, endorse Rate Concessions with a total value of \$569,058 under Differential Rating Category UV Pastoral as detailed in Confidential Attachment 2, with the intention of granting them as part of the 2021/22 Budget adoption; and**
- 2. Endorse that should the 1 July 2021 valuation for any UV Pastoral property be revised down, the concession amount for that property will be recalculated and adjusted for the new valuation so that the revised rates for the 2021/22 financial year will be no greater than 140% of the 2019/20 rates.**

Moved: Cr J Farquhar

Seconded: Cr M McKittrick

Decision: 7/0

Council Decision

Minute Number: 118453 - 1/6/2021

That Council:

- 1. In accordance with Section 6.47 of the Local Government Act 1995, endorse Rate Concessions with a total value of \$782,321 under Differential Rating Category UV Rural Residential as detailed in Confidential Attachment 3, with the intention of granting them as part of the 2021/22 Budget adoption; and**

2. Endorse that should the 1 July 2021 valuation for any UV Rural Residential property be revised down, the concession amount for that property will be recalculated and adjusted for the new valuation so that the revised rates for the 2021/22 financial year will be no greater than 101% of the 2020/21 rates.

Moved: Cr M Dear

Seconded: Cr J Farquhar

Decision: 7/0

Council Decision

Minute Number: 118454 - 1/6/2021

That Council

1. Endorse the 2021/22 Rating Model as follows, with the intention of striking the rates as part of the 2021/22 Budget adoption, subject to receiving Ministerial approval where required by legislation.

Differential Rating Category	Total Properties	Total Rateable Value of Properties \$	Proposed Minimum Payment \$	Proposed Rate in the Dollar	% of Properties on Minimum Payments	Proposed Concessions	Proposed Rates Revenue Budget 2021/22 \$
GRV - Residential	1,697	32,493,871	1,123	0.1463	1.30%		4,760,031
GRV - Other Vacant	126	520,841	1,123	0.2269	77.78%		178,805
GRV - Commercial	188	12,871,625	1,123	0.1443	8.51%		1,863,081
GRV - Industrial	178	7,457,086	1,123	0.1403	5.06%		1,052,089
GRV - Rural Residential	26	272,424	1,123	0.1463	11.54%		41,521
UV - Rural Residential	200	28,935,000	1,123	0.0439	0.00%	782,321	487,926
UV - Pastoral	21	17,364,229	1,123	0.0570	0.00%	569,058	420,703
UV - Commercial/Industrial	68	12,516,580	1,123	0.0078	35.29%		117,912
UV - Agriculture	80	60,935,109	1,123	0.0117	1.25%		713,093
UV - Horticulture	93	27,215,000	1,123	0.0102	0.00%		277,593
UV - Mining	64	1,832,448	1,123	0.2767	43.75%		525,518

UV - Mining Exploration and Prospecting	41	490,179	313	0.1383	24.39%		68,842
UV - Other	5	8,960,000	1,123	0.0066	20.00%		59,368
TOTALS	2,787	211,846,392				1,351,379	
Total Budgeted Net Rates Revenue Raised							10,566,482

Moved: Cr N Brook

Seconded: Cr M McKittrick

Against: Cr A Petherick

Decision: 6/1

STATUTORY IMPLICATIONS

In accordance with Section 6.33 the *Local Government Act 1995* as detailed below, Ministerial approval is required for the imposition of a differential general rate which is more than twice the lowest differential general rate imposed.

Local Government Act 1995

Part 5

Division 6 – Disclosure of financial interests

5.63. Some interests need not be disclosed

- (1) Sections 5.65, 5.70 and 5.71 do not apply to a relevant person who has any of the following interests in a matter —
- (a) an interest common to a significant number of electors or ratepayers; or
 - (b) an interest in the imposition of any rate, charge or fee by the local government; or
 - (c) an interest relating to a fee, reimbursement of an expense or an allowance to which section 5.98, 5.98A, 5.99, 5.99A, 5.100 or 5.101(2) refers...

Local Government Act 1995

Part 6

Division 6 – Rates and service charges

6.33. Differential general rates

- (1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —
- (a) the purpose for which the land is zoned under a local planning scheme in force under the *Planning and Development Act 2005*;
 - (b) the predominant purpose for which the land is held or used as determined by the local government;
 - (c) whether or not the land is vacant land; or
 - (d) any other characteristic or combination of characteristics prescribed.
- (2) Regulations may —

- (a) specify the characteristics under subsection (1) which a local government is to use; or
 - (b) limit the characteristics under subsection (1) which a local government is permitted to use.
- (3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.
- (4) If during the financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.

Local Government (Financial Management) Regulations 1996

52A. Differential general rates — s. 6.33(1)(d)

6.33 (1)(d) For the purposes of section 6.33(1)(d), the following are prescribed characteristics —

- (a) whether or not the land is situated in a townsite as defined in the Land Administration Act 1997 section 3(1);
- (b) whether or not the land is situated in a particular part of the district of the local government.

Local Government Act 1995

Part 6

Division 6 – Rates and service charges

6.35. Minimum payment

- (1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.
- (2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.
- (3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than -
 - (a) 50% of the total number of separately rated properties in the district; or
 - (b) 50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.
- (4) A minimum payment is not to be imposed on more than the prescribed percentage of
 - (a) the number of separately rated properties in the district; or
 - (b) the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.
- (5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a

minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.

- (6) *For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories -*
- (a) to land rated on gross rental value;*
 - (b) to land rated on unimproved value; and*
 - (c) to each differential rating category where a differential general rate is imposed.*

6.36. Local government to give notice of certain rates

- (1) *Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so.*
- (2) *A local government is required to ensure that a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).*
- (3) *A notice referred to in subsection (1)*
- (a) may be published within the period of 2 months preceding the commencement of the financial year to which the proposed rates are to apply on the basis of the local government's estimate of the budget deficiency;*
 - (b) is to contain -*
 - (i) details of each rate or minimum payment the local government intends to impose;*
 - (ii) an invitation for submissions to be made by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters within 21 days (or such longer period as is specified in the notice) of the notice; and*
 - (iii) any further information in relation to the matters specified in subparagraphs (i) and (ii) which may be prescribed; and*
 - (c) is to advise electors and ratepayers of the time and place where a document describing the objects of, and reasons for, each proposed rate and minimum payment may be inspected.*
- (4) *The local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.*
- (5) *Where a local government -*
- (a) in an emergency, proposes to impose a supplementary general rate or specified area rate under section 6.32(3)(a); or*
 - (b) proposes to modify the proposed rates or minimum payments after considering any submissions under subsection (4), it is not required to give local public notice of that proposed supplementary general rate, specified area rate, modified rate or minimum payment.*

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.*

POLICY IMPLICATIONS

Council Policy *CP/FIN-3200 Strategic Rating* has been revised and is attached to this report at Attachment 1.

The proposed differential general rates and minimum payments in the rate model are based on the Council's revised Policy *CP/FIN-3200 Strategic Rating* that aligns the rating model closely to the LPS9 in terms of land use.

FINANCIAL IMPLICATIONS

The differential general rates, minimum payments, and proposed concessions as per the revised rating model outlined below and in Attachment 2 are expected to yield net total rate revenue of \$10,567,190, an increase of \$708 from the previous rate model presented.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017-2027

Focus Area 4: PERFORMANCE - Civic Leadership.

Goal 4.4: Sustainably maintain the Shire's financial viability.

Strategy 4.4.3: Adequately plan for and fund asset maintenance and renewal to deliver planned services.

Strategy 4.4.4: Apply best practice financial management to ensure long term sustainability.

RISK IMPLICATIONS

Risk: Failure to adequately resource and manage funding requirements which meet the needs of the Shire's service delivery requirements and strategic objectives.

Control: Implementation of LTFP and Annual Budget.

Policies updated in accordance with schedule and operational requirements.

COMMUNITY ENGAGEMENT

Local public notice took place from 1 May 2021 to 28 May 2021 in accordance with legislative requirements and the Shire's Community Engagement Plan. Public submissions were considered at the 1 June 2021 Special Council Meeting.

Ratepayers in the UV Rural Residential rating category affected by the changes to the valuations and the differential rate will be contacted by the Shire to advise them of the Minister's decision, the required changes to the proposed rating model, and the impact of the changes on their individual rates.

COMMENTS

Annual UV revaluations

All properties valued on an Unimproved Valuation basis are revalued annually by the Valuer General's Office. These revaluations are conducted around August each year with the new valuations taking effect from 1 July of the following year. Council usually adopts the rate in the dollar for advertising in March or April each year prior to the new valuation roll being received. Normally there are no large variations in valuations on an annual basis and when the valuation roll is received in May the new valuations are incorporated into the final rate model for adoption by Council with the annual budget in June. Any changes to the rate in the dollar required to ensure the budgeted yield from each rating category is maintained are generally minor and are implemented following the public submission period.

UV Rural Residential Properties

There are currently 200 properties within the Shire's UV Rural Residential rating category that are zoned Rural Residential or Rural Small Holding. The 2021 UV Valuation Roll includes significant valuation changes for properties in this rating category with large variations in valuation across the category due to the sale of a large number of properties in the Valentine Falls Estate in 2020. Valuations in this rating category have decreased by an average of approximately 35% with decreases for individual properties varying from 0 to 75%. This meant that the usual method of adjusting the rate in the dollar to achieve the desired total rate yield from this rating category would result in large variations in individual rate assessments with some ratepayers receiving large increases in their rates while others received significant decreases.

Officers investigated options to determine the best way to address the variations in valuation changes across the UV Rural Residential rating category including the creation of a separate differential rating category for the Valentine Falls Estate. Advice was received however, that this option is not possible as the properties concerned do not meet the required characteristics that allow the imposition of a separate differential rating category under Section 6.33 of the *Local Government Act 1995*.

Following further investigations and advice, it was determined that the most equitable option to achieve the desired outcome of a 1% overall average rate increase was through the use of rate concessions. Officers considered that this option was available as the power to grant concessions is a discretionary power of Council under s6.47 of the *Local Government Act 1995* and has previously been used in dealing with the phasing in of increases in values for the UV Pastoral rating category.

The proposed model allowed the Shire to keep total rates payable for individual ratepayers in the UV Rural Residential rating category at a level that incorporated the desired 1% increase. This was achieved by applying a rate in the dollar that resulted in the rates for the property with the greatest decrease in valuation being equal to their 2020/21 rates plus 1% and applying concessions to all other UV Rural Residential properties so that their rates are equal to their 2020/21 rates plus 1%.

Officers considered that the use of concessions was appropriate in this instance as the variations in valuations within the UV Rural Residential rating category are due to unusual market conditions caused by the sale of a large number of properties in the Valentine Falls Estate. It is considered likely that there will be a correction in the market and that future valuations will be more in line with the true market value of rural residential properties and that the current variations will even out over time. The use of concessions would have allowed the Shire to mitigate the impact of these short term fluctuations to ensure the most fair and equitable outcome for individual ratepayers as well as for all ratepayers across the Shire.

The proposed rating model and concessions were endorsed by Council at the 1 June 2021 Special Council Meeting subject to receiving Ministerial approval as required. Applications for Ministerial approval of the differential rates and minimum payments were submitted to the Department of Local Government, Sport and Cultural Industries (the Department) on 4 June 2021.

On 29 June 2021 Ministerial approval was received for all the proposed differential rates and minimum payments with the exception of the differential rate for the UV Rural Residential rating category (refer Attachment 3). The reason given by the Department for not approving the UV Rural Residential differential rate is that the application of concessions in the manner proposed by the Shire could be seen to be bypassing the valuation of land process and effectively imposing a different rate in the dollar to that approved by the Department. Ostensibly the Department has advised that whilst they recognise that there are anomalies in the Valuer General's valuation process relating to the affected properties, it is not within their power to address this.

Officers have liaised with the Department to determine what options are available that meet the Ministerial approval requirements. Based on the advice received it has been determined that the only option available that will not result in a significant reduction in rate revenue is to adjust the UV Rural Residential rate in the dollar so that the desired total rate yield for this rating category is achieved without the application of concessions. It is therefore the Officer's recommendation that the revised Council Policy CP/FIN-3200 Strategic Rating and the Revised Rating Model 2021/22 be endorsed to allow Ministerial approval to be sought prior to the adoption of the 2021/22 Annual Budget.

ATTACHMENTS

Attachment 1 - Revised Council Policy CP/FIN-3200 Strategic Rating

Attachment 2 - Revised Rating Model 2021/22

Attachment 3 - Approval Letter Differential Rates 2021/22

8. CLOSURE

The meeting was closed at 6:01pm.