



# MINUTES SPECIAL COUNCIL MEETING

16 April 2019

## **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.

Signed on behalf of Council



**CARL ASKEW**

**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.**

## **C O N T E N T S**

<b>1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS .....</b>	<b>4</b>
<b>2. RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE (PREVIOUSLY APPROVED) .....</b>	<b>4</b>
<b>3. DECLARATION OF INTEREST .....</b>	<b>5</b>
<b>4. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE .....</b>	<b>5</b>
<b>5. PUBLIC QUESTION TIME .....</b>	<b>5</b>
<b>6. APPLICATIONS FOR LEAVE OF ABSENCE .....</b>	<b>5</b>
<b>7. PETITIONS.....</b>	<b>5</b>
<b>8. ANNOUNCEMENTS BY THE PERSON PRESIDING WITHOUT DISCUSSION .....</b>	<b>5</b>
<b>9. MATTERS FOR WHICH THE MEETING MAY BE CLOSED.....</b>	<b>5</b>
<b>10. DEPUTATIONS / PRESENTATIONS / SUBMISSIONS.....</b>	<b>5</b>
<b>11. REPORTS .....</b>	<b>6</b>
<b>11.1.1. 2019/20 Budget - Strategic Rating Policy, Rates Modelling and Local Public Notice.....</b>	<b>6</b>
<b>12. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN .....</b>	<b>21</b>
<b>13. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN .....</b>	<b>21</b>
<b>14. URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION .....</b>	<b>21</b>
<b>15. MATTERS BEHIND CLOSED DOORS .....</b>	<b>21</b>
<b>16. CLOSURE .....</b>	<b>21</b>

**SHIRE OF WYNDHAM EAST KIMBERLEY  
SPECIAL COUNCIL MEETING MINUTES  
KUNUNURRA COUNCIL CHAMBERS  
HELD ON 16 APRIL 2019 AT 5:00PM**

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**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.

The Shire President declared the Meeting open at 5.00pm

This special meeting has been called in order to meet various timelines to enable Council to adopt its budget in June 2019. Due to the advertising period required, waiting for the next Ordinary Council Meeting would result in a delay in applying to the Minister for approval of our differential rates and ultimately a delay in adopting the budget.

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

ATTENDENCE

Cr D Menzel	Shire President
Cr M Dear	Councillor
Cr J Farquhar	Councillor
Cr G Lodge	Councillor
Cr M McKittrick	Councillor
Cr D Pearce	Councillor
Cr A Petherick	Councillor
C Askew	Chief Executive Officer
S Dyson	Director Infrastructure
V Lawrence	Director Corporate Services
F Hamilton	Minute Taker
K Guerin	Rates Officer
F Heading	Coordinator Financial services
N Lennon	Business Support Officer - Corporate Services
A Wright	Resident
K Wright	Resident
S Rushby	Resident
M Northover	Resident
D Spackman	Resident

Elise Van Aiken

Reporter – The Kimberley Echo

## APOLOGIES

Cr T Chafer

Deputy Shire President

Cr N Brook

Councillor

N Kearns

Director Planning and Community Development

### **3. DECLARATION OF INTEREST**

- Financial Interest
- Impartiality Interest
- Proximity Interest

### **4. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil

### **5. PUBLIC QUESTION TIME**

Nil

### **6. APPLICATIONS FOR LEAVE OF ABSENCE**

Nil

### **7. PETITIONS**

Nil

### **8. ANNOUNCEMENTS BY THE PERSON PRESIDING WITHOUT DISCUSSION**

Nil

### **9. MATTERS FOR WHICH THE MEETING MAY BE CLOSED**

Nil

### **10. DEPUTATIONS / PRESENTATIONS / SUBMISSIONS**

Nil

## 11. REPORTS

### 11.1.1. 2019/20 Budget - Strategic Rating Policy, Rates Modelling and Local Public Notice

<b>DATE:</b>	16 April 2019
<b>AUTHOR:</b>	Coordinator Financial Operations
<b>RESPONSIBLE OFFICER:</b>	Vernon Lawrence, Director Corporate Services
<b>ASSESSMENT NO:</b>	FM.05.18
<b>DISCLOSURE OF INTERESTS:</b>	Nil

#### VOTING REQUIREMENT

Simple Majority

#### OFFICER'S RECOMMENDATION

That Council:

1. Endorse the revised Council Policy *CP/FIN-3200 Strategic Rating*;
2. Endorse the 2019/20 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 2019/20 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 2019/20 \$
GRV - Residential	1693	32,305,398	1,129	0.1471	1.00%	4,758,332
GRV - Other Vacant	121	506,041	1,129	0.2281	78.51%	174,294
GRV - Commercial	186	12,906,041	1,129	0.1450	8.06%	1,877,105
GRV - Industrial	177	7,481,770	1,129	0.1410	5.08%	1,060,822
GRV - Rural Residential	26	270,656	1,129	0.1471	15.38%	41,638
UV - Rural Residential	200	49,776,000	1,129	0.0112	0.00%	557,491
UV - Pastoral	21	5,473,151	1,129	0.0579	4.76%	317,013

UV - Commercial/ Industrial	65	13,048,780	1,129	0.0078	30.77%	121,863
UV - Agriculture	81	60,742,309	1,129	0.0118	1.23%	717,770
UV - Horticulture	93	29,703,000	1,129	0.0103	0.00%	305,941
UV - Mining	69	1,786,064	1,129	0.2781	46.38%	518,350
UV - Mining Exploration and Prospecting	44	464,114	315	0.1390	43.18%	67,410
UV - Other	5	8,975,000	1,129	0.0066	20.00%	59,374
<b>TOTALS</b>	<b>2,781</b>	<b>223,438,324</b>				<b>10,577,402</b>

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

- a. Council Policy *CP/FIN-3200 Strategic Rating* (Attachment 2) that outlines the principles which underpin the proposed 2019/20 rating model, including the Object of and Reasons for Differential Rates;
- b. The 2019/20 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 2019 for the 2019/20 financial year in accordance with section 6.36 of the *Local Government Act 1995*.

### Council Decision

Minute Number: 16/04/2019 - 118000

Moved: Cr J Farquhar  
Seconded: Cr G Lodge

That Council:

1. Endorse the revised Council Policy *CP/FIN-3200 Strategic Rating*;
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- b. The 2019/20 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 2019 for the 2019/20 financial year in accordance with section 6.36 of the *Local Government Act 1995*.

Carried: 7/0



## **PURPOSE**

For the Council to consider the amendments to Council Policy *CP/FIN-3200 Strategic Rating* and the rating model prepared based on the updated Policy. For the Council to further endorse for advertising and community engagement Council Policy *CP/FIN-3200 Strategic Rating* and the attached rating model.

## **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**

Rates revenue is a substantial source of discretionary revenue for the Shire of Wyndham East Kimberley, accounting for approximately 48.04% of the total operating revenue in the adopted 2018/19 Budget. The *Local Government Act 1995* (the Act) empowers local governments to impose differential general rates and minimum payments on rateable land. The Shire of Wyndham East Kimberley has adopted a differential general rate and general minimum payments for a number of years. The imposition of differential rates is a conscious decision by the Council to distribute the rate burden in its district by imposing a higher impost on some ratepayers and a lower impost on others.

The overall objective of a rating model is to provide for the net funding requirements of the Shire's services, activities, financing costs and the current and future capital requirements of the Shire as outlined in the Strategic Community Plan, Long Term Financial Plan and Corporate Business Plan. Asset management is a significant challenge for all local governments and any rating model must also support asset renewal and replacement requirements in line with defined service levels.

In accordance with the Act, the Minister for Local Government, Heritage, Culture and the Arts is authorised to approve the following in relation to rates:

- The imposition of a differential general rate which is twice the lowest differential general rate imposed by a local government;
- A minimum payment on vacant land that does not comply with legislative provisions;
- Changes in the method of valuation of land; and
- Land exempt from rates.

The Department of Local Government, Sport and Cultural Industries has developed a range of policies and application forms to ensure that local governments provide all the necessary information.

The Council adopted a revised Council Policy *CP/FIN-3200 Strategic Rating* during 2014/15 which utilised five (5) principles (these continued to be applied in the current planning considerations) in the development of the rating methodology being:

1. Equity
2. Incentive
3. Administrative Efficiency
4. Compliance
5. Sustainability

The differential rates applied ensure greater equity and contribution of rates according to land use, zoning or a combination of these. The 2014/15 financial year was the first year that the differential rating model (including minimum payments) attempted to align with the Town Planning Scheme No. 7 Kununurra and Environs (TPS7) and the Town Planning Scheme No. 6 Wyndham Townsite (TPS6) in an effort to ensure greater equity across the rating differential categories. The Shire of Wyndham East Kimberley Local Planning Scheme No. 9 (LPS9) was gazetted on 19 February 2019. The revised Council Policy *CP/FIN-3200 Strategic Rating* (attachment 2) incorporates changes to ensure continued alignment of the rating model with the Local Planning Scheme LPS9.

Rates are calculated by multiplying the valuation (either GRV or UV), provided by Landgate (the Valuer-General), with a rate in the dollar, imposed by the Council. When Landgate perform a general revaluation of properties as was the case for the 2018/19 budget process, the Shire can adjust the rate in the dollar to offset significant fluctuations in valuation in order to maintain the overall rate yield (amount of rates collected) and preserve the rate yield per category. It is customary to preserve the ratios between the different rate categories by increasing the yield from each category uniformly on an annual basis to maintain the service levels provided by the Shire. This is the "rate increase" and is subject to much community comment. Please note that this does not mean that the rate in the dollar will increase uniformly.

During 2018 the following resolution was made;

### **COUNCIL DECISION**

**Minute Number: 24/4/2018- 117944**

**Moved: Cr A Petherick**

**Seconded: Cr D Pearce**

**That Council:**

- 1. Endorse the revised Council Policy *CP/FIN-3200 Strategic Rating*;**
- 2. Endorse the 2018/19 Rating Model as follows, with the intention of seeking public submissions thereon and thereafter striking the rates as part of the 2018/19 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 2018/19 \$
GRV - Residential	1703	24,657,507	1,112	0.1906	2.00%	4,711,230
GRV - Other Vacant	123	781,613	1,112	0.1551	75.61%	178,945
GRV - Commercial	186	10,389,648	1,112	0.1772	10.75%	1,849,828
GRV - Industrial	177	6,406,005	1,112	0.1623	4.52%	1,044,799
UV - Rural Residential	185	45,908,000	1,112	0.0110	0.00%	504,988
UV - Pastoral	23	5,903,151	1,112	0.0570	4.35%	336,596
UV - Commercial/ Industrial	62	12,219,960	1,112	0.0077	32.26%	113,868
UV - Rural Agriculture 1	82	61,162,309	1,112	0.0116	1.22%	710,479
UV - Rural Agriculture 2	109	34,018,000	1,112	0.0101	0.00%	343,582
UV - Mining	70	1,734,978	1,112	0.2821	47.14%	511,787
UV - Mining Exploration and Prospecting	46	400,070	310	0.1411	47.83%	59,605
UV - Other	3	8,525,000	1,112	0.0065	0.00%	55,413

TOTALS	2,769	212,106,240				10,421,120
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3. That Council endorses for advertising for a minimum of twenty-one (21) days and seeks public submissions on:

- a. Council Policy *CP/FIN-3200 Strategic Rating (Attachment 1)* that outlines the principles which underpin the proposed 2018/19 rating model, including the Object of and Reasons for Differential Rates;
- b. The Draft 2018/19 Rating Model (Attachment 2) 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 2018 for the 2018/19 financial year in accordance with section 6.36 of the *Local Government Act 1995*.

Carried 6/1

## **STATUTORY IMPLICATIONS**

### ***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.

#### 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.

## **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.

### **POLICY IMPLICATIONS**

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 LPS9 in terms of land use.

It should be noted that Council's Policy *CP/FIN-3200 Strategic Rating* incorporates references to Council Policy *CP FIN-3208 Rates Exemptions for Charitable Organisations (Non-Rateable Land)*; however there are no subsequent amendments required.

### **FINANCIAL IMPLICATIONS**

The differential general rates and minimum payments per the rating model are expected to yield total net rate revenue of \$10,577,402. The overall increase in total rate revenue is 1.5%. The increase in the gross yield over the 2017/18 Budget is \$156,468.

The rate revenue generated is based on a natural growth of negative 0.05% after the incorporation of zoning changes and an average rate increase of 1.5%.

The financial impact of the implementation of LPS9 for the 2019/20 Budget is that 17 properties will have increases above the proposed 1.5% increase. These are properties that need to be moved from the Rural Agriculture 2 rating category to the UV Rural Residential rating category because of the change in their zoning from the Rural Agriculture 2 Zone to Rural Small Holding Zone. The additional amount of the increase is approximately \$250 per property.

One property is reclassified from Rural Living Zone to Rural Enterprise Zone resulting in a rating category change from UV Rural Residential to UV Commercial/Industrial. This has resulted in a proposed decrease in rates of approximately \$771.

Finally, 26 properties in Wyndham zoned Special Rural have been re-zoned to Rural Residential. They have therefore been moved from the GRV Residential rating category to the GRV Rural Residential rating category. There are no financial implications for these properties other than the proposed 1.5% rate increase.

## **STRATEGIC IMPLICATIONS**

*Strategic Community Plan 2017-2027*

Focus Area 4: 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**

**Strategic Risk:** Inability to deliver levels of service expected by the community.

**Control:** Current budget and service levels.

## **COMMUNITY ENGAGEMENT**

Engagement will take place in accordance with the Shire's Community Engagement Guidelines.

In accordance with legislative requirements it is proposed to provide local public notice of the proposed rates in the dollar for a period of 21 days and seek public submissions.

Public notification will include the following:-

- Local public notice in the Kimberley Echo on 2 May;
- Local public notice in the May issue of the Bastion Bulletin;
- A copy of the Notice to Impose Differential General Rates and Minimum Payments for 2019/20 placed on the Coles noticeboard on 2 May;
- A copy of the Notice to Impose Differential General Rates and Minimum Payments for 2019/20 placed on the IGA noticeboard on 2 May;
- A copy of the Notice to Impose Differential General Rates and Minimum Payments for 2019/20 placed on the Wyndham Post Office noticeboard on 2 May
- The Shire's Facebook page and website on 2 May;
- Media Release on 2 May;
- A copy of the Notice to Impose Differential General Rates and Minimum Payments for 2019/20, including Council Policy *CP/FIN-3200 Strategic Rating* placed on the Shire's website, public notice boards at the Civic Centres and Libraries in both Kununurra and Wyndham on 2 May.

## **COMMENTS**

The rate setting process is governed by the Council Policy *CP/FIN-3200 Strategic Rating*. The rate setting formula is essentially a simple one whereby the amount of rates a property pays is determined by applying a rate in the dollar to the value assigned to the property.



However, both parts of this equation have variable aspects to them and these are laid out in the policy.

The policy allows for the rate in the dollar to be determined on a differential basis. The Shire rates different land uses differently and employs the use of minimum rates.

In determining the rate yield (amount of rates collected) “natural growth” is one of the first components considered. It is determined by applying the prior year rate in the dollar to the rates base as amended before any general revaluation is factored in. The Shire has had negative natural growth (decline) of 0.08% before any changes arising from LPS9 for the 2018/19 year to date. Any increase to the rate in the dollar will produce a positive yield increase. The additional rate income generated by natural growth is generally attributed to providing Shire services that those properties will now use, or as in the case of negative natural growth a reduction in the funds available to provide services.

In addition to the “natural growth” for 2018/19, the impact of zoning changes in LPS9 affecting differential rating categories needs to be incorporated into the rate modelling for the 2019/20 financial year. When these changes are included the “natural growth” is negative 0.05%.

The rate setting process requires officers to determine a rate in the dollar based on the policy. It is therefore prudent that the policy is amended at the same time as the proposed rates are approved for community consultation.

Shire Officers also need to consider surrounding circumstances such as the state of the local economy. We are of the opinion that the local economy remains sluggish at this time and any proposed rate increase must factor this in. There are however signs that indicate possible positive future investment in the local economy. Therefore Officers, as for the 2018/19 financial year, are recommending a moderate rate in the dollar increase of 1.5% for the 2019/20 year. It should be noted that Shire Officers have included in the briefing report on Fees and Charges the possibility of making domestic waste delivered to the landfills from residential premises free for ratepayers.

#### Proposed rate in the dollar

While the proposed percentage rate increase in the dollar is generally subject to the most scrutiny, there are other aspects of setting the rate in the dollar that need to be highlighted. It is critical to note that the change to the actual rate in the dollar is only one factor of the rate setting process. Other factors comprise of changes to the rates base. This can be changes to the total number of rateable properties, the mix between each rating category and the change in values placed on properties within each rating category.

The changes in property values can happen on an incremental basis or on a periodic basis as part of a general revaluation of municipal properties. It is the combination of these factors that will have to be taken into account in assessing their impact on the rate in the dollar before assessing what increase to apply. The Shire attempts to ensure that the actual dollar value that a ratepayer pays increases as close to the increase percentage as possible. In the 2018/19 financial year there was a general revaluation which impacted the rate setting

process. The 2019/20 rate setting process is not expected to have the same problems that were experienced from that revaluation.

In deciding what increase to apply to the rate in the dollar there are a number of indicators that can be used in order to ensure objectivity in the process. The most popular one is the Consumer Price Index (CPI). The CPI is an index determined by the Australian Bureau of Statistics that is the rate of change in prices on a basket of goods measured on a quarterly basis. This basket of goods does not generally reflect the components of costs that the Shire incur in delivering our services. This index does however give the Shire an indication of the impact rising prices has on household income and the state of the economy in broad terms. The Perth CPI data for the 2018 calendar year shows an increase of 1.3% for the year. The index for the year ended March 2019 is not expected to vary materially from this amount.

A more accurate measure of the Shire's cost profile is the Local Government Cost Index (LGCI). This index is based on the 'bundle of goods' relating to local government and reflects the proportion of general construction activity in the form of works such as roads, bridges and facilities for recreation and community. The LGCI therefore provides an indication of those changes in costs that relate more closely to function of local government.

The Shire utilises the LGCI forecasts that are in the WALGA Local Government Economic Briefing. The forecast for the remainder of the 2018/19 year is 1.7%. The Shire raised rates by 0% in relation to this in the 2018/19 budget. This means that on average the purchasing power of funds available for the Shire to continue to maintain current service levels has decreased by 1.7% for the 2018/19 year. The forecast for the 2019/20 financial year is a 2.0% increase in LGCI. Where the Shire sets a rate yield increase of less than the LGCI, it will have to find operational savings to ensure current service levels are maintained.

Shire Officers have undertaken modelling using various rates. The model that is preferred by Shire Officers is one with a rate increase of 1.5% as this provides additional funds to maintain current service levels but still requires the Shire to examine its cost structure to ensure that it is efficient in the delivery of its services. A 1.5% rate increase will be again below the anticipated increase to the cost of delivering Shire services.

The table below is an excerpt of the rating model which reflects the average weekly increase if the recommended 1.5% increase in the rate in the dollar is adopted. The full model demonstrating 1.5% increase in the rate in the dollar is provided in attachment 2. The full model also highlights that with the natural decline of 0.05% and the 1.5% increase in the rate in the dollar across all rating categories, the overall rates yield would increase by approximately 1.5% (2018/19 – 0%).

Differential Rating Category	Proposed Rates Revenue 2019/2020 \$	Average Rates Payable 2019/20 \$	Average weekly increase/decrease compared to 2018/19 \$
GRV - Residential	4,758,332	2,833	0.81
GRV - Other Vacant	174,294	2,578	0.74

GRV - Commercial	1,877,105	10,878	3.03
GRV - Industrial	1,060,822	6,254	1.79
GRV - Rural Residential	41,638	1,687	0.49
UV - Rural Residential	557,491	2,787	0.96
UV - Pastoral	317,013	15,794	4.72
UV - Commercial/ Industrial	121,863	2,206	0.54
UV - Agriculture	717,770	8,958	2.92
UV - Horticulture	305,941	3,290	1.23
UV - Mining	518,350	13,033	3.70
UV - Mining Exploration and Prospecting	67,410	2,457	0.71
UV - Other	59,374	14,561	4.24
<b>TOTALS</b>	<b>10,577,402</b>		

Council Policy CP/FIN-3200 Strategic Rating

The major impact on the Policy is the introduction of LPS9 and the changes to zoning impacting on some rating categories. 17 Properties previously zoned Rural Agriculture 2 and rated as UV - Rural Agriculture 2 have been re-zoned to Rural Smallholdings. These properties will now be rated as UV - Rural Residential. 26 properties previously zoned Special Rural and rated as GRV - Residential have been re-zoned to Rural Residential. These properties will now be rated in a differential rating category of GRV - Rural Residential.

In addition to the above, name changes have been made to two differential rating categories to align them with changes to zone names in LPS9. Properties previously zoned Rural Agriculture 1 and rated as UV - Rural Agriculture 1 are now zoned Agriculture - State or Regional Significance and will be rated as UV - Agriculture. Properties previously zoned Rural Agriculture 2 and rated as UV - Rural Agriculture 2 are now zoned Local Horticulture and will be rated as UV - Horticulture. These are cosmetic changes only and have no other impact on the rating categories or rates.

Shire Officers do recognise that the Shire does have relatively high rates. Some of the factors that lead to having higher rates are unavoidable. However, the Shire needs to continue to address the cost of service delivery aspects of the operation thoroughly to ensure that rate increases continue to be moderate. Matters that are being addressed include officers compiling detailed forward capital works programs to determine the timing and extent of funds needed to renew our asset base and how we deliver those works. The Shire also needs to establish and document the services that the community value, the service levels required and the cost of providing those services. The financial strategies as

set out in the Long Term Financial Plan are being implemented to ensure that the Shire progresses to a sustainable and consistently moderately rating Shire.

### Summary

The rating model that is proposed considers a range of factors in determining the rate in the dollar. The revenue that the proposed rate in the dollar will raise will be sufficient for the Shire to meet its statutory obligations and maintain Shire services at current service levels. Shire Officers further consider that an average rate yield increase of 1.5% is consistent and reasonable in the circumstances.

### **ATTACHMENTS**

Attachment 1 - Council Policy *CP/FIN-3200 Strategic Rating* - with track changes

Attachment 2 - Council Policy *CP/FIN-3200 Strategic Rating*

Attachment 3 - Rating Model 2019/20

**12. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**13. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

Nil

**14. URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION**

Nil

**15. MATTERS BEHIND CLOSED DOORS**

Nil

**16. CLOSURE**

The Shire President declared the meeting closed at 5.11pm.