

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

Shire President

Date



SHIRE OF WYNDHAM | EAST KIMBERLEY

**MINUTES
SPECIAL COUNCIL
MEETING**

09 June 2020

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 e-MEETING AGENDA
KUNUNURRA COUNCIL CHAMBERS
HELD ON 09 JUNE 2020 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.

Prior to commencement of this electronic meeting Council Members and other attendee connections by electronic means were tested and confirmed.

The Shire President reiterated that Meetings of Council are currently not open to the public due to coronavirus restrictions. However, for transparency, a limited number of journalists have been allowed to attend in person by application. The Shire will expedite minutes of the meeting to be available to members of the public within five working days.

The Shire President declared the Meeting open at 5:03pm.

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

The Shire President asked Council Members and staff to confirm that they are connected and in attendance, with the following attendees so confirmed:

ATTENDANCE

Cr D Menzel	Shire President
Cr T Chafer	Deputy Shire President
Cr N Brook	Councillor (via Video Link)
Cr M Dear	Councillor
Cr J Farquhar	Councillor
Cr G Lodge	Councillor (via Video Link)
Cr M McKittrick	Councillor
Cr D Pearce	Councillor
Cr A Petherick	Councillor
V Lawrence	Acting Chief Executive Officer
N Kearns	Director Planning and Community Development
F Heading	Acting Director Corporate Services
S Dyson	Director Infrastructure
C Cane	Minute Taker

K Guerin	SWEK Employee
S Tasi	SWEK Employee
C Fowler	Reporter, ABC Kimberley

3. DECLARATION OF INTEREST

The Shire President noted that Council Members and staff were requested to disclose any conflicts of interest prior to the eMeeting and welcomed any further conflicts of interest to be declared.

- Financial Interest

NIL

- Impartiality Interest

NIL

- Proximity Interest

NIL

4. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

NIL

5. PUBLIC QUESTION TIME

The Shire President noted that given the meeting is not open to the public, the community were advised by public notice that they can still submit questions via email prior to the meeting, which would be read aloud.

No Public Questions were received.

7. PETITIONS

NIL

8. ANNOUNCEMENTS BY THE PERSON PRESIDING WITHOUT DISCUSSION

NIL

9. DEPUTATIONS / PRESENTATIONS / SUBMISSIONS

NIL

10. MATTERS FOR WHICH THE MEETING MAY BE CLOSED

NIL

11. REPORTS

11.1. 2020/21 BUDGET - DIFFERENTIAL GENERAL RATES AND MINIMUM PAYMENTS AND CONSIDERATION OF PUBLIC SUBMISSIONS

DATE:	09 June 2020
AUTHOR:	Rates Officer
RESPONSIBLE OFFICER:	Felicity Heading, Acting Director Corporate Services
FILE NO:	FM.05.14
DISCLOSURE OF INTERESTS:	NIL

VOTING REQUIREMENT

Absolute Majority

OFFICER'S RECOMMENDATION

That Council:

- 1. Notes that there have been no submissions received from the public in relation to the advertised Council Policy CP/FIN-3200 Strategic Rating or the 2020/21 Rating Model;**
- 2. Endorse revised Council Policy CP/FIN-3200 Strategic Rating;**
- 3. In accordance with Section 6.47 of the *Local Government Act 1995*, endorse the following Rate Concessions under Differential Rating Category UV Pastoral with the intention of granting them as part of the 2020/21 Budget adoption;**

Assess No	Property Owner	Rates to be Raised 2020/2021 \$	Concession Amount \$
A1935	Kachana Pastoral Company	2,508	0
A2569	Juwulinypany Community Aboriginal Corporation	88,994	64,756
A2574	Ngallagunda Aboriginal Corporation	55,422	39,802
A510	Mandangala Aboriginal Corporation	3,452	894
A511	Aboriginal Lands Trust	118,511	86,054
A513	Argyle Diamond Mines Pty Ltd	12,540	0

A514	Australian Wildlife Conservancy (AWC)	4,694	3,359
A515	Carson River Pastoral Co Pty Ltd	60,142	42,231
A519	Ellenbrae Station Pty Ltd	61,408	41,270
A532	Rosewood Station Pty Ltd	7,317	4,759
A535	Sunlight Holdings Pty Ltd	74,735	48,397
A539	Zenith Australia Group Pty Ltd	33,005	18,033
A540	Dunkeld Pastoral Co Pty Ltd	49,443	36,984
A541	Baldy Bay Pty Ltd	90,916	62,863
A542	Dunkeld Pastoral Co Pty Ltd	63,802	46,318
A551	Clean Agriculture & International Tourism Pty Ltd	54,150	37,050
A558	R I Woodland	8,550	0
A6715	Shawleish Holdings Pty Ltd	45,178	31,539
A7066	Darwulah Aboriginal Corporation	6,840	0
A7282	Kimberley Agricultural Investment Pty Ltd	118,810	93,383
A7324	Kimberley Agricultural Investment Pty Ltd	239,659	172,952
	Total	1,200,077	830,643

4. Endorse that should the 1 July 2020 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 2020/21 financial year will be no greater than 120% of the 2019/20 rates; and
5. Endorse the 2020/21 Rating Model as follows, with the intention of striking the rates as part of the 2020/21 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	1,693	32,420,838	1,112	0.1449	1.30%	4,703,892
GRV - Other Vacant	124	521,861	1,112	0.2247	77.42%	176,443
GRV - Commercial	188	12,866,633	1,112	0.1429	8.51%	1,844,290
GRV - Industrial	178	7,481,770	1,112	0.1389	5.06%	1,045,021

GRV - Rural Residential	26	272,424	1,112	0.1449	11.54%	41,123
UV - Rural Residential	199	43,717,000	1,112	0.0110	0.00%	480,887
UV - Pastoral	21	21,053,985	1,112	0.0570	0.00%	1,200,077
UV - Commercial/Industrial	66	13,130,080	1,112	0.0077	30.30%	120,766
UV - Agriculture	81	60,726,109	1,112	0.0116	1.23%	705,419
UV - Horticulture	93	28,651,000	1,112	0.0101	0.00%	289,375
UV - Mining	66	1,819,366	1,112	0.2740	45.45%	518,072
UV - Mining Exploration and Prospecting	45	463,143	310	0.1369	28.89%	65,064
UV - Other	5	8,975,000	1,112	0.0065	20.00%	58,475
TOTALS	2,785	232,099,209				11,248,904
Less Rate Concessions						830,643
Total Budgeted Net Rates Revenue Raised						10,418,261

Council Decision

Minute Number: 09/06/2020 - 118236

Moved: Cr T Chafer

Seconded: Cr J Farquhar

That Council:

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- 2. Endorse revised Council Policy CP/FIN-3200 Strategic Rating;**
- 3. In accordance with Section 6.47 of the *Local Government Act 1995*, endorse the following Rate Concessions under Differential Rating Category UV Pastoral with the intention of granting them as part of the 2020/21 Budget adoption;**

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UV - Mining Exploration and Prospecting	45	463,143	310	0.1369	28.89%	65,064
UV - Other	5	8,975,000	1,112	0.0065	20.00%	58,475
TOTALS	2,785	232,099,209				11,248,904
Less Rate Concessions						830,643
Total Budgeted Net Rates Revenue Raised						10,418,261

Carried: 9/0

PURPOSE

For the Council to consider any public submissions received in relation to the proposed rates in the dollar and minimum payments in accordance with section 6.36(4) of the Local Government Act 1995 and to subsequently endorse the revised Council Policy CP/FIN-3200 Strategic Rating.

For Council to endorse the proposed 2020/21 rate model following the updating of all unimproved property (UV) valuations to take effect from 1 July 2020 and to endorse the option to grant rate concessions to properties in the UV Pastoral rate category.

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

As part of the State Government's response to the economic impacts of the COVID-19 pandemic, the Department of Local Government, Sport and Cultural Industries has encouraged all Councils to keep their rate in the dollar for the 2020/21 financial year the same as the 2019/20 financial year. Amendments were made to the *Local Government Act 1995* to facilitate this by reducing local public notice requirements and the need to obtain Ministerial approval for differential rates and minimum payments where the rate in the dollar has not changed and ministerial approval was obtained for 2019/20. Shire Officers have prepared the Rating model on this basis.

Since adopting the Rate in the Dollar for advertising at the March 2020 Ordinary Council meeting annual Unimproved Value (UV) valuation rolls have been received from Landgate and loaded into the Shire's rates model for 2020/21. These include significant valuation increases for properties in the UV Pastoral rate category.

Western Australia's pastoral rents are reviewed every five years by the Valuer General, in consultation with the Pastoral Lands Board and in accordance with the *Land Administration Act 1997*. New pastoral rents became effective in July 2019 and Shire Officers understand that this is to bring the pastoral rents up to a fair market value. This has had a direct impact on the rateable valuation of properties in the UV Pastoral rate category. Annual rent of a pastoral lease is calculated on the unimproved value multiplied by a capitalisation rate. Landgate then multiply the annual rent by a factor of 20 to determine the rateable value of the property.

The Kimberley region has seen the greatest rateable value increases as well as the greatest variation, with pastoral leases in the Shire of Wyndham East Kimberley experiencing increases ranging from 18% to over 400% across the affected properties (Kimberley average is 328%).

This has resulted in significant increases in rates calculated and in order to reduce the impact of this on the UV Pastoral ratepayers, different options relating to the granting of concessions and the reasonings behind these were presented at the Council Briefing on 2 June 2020. Further information is provided in the comments section below.

At the 24 March 2020 Ordinary Council Meeting, Council resolved:

Council Decision

Minute Number: 24/03/2020 - 118183

Moved: Cr T Chafer

Seconded: Cr A Petherick

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 2020/21 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 2020/21 \$
GRV - Residential	1,690	32,344,138	1,112	0.1449	1.30%	4,692,778
GRV - Other Vacant	126	521,241	1,112	0.2247	78.57%	178,487
GRV - Commercial	188	12,866,633	1,112	0.1429	8.51%	1,844,290
GRV - Industrial	178	7,481,770	1,112	0.1389	5.06%	1,045,021
GRV - Rural Residential	26	272,424	1,112	0.1449	11.54%	41,123
UV - Rural Residential	199	49,502,000	1,112	0.0110	0.00%	544,522
UV - Pastoral	21	5,481,449	1,112	0.0570	4.76%	312,559
UV - Commercial/Industrial	66	13,099,780	1,112	0.0077	30.30%	120,643
UV - Agriculture	81	60,757,309	1,112	0.0116	1.23%	705,781
UV - Horticulture	93	29,703,000	1,112	0.0101	0.00%	300,000

UV - Mining	66	1,725,962	1,112	0.2740	48.48%	493,349
UV - Mining Exploration and Prospecting	48	598,963	310	0.1369	27.08%	83,752
UV - Other	5	8,975,000	1,112	0.0065	20.00%	58,475
TOTALS	2,787	223,329,669				10,420,780

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 2020/21 rating model, including the Object of and Reasons for Differential Rates;**
- b. **The 2020/21 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 2020 for the 2020/21 financial year in accordance with section 6.36 of the Local Government Act 1995.**

4. Hold a Special Council Meeting on 2 June 2020 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 2020/21 Rating Model, with the intention of striking rates as part of the 2020/21 Budget adoption;**
- c. **Request the CEO, or their delegate to seek Ministerial approval where required by legislation.**

Carried: 9/0

At the 26 May 2020 Ordinary Council Meeting, Council resolved:

Council Decision

Minute Number: 26/05/2020 - 118232

Moved: Cr T Chafer

Seconded: Cr G Lodge

That Council:

1. **Pursuant to section 6.16 and 6.18 of the Local Government Act 1995, adopt the amended Schedule of Fees and Charges for 2020/21 outlined in attachment 1 to be effective from either 1 July 2020 or 1 January 2021, whichever date is applicable as indicated in the attachment; and**
2. **Request the Chief Executive Officer to give local public notice of Council's intention to impose the Schedule of Fees and Charges 2020/21, to apply from 1**

July 2020 or 1 January 2021 as applicable, in accordance with section 6.19 of the Local Government Act 1995; and

3. *Pursuant to Section 6.13 of the Local Government Act 1995, impose interest at 8% on any amount of money (other than rates and service charges) which is owed to the Shire and has been owed for a period of 35 days in accordance with Council Policy CP/FIN-3214-Sundry Debt Collection.*
4. *Pursuant to amendment SL 2020/57 (clause 8) to Section 6.13 of the Local Government Act 1995, a person who is considered to be suffering financial hardship as a consequence of the COVID-19 Pandemic in accordance with Council Policy CP/FIN-3219 COVID-19 Financial Hardship - Rates and Sundry Debtors is not required to pay interest on any amount of money (other than rates and services charges) which is owed to the Shire.*
5. *Pursuant to amendment SL 2020/57 (clause 13) to Section 6.45 of the Local Government Act 1995, the imposition of an additional charge (including an amount by way of interest) where payment of a rate or service charge is made by instalments does not apply to a person who is considered to be suffering financial hardship as a consequence of the COVID-19 Pandemic in accordance with Council Policy CP/FIN-3219 COVID-19 Financial Hardship - Rates and Sundry Debtors.*
6. *Pursuant to amendment SL 2020/57 (clause 14) to Section 6.51 of the Local Government Act 1995, the imposition of interest on overdue rates and services charges does not apply to a person who is considered to be suffering financial hardship as a consequence of the COVID-19 Pandemic in accordance with Council Policy CP/FIN-3219 COVID-19 Financial Hardship - Rates and Sundry Debtors.*
7. *Notes the changes to the dates for advertising of the Proposed Differential General Rates and Minimum Payments and the closing dates for Public Submissions as follows:*
 - Public Notice period commenced on Thursday 14 May 2020*
 - The closing date for Public Submissions is Friday 5 June 2020.*
8. *Reschedules the Special Council Meeting from 2 June 2020 to 9 June 2020 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 2020/21 Rating Model, with the intention of striking rates as part of the 2020/21 Budget adoption;*
 - c. *Request the CEO, or their delegate to seek Ministerial approval where required by legislation.*

Carried: 8/0

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.

6.45. Options for payment of rates or service charges

- (1) A rate or service charge is ordinarily payable to a local government by a single payment but the person liable for the payment of a rate or service charge may elect to make that payment to a local government, subject to subsection (3), by —
 - (a) 4 equal or nearly equal instalments; or*
 - (b) such other method of payment by instalments as is set forth in the local government's annual budget.**
- (2) Where, during a financial year, a rate notice is given after a reassessment of rates under section 6.40 the person to whom the notice is given may pay the rate or service charge (a) by a single payment; or (b) by such instalments as are remaining under subsection (1)(a) or (b) for the remainder of that financial year.*
- (3) A local government may impose an additional charge (including an amount by way of interest) where payment of a rate or service charge is made by instalments and that additional charge is, for the purpose of its recovery, taken to be a rate or service charge, as the case requires, that is due and payable.*
- (4) Regulations may —
 - (a) provide for the manner of making an election to pay by instalments under subsection (1) or (2); and*
 - (b) prescribe circumstances in which payments may or may not be made by instalments; and*
 - (c) prohibit or regulate any matters relating to payments by instalments; and*
 - (d) provide for the time when, and manner in which, instalments are to be paid; and*
 - (e) prescribe the maximum amount (including the maximum interest component) which may be imposed under subsection (3) by way of an additional charge; and*
 - (f) provide for any other matter relating to the payment of rates or service charges.**

[Section 6.45 modified: SL 2020/57 1M.]

The following amendments were made to Section 6.45 of the Local Government Act 1995 effective 8 May 2020 as follows:

Local Government (COVID-19 Response) Order 2020 SL 2020/57

Section 6.45 (options for payment of rates or service charges)

*(1) In this clause —
financial hardship policy, in relation to a local government, means a policy addressing the manner in which the local government will deal with financial hardship that may be suffered by ratepayers and other persons who are required to make payments to the local government.*

(2) Section 6.45 is modified as set out in this clause in relation to payment by instalments of a rate or service charge imposed by a local government in the 2020/21 financial year.

(3) The local government cannot impose an additional charge (including an amount by way of interest) under section 6.45(3) in respect of payment by instalments made by an excluded person.

(4) If the local government has not adopted a financial hardship policy, the maximum rate of interest that may be imposed by the local government under section 6.45(3) is 3%.

Subclause (4) applies despite the Local Government (Financial Management) Regulations 1996 regulation 68.

6.47. Concessions

Subject to the Rates and Charges (Rebates and Deferments) 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.

6.51. Accrual of interest on overdue rates or service charges

(1) A local government may at the time of imposing a rate or service charge resolve* to impose interest (at the rate set in its annual budget) on —
(a) a rate or service charge (or any instalment of a rate or service charge); and
(b) any costs of proceedings to recover any such charge,
that remains unpaid after becoming due and payable.

* Absolute majority required.

(2) The rate of interest that may be set by the local government under this section is not to exceed the rate for the time being prescribed as the maximum rate of interest that may be set for the purposes of this section.

(3) Accrued interest is, for the purpose of its recovery, taken to be a rate or service charge, as the case requires, that is due and payable.

(4) If a person is entitled under the Rates and Charges (Rebates and Deferments) Act 1992 or under this Act (if the local government in a particular case so resolves) to a rebate or deferment in respect of a rate or service charge —

(a) no interest is to accrue in respect of that rate or service charge payable by that person; and

(b) no additional charge is to be imposed under section 6.45(3) on that person.

The following amendments were made to Section 6.51 of the Local Government Act 1995 effective 8 May 2020 as follows:

Local Government (COVID-19 Response) Order 2020 SL 2020/57

Section 6.51 modified (accrual of interest on overdue rates or service charges)

(1) Section 6.51 is modified as set out in this clause in relation to a resolution made under section 6.51(1) by a local government at the time of imposing a rate or service charge for the 2020/21 financial year.

- (2) The resolution —
 - (a) cannot impose interest in respect of a rate or service charge payable by an excluded person; and
 - (b) is to specify that the imposition of interest does not apply in respect of a rate or service charge payable by an excluded person.
- (3) The rate of interest that may be set by the local government under section 6.51 is not to exceed 8%.
- (4) Subclause (3) applies despite the Local Government (Financial Management) Regulations 1996 regulation 70.

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* which aligns the rating model closely to the Shire's Local Planning Scheme No. 9 in terms of land use.

If there are modifications to the differential general rates or minimum payments from those proposed, then Council Policy *CP/FIN-3200 Strategic Rating* may need to also be amended to reflect the modifications.

FINANCIAL IMPLICATIONS

The differential general rates, minimum payments, and proposed concessions as per the above rating model are expected to yield gross rate revenue of \$11,248,904 before concessions of \$830,643 are applied resulting in a net total rate revenue of \$10,418,261. This is \$4,375 less than the 2019/20 budgeted rate revenue.

During the 2020/21 budget process, budget efficiencies are continuously being monitored and considered as part of budget briefings and budget papers presented to Council. The process of identifying efficiency gains is an ongoing one and Shire staff continue to seek and provide better value for money, for the rates the community pay. The budget will reflect these efficiency gains once finalised. In addition to the normal process of considering budget efficiencies, Covid-19 has had a major impact on the 2020/21 budget deliberations. At this stage Shire officers consider that there will be a reduction of approximately \$5m in cash flow.

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

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

Community Engagement has taken place in accordance with the Shire's Community Engagement Guidelines and includes.

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.

- Various Briefings with Council
- Local public notice in the Kimberley Echo on 14 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 2020/21 placed on the Coles noticeboard on 14 May;
- A copy of the Notice to Impose Differential General Rates and Minimum Payments for 2020/21 placed on the IGA noticeboard on 14 May;
- A copy of the Notice to Impose Differential General Rates and Minimum Payments for 2020/21 placed on the Wyndham Post Office noticeboard on 14 May
- The Shire's Facebook page and website on 14 May;
- A copy of the Notice to Impose Differential General Rates and Minimum Payments for 2020/21, 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 14 May.

COMMENTS

Submissions:

At the time the Agenda was published, no submissions had been received by the public in relation to the advertised Council Policy CP/FIN-3200 Strategic Rating or the 2020/21 Rating Model. Any submissions received after this date will be considered by Council prior to endorsing the Council Policy CP/FIN-3200 Strategic Rating, any rate concessions, or the 2020/21 Rating Model.

Rate Concessions:

The following information was presented at the Council Briefing on 2 June 2020.

- Applying current valuation changes with an unchanged rate in the dollar.
- Adjusting the UV Pastoral Rate in the Dollar to achieve the same rate yield as the 2019/20 Budget.
- The use of Rate Concessions in managing the UV Pastoral rate increases.

If the changes to the valuations are applied to the current rate model with no change to the rate in the dollar, this would result in additional rate revenue of \$887,518 from the UV Pastoral category with the rates for some individual pastoral properties increasing by a factor of 4.

If the changes to the valuations are applied and the rate in the dollar is adjusted to achieve the same rate yield as 2019/20 this would result in significant variation in the rates for individual UV Pastoral properties with some experiencing a decrease of up to 75% in rates and others experiencing an increase of up to a 50% in rates. This method will also not reflect any impact of the change in the fair market value as determined in the valuation process.

Another option available to Council, to allow the valuation changes and subsequent impact on rates to be applied in a more equitable manner, is the use of rate concessions in accordance with s6.47 of the *Local Government Act 1995*. This could be done by applying the valuation changes with no change to the rate in the dollar. Two concession options were presented.

- Phasing the rates increase in, with the 2020/21 rates for individual properties being no more than 120% of the 2019/20 rates (service charges, waste charges, and ESL excluded).
- Phasing the rates increase in, with the 2020/21 rates for individual properties being calculated at the 2019/20 rates plus 20% of the total increase (service charges, waste charges, and ESL excluded).

Shire Officers, having considered both scenarios above and after taking into account the five principles of Equity, Incentive, Administrative Efficiency, Compliance, and Sustainability, are recommending Council phase the UV Pastoral rates increase in with the 2020/21 rates being no more than 120% of the 2019/20 rates (service charges, waste charges, and ESL excluded). By applying the concession in this manner it reduces the financial impact on the ratepayers and allows time for them to consider the additional costs into their future cash-flows.

Under Section 6.47 of the *Local Government Act 1995*, any resolution to grant a concession in relation to a rate or service charge, must be done at the time of imposing the rate or service charge. Any concessions endorsed as part of this report will also need to be adopted as part of the budget adoption process.

Three properties rated within the UV Pastoral Category were not included in the latest rent review and have subsequently not received a valuation increase and as such have been

excluded from any concessions. One property has had an increase of less than 20% and therefore the full rate increase has been applied in the 2020/21 Financial Year.

Rate Model:

The below table shows the proposed Rate Model for the 2020/21 Financial Year which incorporates all UV Valuation updates, effective 1 July 2020, and no increase in the Rate in the Dollar or minimum payments from 2019/20. It also includes the recommended rate concessions of \$830,643 for the UV Pastoral rate category that will result in no individual ratepayer paying more than 120% of their 2019/20 Rates (Service Charges, Waste Charges, and ESL excluded).

Differential Rating Category	Total Properties	Total Rateable Value of Properties \$	Proposed Minimum Payment \$	Proposed Rate in the Dollar	% of Properties on Minimum Payments	Concession Amount \$	Proposed Rates Revenue Budget 2020/21 \$
GRV - Residential	1,693	32,420,838	1,112	0.1449	1.30%	-	4,703,892
V - Other Vacant	124	521,861	1,112	0.2247	77.42%	-	176,443
V - Commercial	188	12,866,633	1,112	0.1429	8.51%	-	1,844,290
V - Industrial	178	7,481,770	1,112	0.1389	5.06%	-	1,045,021
GRV - Rural Residential	26	272,424	1,112	0.1449	11.54%	-	41,123
UV - Rural Residential	199	43,717,000	1,112	0.0110	0.00%	-	480,887
UV - Pastoral	21	21,053,985	1,112	0.0570	0.00%	830,643	369,434
UV - Commercial/ Industrial	66	13,130,080	1,112	0.0077	30.30%	-	120,766
- Agriculture	81	60,726,109	1,112	0.0116	1.23%	-	705,419
- Horticulture	93	28,651,000	1,112	0.0101	0.00%	-	289,375
- Mining	66	1,819,366	1,112	0.2740	45.45%	-	518,072
UV - Mining Exploration and Prospecting	45	463,143	310	0.1369	28.89%	-	65,064

- Other	5	8,975,000	1,112	0.0065	20.00%	-	58,475
TOTALS	2,785	232,099,209				830,643	10,418,261

Strategic Rating Policy:

The Council Policy CP/FIN-3200 Strategic Rating (Attachment 2) has been amended to incorporate the option to grant rate concessions in accordance with s6.47 of the *Local Government Act 1995*.

ATTACHMENTS

Attachment 1 - Rating Model 2020-21

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

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 5:15pm.