

I hereby certify that the Minutes of the Special 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

5pm, 23 August 2016

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**SHIRE OF WYNDHAM EAST KIMBERLEY
MINUTES SPECIAL COUNCIL MEETING
KUNUNURRA COUNCIL CHAMBERS
HELD ON 23 AUGUST 2016 AT 5:00PM**

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Shire President declared the meeting open at 5pm.

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

ATTENDANCE

Cr J Parker	Shire President
Cr K Wright	Deputy Shire President
Cr B Robinson	Councillor
Cr D Spackman	Councillor
Cr E Bolto	Councillor
Cr N Perry	Councillor
Cr S Cooke	Councillor
Cr A Petherick	Councillor
L Gee	Acting Chief Executive Officer
N TePohe	Director Corporate Services
D Klye	Director Infrastructure
M Le Riche	Executive Assistant (Minute Taker)

GALLERY

R Bianco	SWEK
L Hannagan	SWEK
R B Dessert	
C Magnay	
N Brook	
W Shaw	Resident
N Hawes-Wright	Resident
S Hawes	Resident
R Guerinoni	JAB Industries
S Becke	Resident
R Hegarty	Rate payer
S Lodge	Resident
R Walsh	Kimberley Echo
L Spackman	

APOLOGIES

Cr S Rushby	Councillor
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LEAVE OF ABSENCE PREVIOUSLY APPROVED

Nil

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

Rhonda Guerinoni – JAB Industries

How can the Council justify the rate increases for Mining Leases when we are all going through a major mining turn down? My company has 4 mining leases and all the Council will do is put the cost of products up e.g. concrete supplies. I've heard that they're going up 100% and want to know how that's justified?

Response – Natalie Te Pohe, Director Corporate Services

The Director Corporate Services indicated that the mining rating category was proposed by the Council to increase by 1.3% along with all other rating categories, which was what was adopted by the Council to be incorporated into the budget. Tonight's meeting is actually recommending that the minimum payments for the exploration and prospecting rating category are actually reduced from that initially proposed, therefore there would be a saving for some property holders within that rating category, and there would be no change from the endorsed 1.3% in terms of the rate in the dollar.

6. APPLICATIONS FOR LEAVE OF ABSENCE

Nil

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. RECONSIDERATION OF UV MINING VACANT RATING CATEGORY FOR 2016/17

DATE:	18 August 2016
AUTHOR:	Natalie TePohe, Director Corporate Services
RESPONSIBLE OFFICER:	Natalie TePohe, Director Corporate Services
FILE NO:	FM.05.12
DISCLOSURE OF INTERESTS:	Nil

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council, as a result of the Department of Local Government and Communities advice in Attachment 1:

1. Endorses the change in title of the former UV Mining Vacant rating category to UV Mining Exploration and Prospecting;
2. Endorses the change in minimum payments associated with the revised UV Mining Exploration and Prospecting rating category to be \$220 for 2016/17;
3. Endorse the revised Council Policy *CP/FIN-3200 Strategic Rating (Attachment 2)* including the revised object and reason associated with the UV Mining Exploration and Prospecting rating category for 2016/17.

COUNCIL DECISION

Minute No: 11444

Moved: Cr B Robinson

Seconded: Cr N Perry

That Council, as a result of the Department of Local Government and Communities advice in Attachment 1:

1. Endorses the change in title of the former UV Mining Vacant rating category to UV Mining Exploration and Prospecting;
2. Endorses the change in minimum payments associated with the revised UV Mining Exploration and Prospecting rating category to be \$220 for 2016/17;
3. Endorse the revised Council Policy *CP/FIN-3200 Strategic Rating (Attachment 2)* including the revised object and reason associated with the UV Mining Exploration and Prospecting rating category for 2016/17.

Carried 5/3

For: Cr J Parker, Cr B Robinson, Cr S Cooke, Cr E Bolto, Cr N Perry

Against: Cr K Wright, Cr D Spackman, Cr A Petherick

PURPOSE

To reconsider the UV Mining Vacant title and minimum payment for 2016/17 as a result of new advice from the Department of Local Government and Communities.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Regulator - enforce state legislation and local laws.

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

During the 2015/16 budget process, a new rating category was created for UV Mining Vacant properties upon recommendation by officers of the Department of Local Government and Communities. Below is an excerpt of the agenda item from May 2015 where the differential general rates and minimum payments were considered for advertising.

***“The rates modelling proved to be difficult this financial year in relation to the UV Mining category in that the Minister cannot approve more than 50% of these properties imposed with a minimum payment. Many of the properties have very small valuations which means it is almost impossible to ensure that there are not more than 50% of these on minimum payments.*”**

After discussions with officers from both the Valuer-General's office and the Department of Local Government and Communities, it was suggested to include a new rating category for those mining properties that may be considered vacant, by which the Minister may then consider exemptions for more than 50% of properties on minimum payments. It was highlighted during the discussion with the DLGC that the rates in the dollar for mining properties was going to be monitored for 2015/16 when seeking exemptions, particularly given the downturn in the iron ore market. However, unlike the Pilbara, iron ore is not the major mining product generated from the East Kimberley, where there is the Argyle Diamond Mine, the largest diamond mine in the world, and other products including but not limited to gold, lead, zinc and bauxite. Hence, the iron ore economy, while it has had an impact on the East Kimberley during 2014/15, should not be the only factor considered.

For 2015/16 it is therefore proposed to separate mining properties into two (2) categories to ensure that there is not only an increase in the equity between those properties that are within the Mining category, but to ensure the rates imposed may be compliant with Ministerial approval required.

The first category UV Mining contains mining leases, petroleum exploration permits and general purpose leases, whereby the unimproved value is valued at 5 times the rent or fee payable for those leases, licences or permits under the relevant Act in accordance with section 4 of the Valuation of Land Act 1978. The new category of UV Mining Vacant contains exploration and prospecting licences whereby the unimproved value is equivalent to 2.5 times the fee payable for the licence under the relevant Act in accordance also with section 4 of the Valuation of Land Act 1978.

The -50% for the rate in the dollar and minimum payment proposed for the UV Mining Vacant rating category is utilising the UV Mining rating category amounts as the base, and suggesting that the rate in the dollar and minimum payment could be applied in the same manner for UV Mining Vacant as the unimproved value for the properties is derived, that is at 50% (or 2.5 times instead of 5 times).

In accordance with section 6.35 of the Local Government Act 1995, the local government is to ensure that it does not impose a minimum payment on more than 50% of the properties in each differential rating category. In the Shire's case, it may be argued that exploration and prospecting licences would meet the definition of vacant land in accordance with the Valuation of Land Act 1978 which states that "vacant land means land on which there are no improvements other than merged improvements." Merged improvements are defined as "any works in the nature of draining, filling, excavation, grading or levelling of the land, retaining walls or other structures or works for that purpose, the removal of rocks, stone or soil, and the clearing of timber, scrub or other vegetation." It is suggested that exploration and prospecting activities would do no more than undertake possibly merged improvements, and that these properties should be considered as vacant land.

Without creating the separate category to recognise that there is a clear difference between prospecting, exploring and actual mining, there is no mechanism to ensure that the rates model could be compliant with the legislation, even after looking at

significant increases or decreases in the rate in the dollar given the extremely low valuations on the predominant number of properties within this category.”

During the 2016/17 Budget process, the Council endorsed the following rates model at the June 2016 Ordinary Council Meeting (Minute No. 11438):

Rating Category	Total Properties	Total Rateable Value of Properties	Proposed Minimum Payment	Rate in the Dollar (cents)	% of Properties on Minimum Payments	Proposed Rates Revenue Budget 2016/17
GRV - Residential	1,677	48,374,914	1,099	9.4201	2.68%	\$4,570,442
GRV - Other Vacant	131	872,950	1,099	14.1302	77.86%	\$182,226
GRV - Commercial	175	14,742,454	1,099	12.2461	9.71%	\$1,813,859
GRV - Industrial	178	9,022,110	1,099	11.3041	3.93%	\$1,024,073
UV - Rural Residential	185	51,149,000	1,099	0.9922	0.00%	\$507,500
UV - Pastoral	24	6,188,271	1,099	5.3747	4.17%	\$332,761
UV - Commercial/Industrial	61	14,368,840	1,099	0.6806	39.34%	\$119,893
UV - Rural Agriculture 1	80	75,530,309	1,099	0.9626	1.25%	\$728,057
UV - Rural Agriculture 2	109	57,381,000	1,099	0.6806	0.00%	\$390,535
UV - Mining	68	1,681,422	1,099	27.8824	45.59%	\$489,742
UV - Mining Vacant	44	300,068	550	13.9412	61.36%	\$51,664
UV - Other	2	526,000	1,099	0.6384	0.00%	\$3,358
TOTALS	2,734	280,137,338				\$10,214,112
					Less Concessions	\$(56,620)
					Add Ex-Gratia Rates	\$5,355
						\$10,162,846

Upon advice from the Department, the UV Mining Vacant category requires modification.

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 change to the minimum payment is incorporated into the Council's revised Policy CP/FIN-3200 Strategic Rating that aligns the rating model closely to the current Town Planning Scheme No. 7 Kununurra and Environs (TPS7) and the current Town Planning Scheme No. 6 Wyndham Townsite (TPS6) in terms of land use.

It should be noted that the only changes within this Policy since adopted in July 2016 are to section 1.4 Minimum Payments, and to section 10 now titled UV - Mining Exploration and Prospecting with a reduced minimum payment rather than UV Mining Vacant title to this category.

If there are modifications to the minimum payment proposed, then Council Policy *CP/FIN-3200 Strategic Rating* will need to also be amended to reflect the modification.

It should be noted that Council's Policy *CP/FIN-3200 Strategic Rating Policy* incorporates references to Council Policy *CP FIN-3208 Rates Exemptions for Charitable Organisations (Non-Rateable Land)*; and Council Policy *CP FIN-3209 Rates Concession (Rateable Land)*, however there are no subsequent amendments required.

FINANCIAL IMPLICATIONS

The changes proposed to the minimum payments results in a slight change in the number of properties that are now on the differential general rate category instead of minimum payments, and the reduction in minimum payments has also has a resulting reduction in rates revenue anticipated. This is considered to be insignificant and can be managed within the 2016/17 budget that is currently being finalised.

The rates model adopted, after rounding the rate in the dollar to 4 decimal places, results in some minor changes in the revenue anticipated, however these are insignificant. Table A reflects the Council decision made at the June Ordinary Council Meeting with the UV Mining Vacant category in place. Table B reflects the proposed rates model with the only change being the title of the UV Mining Vacant category to become UV Mining Exploration and Prospecting, and the minimum payment of this category reducing from \$550 to \$220 to ensure that the number of properties does not exceed the 50% allowable under the legislation. Table C refers to the variations as a result of the change in minimum payments.

Table A - Rates Model Prior to Departmental Advice

Differential General Rates	Rate/Min	No. Properties	Valuations	Total Rates
GRV Residential	0.0942	1,632	47,992,984	4,520,939
GRV Other Vacant	0.1413	29	496,300	70,127
GRV Commercial	0.1225	158	14,659,129	1,795,157
GRV Industrial	0.1130	171	8,991,235	1,016,369
UV Rural Residential	0.0099	185	51,149,000	506,375
UV Pastoral	0.0538	23	6,170,800	331,989
UV Commercial/Industrial	0.0068	37	13,740,440	93,435
UV Rural Agriculture 1	0.0096	79	75,520,309	724,995
UV Rural Agriculture 2	0.0068	109	57,381,000	390,191
UV Mining	0.2788	37	1,634,268	455,634
UV Mining Vacant	0.1394	17	264,067	36,811
UV Other	0.0064	2	526,000	3,366
Subtotal		2,479	\$278,525,532	\$9,945,389
Minimum Payments				
GRV Residential	\$ 1,099	45	381,930	49,455
GRV Other Vacant	\$ 1,099	102	376,650	112,098
GRV Commercial	\$ 1,099	17	83,325	18,683
GRV Industrial	\$ 1,099	7	30,875	7,693
UV Rural Residential	\$ 1,099	-	-	-
UV Pastoral	\$ 1,099	1	17,471	1,099
UV Commercial/Industrial	\$ 1,099	24	628,400	26,376
UV Rural Agriculture 1	\$ 1,099	1	10,000	1,099
UV Rural Agriculture 2	\$ 1,099	-	-	-
UV Mining	\$ 1,099	31	47,154	34,069
UV Mining Vacant	\$ 550	27	36,001	14,850
UV Other	\$ 1,099	-	-	-
Subtotal		255	\$1,611,806	\$265,422
Total		2,734	\$ 280,137,338	\$ 10,210,811
			Less Concessions	- 56,613
				10,154,197
			Add Ex Gratia Rates	5,361
			TOTAL RATES	\$ 10,159,558

Table B - Adjustment to UV Mining Vacant Title and Minimum Payments

Differential General Rates	Rate/Min	No. Properties	Valuations	Total Rates
GRV Residential	0.0942	1,632	47,992,984	4,520,939
GRV Other Vacant	0.1413	29	496,300	70,127
GRV Commercial	0.1225	158	14,659,129	1,795,157
GRV Industrial	0.1130	171	8,991,235	1,016,369
UV Rural Residential	0.0099	185	51,149,000	506,375
UV Pastoral	0.0538	23	6,170,800	331,989
UV Commercial/Industrial	0.0068	37	13,740,440	93,435
UV Rural Agriculture 1	0.0096	79	75,520,309	724,995
UV Rural Agriculture 2	0.0068	109	57,381,000	390,191
UV Mining	0.2788	37	1,634,268	455,634
UV Mining Exploration and Prospecting	0.1394	22	275,442	38,397
UV Other	0.0064	2	526,000	3,366
Subtotal		2,484	\$278,536,907	\$9,946,974
Minimum Payments				
GRV Residential	\$ 1,099	45	381,930	49,455
GRV Other Vacant	\$ 1,099	102	376,650	112,098
GRV Commercial	\$ 1,099	17	83,325	18,683
GRV Industrial	\$ 1,099	7	30,875	7,693
UV Rural Residential	\$ 1,099	-	-	-
UV Pastoral	\$ 1,099	1	17,471	1,099
UV Commercial/Industrial	\$ 1,099	24	628,400	26,376
UV Rural Agriculture 1	\$ 1,099	1	10,000	1,099
UV Rural Agriculture 2	\$ 1,099	-	-	-
UV Mining	\$ 1,099	31	47,154	34,069
UV Mining Exploration and Prospecting	\$ 220	22	24,626	4,840
UV Other	\$ 1,099	-	-	-
Subtotal		250	\$1,600,431	\$255,412
Total		2,734	\$ 280,137,338	\$ 10,202,386
			Less Concessions	- 56,613
				10,145,773
			Add Ex Gratia Rates	5,361
			TOTAL RATES	\$ 10,151,134

Table C - Variation Summary

Differential General Rates	Former UV - Mining Vacant					Proposed UV Mining Exploration and Prospecting				
	Rate / Minimum	No. Properties	Valuations	Total Rates	Average Rates Payable	Rate / Minimum	No. Properties	Valuations	Total Rates	Average Rates Payable
UV Mining Category - Former v Proposed	0.1394	17	264,067	36,811	2,165	0.1394	22	275,442	38,397	1,745
Subtotal		17	\$264,067	\$36,811	\$2,165		22	\$275,442	\$38,397	\$1,745
Minimum Payments										
UV Mining Category - Former v Proposed	\$ 550	27	36,001	14,850	550	\$ 220	22	24,626	4,840	220
Subtotal		27	\$36,001	\$14,850	\$550		22	\$24,626	\$4,840	\$220
Total		44	\$ 300,068	\$ 51,661			44	\$ 300,068	\$ 43,237	
Variation										- 8,424

The total impact of the proposed modification as outlined in Table C is an anticipated loss of income of approximately \$8,424.

For those landholders within the UV Mining Exploration and Prospecting category, there are 5 ratepayers who will now fall into the differential rate instead of on minimum payments, however the rates that are proposed to be applied are still less than the originally \$550 proposed. Also, as a result there are now 22 landholders who will see their rates reduce from the original \$550 to the proposed \$220.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2012-2022

Goal 1: Strong leadership and governance that underpins a more strategic approach to community engagement, regional development and organisational sustainability

Objective 1.4: Business innovation, efficiency and improved services

Strategy 1.4.1 : Ensure legislative compliance and follow best practice principles in planning and service delivery

Strategy 1.4.3 : Maintain Council's long term financial viability

RISK IMPLICATIONS

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

Control: Current budget and service levels.

COMMUNITY ENGAGEMENT

Engagement has taken place in accordance with the Shire's Community Engagement Guidelines and included discussions with Officers from the Department of Local Government and Communities, along with two (2) briefings with Elected Members on the 9th and 10th of August 2016.

It should be noted that the Shire will not be required to provide local public notice of the change in the rating model, however an explanation will be required to be included in the 2016/17 Budget document along with an explanation contained in the rates brochure when the rates notices are issued.

COMMENTS

Subsequent to the Council considering public submissions and adopting the rates model that will be incorporated into the 2016/17 Budget, Officers applied to the Minister for Local Government and Communities to allow for the following:

1. Imposing a minimum payment on the GRV Other Vacant and UV Mining Vacant rating category which results in more than 50% of the properties in this category being subject to minimum payments, in accordance with section 6.35(5) of the *Local Government Act 1995*; and
2. Imposing a rate in the dollar for UV Mining, UV Mining Vacant and UV Pastoral which will result in it being more than twice the lowest differential general rate imposed, in accordance with section 6.33(3) of the *Local Government Act 1995*.

Verbal advice received from Departmental Officers on Tuesday 9 August indicated that the Shire could not consider mining exploration and prospecting licences to be vacant land. Discussions with the Department's officers highlighted that it was the department that recommended the Shire include a mining vacant category in 2015/16 as exploration and prospecting landholders would do little more than merged improvements, which is allowable within the definition of vacant land. The Shire subsequently included a new Mining Vacant category which held more than 50% of properties on minimum payments; sought, and were provided with the appropriate approvals from the Minister.

The interpretation of vacant land has since been clarified and prospecting and exploration is now deemed to be a land use and not a merged improvement. This therefore requires a change in the category. There were a couple of options available in terms of the rate model and how this change could be accommodated.

One of the options included combining all mining categories into one, retaining the same rate in the dollar as UV Mining and then provide a 50% concession to those who held exploration and prospecting licences. During discussions with elected members, it was determined that while this would still achieve a similar outcome, it was less transparent, and more administratively complicated. The overall impact of this option is a reduction of approximately \$11,460 in rates revenue anticipated for the 2016/17 financial year.

The second option was to change the title of the UV Mining Vacant category to be UV Mining Exploration and Prospecting while retaining the same rate in the dollar (being 50% of the UV Mining rate in the dollar), but reducing the minimum payments to ensure that no more than 50% of the properties were on minimum payments. This was achievable with a \$220 minimum payment instead of the \$550 originally proposed. The overall impact of this option is a reduction of approximately \$8,424 in rates revenue anticipated for the 2016/17 financial year.

A key objective of the current Council Policy *CP/FIN-3200 Strategic Rating* is to ensure that the rating model is “underpinned by sound principles, which are well understood, communicated to ratepayers and compliant with current legislation.” The Policy attempts to ensure that the model is equitable and transparent to the community.

During the discussions with Elected Members, it was believed that the second option, being to change the title of the UV Mining Vacant category and reduce the minimum payment, was more transparent to the community and associated landowners. The first option would also have the potential for concessions to be overlooked, and would require additional decisions of Council to ensure that the methodology remained in place.

One of the submissions received during the public consultation period was positive in relation to the separation of the mining categories recognising that there is a clear difference in the activities that take place across tenements.

The Officer is therefore recommending Option 2, being to change the title and reduce the minimum payments to \$220 which is more aligned with Council’s Policy and is in consideration of the feedback from the community.

ATTACHMENTS – Item 11.1

Attachment 1 - Letter from Department of Local Government and Communities.

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



Government of **Western Australia**
Department of **Local Government and Communities**

Our Ref: WE5-1#04; E1635174

Mr Carl Askew
Chief Executive Officer
Shire of Wyndham-East Kimberley
PO Box 614
KUNUNURRA WA 6743

Dear Mr Askew

APPLICATION FOR MINISTERIAL APPROVAL - MINIMUM PAYMENTS

Thank you for your application for Ministerial approval to impose minimum payments in the UV Mining Vacant category, received by the Department on 2 August 2016.

Following an initial assessment of the information provided and discussions with the Shire's staff, the Department has determined that the UV Mining Vacant category does not meet the requirements of "vacant land" under section 6.35 (5) of the *Local Government Act 1995* (the Act).

To be eligible for the imposition of minimum payments, land must be 'Vacant Land'. As previously advised, the definition of vacant land used by the Act is that given in the *Valuation of Land Act 1978*. That definition is:

- **Vacant land** means land on which there are no improvements other than merged improvements;
- **Merged improvements** means any works in the nature of draining, filling, excavation, grading or levelling of the land, retaining walls or other structures or works for that purpose, the removal of rocks, stone or soil, and the clearing of timber, scrub or other vegetation.

These definitions are only given in the context of **gross rental value**; therefore only land rated as gross rental value can be considered to be vacant for the purposes of that Act.

It is, therefore, not open to a local government to breach the 50% limit on the number of rateable properties subject to a minimum payment for land subject to exploration and prospecting leases, and that is imposed by 6.35 of the Local Government Act 1995 unless the minimum payment is less than \$200.

In light of this, the Shire is required to reconsider its rating strategy for the coming financial year. A Council resolution will be required to endorse an amended rating strategy and a copy of Council's resolution, once made, should be provided to the Department. Upon receipt of an endorsed, revised rating strategy from the Shire, the Department will be in a position to progress the Shire's application for Ministerial approval of the imposition of minimum payments.

Gordon Stephenson House
140 William Street Perth WA 6000
GPO Box R1250 Perth WA 6844

If you have any further queries please do not hesitate to contact Zoe Vos on 6551 8672 or via email at zoe.vos@dlgc.wa.gov.au.

Yours sincerely



Sheryl Siekierka
A/DIRECTOR
LEGISLATION AND STATUTORY SUPPORT

15 August 2016



POLICY NO	CP/FIN-3200	
POLICY	Strategic Rating	
RESPONSIBLE DIRECTORATE	Corporate Services	
RESPONSIBLE OFFICER	Director Corporate Services	
COUNCIL ADOPTION	Date: 02/09/2014	Resolution No: 10528
REVIEWED/MODIFIED	Date: 25/08/2015	Resolution No: 11090
	Date: 26/07/2016	Resolution No: 11438
	Date: 18/08/2016	Resolution No:
REVIEW DUE	Date: August 2017	
LEGISLATION	<i>Local Government Act 1995 – Sections 6.26, 6.28, 6.33, 6.35</i> <i>Valuation of Land Act 1978</i>	
RELATED POLICIES	<ol style="list-style-type: none"> 1. Town Planning Scheme No. 7 Kununurra and Environs; 2. Town Planning Scheme No. 6 Wyndham Townsite 3. CP FIN-3208 Rates Exemptions for Charitable Organisations Policy (Non Rateable Land) 4. CP FIN-3209 Rates Concession Policy (Rateable Land) 5. CP FIN-3212 Rates and Charges Debt Collection Policy 	
RELATED PROCEDURES	N/A	

PURPOSE:

The purpose of this Policy is to outline the Council's principles and methodology when exercising the Council's discretionary powers to determine the level and structure of rates levied under the *Local Government Act 1995*.

DEFINITIONS:

Gross Rental Value of land means the gross annual rental that the land might reasonably be expected to realise if let on a tenancy from year to year upon condition that the landlord were liable for all rates, taxes and other charges thereon and the insurance and other outgoings necessary to maintain the value of the land...with further provisions outlined in the *Valuation of Land Act 1978*.

Land means lands, tenements and hereditaments, and any improvements to land, and includes any interest in land.

Merged Improvements means any works in the nature of draining, filling, excavation, grading or levelling of the land, retaining walls or other structures or works for that purpose, the removal of rocks, stone or soil, and the clearing of timber, scrub or other vegetation.

Unimproved Value for land situated within a townsite is the site value of the land. In general, this means the value of the land as if it were vacant with no improvements except merged improvements. For land outside a townsite it is valued as if it had no improvements. In this case the land is valued as though it remains in its original, natural state, although any land degradation is taken into account. Please refer to the *Valuation of Land Act 1978* for further criteria used when assessing unimproved values of land.

Vacant Land means land on which there are no improvements other than merged improvements.

POLICY STATEMENTS:

The Council believes that overall policy must be underpinned by sound principles, which are well understood, communicated to ratepayers and compliant with current legislation.

The Council aspires to balance service levels in accordance with the needs and expectations of its community and sets taxation levels (rating) to adequately resource its roles and responsibilities.

In determining rates, the Council gives primary consideration to its strategic directions, budget considerations, the current economic climate, other external factors and likely impacts upon the community.

The *Local Government Act 1995* provides the Council with defined discretionary powers to levy rates and require contributions from the community for the provision of services to the district.

The rating principles outlined within this Policy are to apply to all rateable land within the Shire of Wyndham East Kimberley.

The Council will consider the following principles (not necessarily listed in priority order) when developing, maintaining and applying its rating methodology:

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

1. EQUITY

Equity is the concept of fairness within property rating in order to achieve an equitable distribution of the rate burden across the community. A differential rating structure can assist in achieving an equitable imposition of rates and charges. The equity principle includes consideration of property wealth tax and user benefit principles.

a. Property Wealth Tax

The Council is limited to taxing one component of wealth, being real property. The wealth tax principle implies that rates paid are dependent upon the value of a ratepayer's real property and does not necessarily have any correlation to the individual ratepayer's consumption of services or the perceived benefits derived by individual ratepayers from the expenditures funded from rates. Some moderation of the effect of property value on the level of rates paid through differential rates may be required to make the rating system more equitable.

b. User Benefit

Evaluating the relative benefits received by various classes of property raises many practical difficulties, in particular, trying to trace quantifiable consumption/benefits to particular types of properties. The analysis is often reduced to arguments of what services are consumed by residential versus farm, commercial/industrial versus residences, and between different towns. Clearly the exercise is not clear cut – for example, it might be argued that rural ratepayers derive less benefit from library services than their town counterparts but the reverse may be argued with respect to the costs of constructing or repairing long lengths of local roads to service a small number of properties. It is therefore recognised that the services provided by the Shire benefit the community as a whole.

2. INCENTIVE

Rate setting objectives may be used to support the Council's social, environmental, or economic goals as part of a longer term strategy within the Strategic Community Plan. For example, rates can be altered to encourage business activity, the development of vacant land or environmentally sustainable improvements in order to achieve "Greater returns from regional investment to ensure sustainable provision of appropriate physical and social infrastructure" as outlined in Goal 2 of the Strategic Community Plan 2012-2022.

3. ADMINISTRATIVE EFFICIENCY

The Council will endeavour to establish a rating system that:-

- a. Promotes simplicity, transparency and understanding; and
- b. Is efficient in administering, issuing of assessments, collection of rates, monitoring outcomes, debt recovery, and reduces the incidences of avoidance; and
- c. Reduces complexity; and
- d. Is open to scrutiny.

4. COMPLIANCE

The Council will apply its discretionary powers in compliance with the *Local Government Act 1995* and associated regulations, while seeking to maximise rate revenue within the adopted rating framework.

5. SUSTAINABILITY

The Council will make decisions that support the financial strategies for the delivery of infrastructure and services identified in the Strategic Community Plan and underpinned by the Long Term Financial Plan, the Asset Management Strategy and other informing plans and strategies.

APPLICATION OF PRINCIPLES

1. APPLICATION OF THE EQUITY PRINCIPLE

1.1. Differential Rating

The Council has a diverse mix of geographically located and land use properties. The Council therefore applies differential rating to ensure greater equity and contribution from rates according to land use, zoning or a combination of these.

1.1.1. Alignment with Town Planning Scheme No. 7 Kununurra and Environs, and Town Planning Scheme No. 6 Wyndham Townsite

As far as possible, an objective assessment of the predominant use of land will be utilised to determine the appropriate rating category for each property. This will be done in a manner whereby the community will be able to understand how and why a particular determination has been made and will therefore utilise the Town Planning Scheme No.7 for Kununurra and Environs (TPS7) and Town Planning Scheme No 6 for the Wyndham Townsite (TPS6).

Where the zoning and land uses are amended in either Town Planning Schemes, or TPS7 or TPS6 are superseded, then this Policy will be reviewed, and the new zones and land uses will be considered when amending the rating system for the following financial year.

The symbols used in the cross reference in the Zoning Table (Appendix A) have the following meanings as defined in TPS7 and TPS6:

‘P’ means that the use is permitted provided it complies with the relevant standard and requirements laid down in the Scheme and all conditions (if any) imposed by the Council in granting Planning Approval;

‘IP’ means a use that is not permitted unless such use is incidental to the predominant use of the land as determined by the Council;

‘AA’ means that the Council may, at its discretion, permit the use;

‘SA’ means that the Council may, at its discretion, permit the use after notice of application has been given in accordance with Clause 11.2 of TPS7 and Clause 10.2 of TPS6;

‘X’ means a use that is not permitted by the Scheme.

While Appendix A may indicate that a particular land use is not permitted in a particular zone by the Scheme, this Policy, as in both of the Town Planning Schemes, recognises non-conforming use rights whereby the rating differential category would be considered to be that applicable if the land use was permitted within the particular zone.

Where the land is being predominantly used for a purpose that is not specifically mentioned in the Zoning Table, the Shire will attempt to align it to a land use that is mentioned.

Any land listed as a Special Site in either TPS7 or TPS6 will be aligned to the rating category that best defines its predominant use. For example, any land within the Airport Special Site Zone will be deemed to be operating commercially, and therefore be GRV Commercial rated.

Where the predominant use of the land is for non-rural purposes, the Council will seek to have the land valued on a GRV basis. Where the predominant use of land is for rural purposes, the Council will seek to have the land valued on a UV basis.

1.1.2. Spot Rating

The Council may seek Ministerial approval for a spot valuation where there are a number of lots within a valuation area that are used for purposes that are inconsistent with the predominant use of land within that valuation area. For example, in a predominantly rural area valued on UV, there are a number of non-rural uses including service stations, road houses, tourist accommodation and small, commercial or industrial operations. The Council may, depending on the circumstances, seek Ministerial approval to apply a GRV to these properties.

The Council has determined that spot valuations can be effective in promoting rating equity by ensuring that properties with similar uses are rated on the same method of valuation regardless of their location within the district. However, the Council also recognises that they can be more labour intensive and less administratively efficient than other options, therefore each will be considered on a case by case basis.

1.1.3. Split Rating

Split rating non-rural uses on unimproved land is also permitted which effectively isolates the non-rural use from the remainder of the property, whereby one land parcel would reflect the rural use and the other land parcel would reflect the non-rural use. Council has determined not to implement split rating at this stage based on the cost of its implementation and ongoing administration.

1.2. Specified Area Rate

The Council is able to impose a Specified Area Rate to meet the cost of undertaking specific work, providing a service or facility if the Council considers that the ratepayers or residents within that area will:

- Have benefited or will benefit from; or
 - Have access to or will have access to; or
 - Have contributed or will contribute to the need for,
- that work, service or facility.

The Council will consider its options to set a Specified Area Rates, if appropriate, when developing its Rating Strategy.

1.3. Interim Rating

Subject to section 6.28 of the *Local Government Act 1995* and in respect of valuations supplied by the Valuer-General for the purpose of interim valuations, the Shire of Wyndham East Kimberley will back rate or refund rates to property owners where ownership:

- Has not changed in a prior financial year to the effective date of the change as determined by the Valuer-General; or
- Has changed in a prior financial year, to the date of change of ownership.

For the purposes of this Policy, a change in ownership does not occur where there is a change in the structure of a body corporate (including name change) resulting in the change having no effect on altering the effectual control of the company.

1.4. Minimum Payments

The Council will establish and maintain a minimum payment structure to ensure all ratepayers contribute a minimum amount regardless of their property value.

The Council accepts that the adoption of a minimum payment amount is an adjustment to the blanket application of the equity principle. This adjustment is made to ensure property owners make a reasonable contribution to the non-exclusive services, facilities and infrastructure provided for the benefit of the whole district.

The exception to this statement applies to those properties classified as UV Mining Exploration and Prospecting on the basis that while the differential rate in the dollar reflects a similar methodology as that applied in the *Valuation of Land Act 1978* when determining the unimproved valuations, the minimum payment will be determined at the maximum allowable amount (albeit this will always be a lesser amount than the minimum payments applied to other rating categories) to ensure the property numbers remain no more than 50% in accordance with the legislative requirements.

1.5. Rates Exemptions

Council Policy *CP FIN-3208 Rates Exemptions for Charitable Organisations (Non Rateable Land)* provides an administrative framework for assessing any application for properties to be classified as non-rateable land on the grounds of being used for charitable purposes in accordance with section 6.26 of the *Local Government Act 1995*. Such organisations are to make application in accordance with the application form and guidelines attached to the Policy. The properties will be reviewed every two years for continued eligibility.

1.6. Rates Concessions

Council Policy *CP FIN-3209 Rates Concessions (Rateable Land)* provides an administrative framework for assessing any application requesting the waiving or granting concession from rates to 'not for profit' community based organisations occupying rateable land in accordance with Council's discretionary powers provided by section 6.47 of the *Local Government Act 1995*.

Any rates waivers or concessions will be approved for two financial years and considered during the annual budget process. The Council will re-consider rates concessions every two years.

1.7. Rates Discounts

Subject to the *Rates and Charges (Rebates and Deferments) Act 1992*, the Shire in accordance with the *Local Government Act 1995* and Regulations, does not offer a discount for the early payment of any rate or charge.

1.8. Payment Options

The Council will offer three rate payment options as follows:

- a. Payment in full 35 days after the date of service appearing on the rate notice; or
- b. Two instalments; or
- c. Four instalments.

There will be an administrative charge per instalment associated with the establishment and administering the instalment payment option, along with an interest charge to reflect the lost interest from investment opportunities that are not available due to the length of time taken to collect the payment.

1.9. Interest on Overdue Rates and Service Charges

Rates and service charges not paid in accordance with the three payment options will be subject to an overdue interest rate set by the Council in accordance with the *Local Government Act 1995*.

2. *APPLICATION OF THE INCENTIVE PRINCIPLE*

The Council will provide an incentive through a reduced rate in the dollar for GRV valued land that is improved in comparison to land that remains undeveloped in order to promote land development and assist in achieving Strategy 2.2.1 of the Strategic Community Plan being to "promote the expansion of residential and industrial land".

3. *APPLICATION OF THE EFFICIENCY PRINCIPLE*

The Council will provide for changes in:-

- Level of rating; and
- Structure of its rating policy; and
- Application of its discretionary rating powers

in a way that:-

- a. Promotes simplicity, transparency and understanding; and
- b. Is efficient in administering, issuing of assessments, collection of rates, monitoring outcomes, debt recovery, and reduces the incidences of avoidance; and
- c. Reduces complexity; and
- d. Is open to scrutiny.

4. *APPLICATION OF THE COMPLIANCE PRINCIPLE*

The Council will ensure compliance with the *Local Government Act 1995* and all associated regulations in the establishment of its rating structure and rating model.

5. *APPLICATION OF THE SUSTAINABILITY PRINCIPLE*

The Council will consider the four pillars of financial sustainability in the establishment of its rating structure and associated model:

- a. Strategic and Financial Planning;
- b. Income Diversification;
- c. Sound Administration and Finance;
- d. Own Income Generation.

OBJECTS OF AND REASONS FOR DIFFERENTIAL RATES

1. GRV – RESIDENTIAL

A differential rate is applied to GRV valued land within the town site which is used primarily for residential purposes with the exception of Transient Accommodation, and as outlined in Appendix A.

The GRV differential rate for Residential will be the “base rate” from which all other differential rates that hold a GRV value will be calculated, recognising a 1.3% increase from 2015/16.

Rate in the dollar is 0.0942. Minimum payment is \$1,099.00.

2. GRV – OTHER VACANT

A differential rate is applied to GRV valued land within the town site which is deemed to be vacant land (unimproved land).

Vacant land is defined in accordance with the *Valuation of Land Act 1978*, and outlined in the definitions section of this Policy.

Where the definitions are amended in the *Valuation of Land Act 1978*, those amendments will prevail. If the *Valuation of Land Act 1978* is superseded, then similar terms in the new Act will prevail (in accordance with any amendments to the *Local Government Act 1995*).

The vacant land differential is set to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of the Shire particularly as there is a different method used for the valuation of vacant land.

It is also to signify that the Council prefers land to be developed. The encouragement of development is strategically important as it has a positive effect on local employment, economic diversity and further community returns from investment in the region.

A multiplier of 1.5 times the base rate in the dollar will be applied.

Rate in the dollar is 0.1413. Minimum payment is \$1,099.00.

3. GRV – COMMERCIAL

A differential rate is applied to GRV valued land which is used primarily for commercial purposes, and may include land uses such as caravan parks, fast food outlets, hotels, restaurants, boarding houses or veterinary consulting rooms as outlined in Appendix A.

The commercial sector generates high pedestrian and traffic volumes resulting in a greater impact on the provision of services, facilities and infrastructure. This sector should therefore contribute a greater share of the costs associated with economic development and marketing programs which assist and facilitate economic growth in the region; road construction; maintenance and refurbishment including road drainage systems; roadside sweeping; landscaping; verge maintenance and street lighting.

In recognising the greater impact on infrastructure, facilities and services, the Council will establish the rate in the dollar at 1.1 times the base rate in the first year, with the intention to increase this each year thereafter, to be capped at 2 times the base rate over a 5 year period. The 2016/17 financial year will be year 3 of this transition and the Council has established the rate in the dollar at 1.3 times the base rate (the same as for 2015/16).

Rate in the dollar is 0.1225. Minimum payment is \$1,099.00.

4. *GRV – INDUSTRIAL*

A differential rate is applied to GRV valued land which is used primarily for industrial purposes and as outlined in Appendix A.

This sector generates high traffic volumes with heavy loads. This sector should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment including road drainage systems.

In recognising the greater impact on infrastructure in particular, the Council will recognise the rate in the dollar at 1.1 times the base rate in the first year, with the intention to increase each year thereafter, to be capped at no more than 1.7 times the base rate over a 5 year period. The 2016/17 financial year will be year 3 of this transition and the Council has established the rate in the dollar at 1.2 times the base rate (the same as for 2015/16).

Rate in the dollar is 0.1130. Minimum payment is \$1,099.00.

5. *UV – RURAL RESIDENTIAL*

A differential rate is applied to UV valued land located outside the gazetted town site that is zoned Rural Living, Rural Smallholding and Special Rural which is used primarily for or capable of being used primarily for rural residential purposes.

Rural residential has the same meaning as the objectives of TPS7 and TPS6 for these Zones, being:-

- a. Providing for those people wishing to reside on a small rural holding (as in the case of a Rural Living Zone in TPS7); or
- b. Providing for those people wishing to reside on rural lifestyle lots (as in the case of the Rural Smallholding Zone in TPS7); or
- c. Providing for those people wishing to reside on a small rural holding (as in the case of the Special Rural Zone in TPS6).

It should be noted that this is intended as a transitional rating differential category while the Shire work through a process to have these properties provided with a gross rental value instead of an unimproved value given the primary purpose is residential.

The average rates payable for each property will be similar to the average rates payable for GRV Residential properties, recognising the transition to a GRV value.

Rate in the dollar is 0.0099. Minimum payment is \$1,099.00.

6. *UV – PASTORAL*

A differential rate is applied to UV valued land located outside the gazetted town site which is used or capable of use primarily for pastoral purposes. Properties such as these have the characteristics of a commercial operation in an undeveloped and sparsely populated area.

Pastoral purposes have the same meaning as defined in the *Land Administration Act 1997* which states:-

“pastoral purposes” means the purposes of -

- (a) the commercial grazing of authorised stock; and
- (b) agricultural, horticultural or other supplementary uses of land inseparable from, essential to, or normally carried out in conjunction with the grazing of authorised stock, including the production of stock feed; and
- (c) activities ancillary to the activities mentioned in paragraphs (a) and (b).

Due to the valuation being based generally on a lease value, the result is a low valuation over an extensive land area. The sector generates high traffic volumes with heavy loads and has the highest impact on the road infrastructure in particular, and should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment.

Rate in the dollar is 0.0538. Minimum payment is \$1,099.00.

7. *UV – COMMERCIAL/INDUSTRIAL*

A differential rate is applied to UV valued land located outside the gazetted town site that is used primarily for, or capable of being used primarily for commercial, industrial and/or tourism purposes.

This sector generates high traffic volumes and should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment including road drainage systems and other infrastructure required, along with other costs associated with marketing and economic development.

It should be noted that this is intended as a transitional rating differential category while the Shire work through a process to have these properties provided with a gross rental value instead of an unimproved value given the primary purpose is commercial, industrial and/or tourism and the land owners should have been contributing more equitably to these costs.

Rate in the dollar is 0.0068. Minimum payment is \$1,099.00.

8. *UV – RURAL AGRICULTURE 1*

A differential rate is applied to UV valued land located outside the gazetted town site which is zoned Rural Agriculture 1 or General Rural which is used or capable of being used primarily for extensive agriculture, agroforestry and/or horticulture purposes.

It is recognised that this sector has a greater impact on the road infrastructure with the heavy loads that it generates. This sector should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment including road drainage systems and other infrastructure required.

This differential rating category will also be utilised for land where the land meets the objectives outlined above, but is based on a percentage of the overall lot size for which the other portion of the lot is non rateable land.

It is recognised that the Valuer-General, when determining the UV for land, references the land market at the date of valuation where all sales relevant to the predetermined date of valuation are investigated. The Council has also recognised that the fluctuations in market conditions for land in the Rural Agriculture 1 zone can be significant and therefore a separate rating differential category will be retained for land that is within the Rural Agriculture 1 or General Rural zones.

Rate in the dollar is 0.0096. Minimum payment is \$1,099.00.

9. *UV – RURAL AGRICULTURE 2*

A differential rate is applied to UV valued land located outside the gazetted town site which is zoned Rural Agriculture 2 which is used primarily for, or is capable of use primarily for intensive agriculture and/or horticulture purposes.

This sector does have a high impact on infrastructure, but not to the extent of those properties zoned Rural Agriculture 1. Properties within the Rural Agriculture 2 zone should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment including road drainage systems and other infrastructure required.

As outlined in the Rural Agriculture 1 differential rating category above, it is recognised that the Valuer-General, when determining the UV for land, references the land market at the date of valuation where all sales relevant to the predetermined date of valuation are investigated. The Council has determined that the market conditions do not fluctuate as considerably as those in the Rural Agriculture 1 zone and therefore it will retain a separate rating differential category for land that is within the Rural Agriculture 2 zone.

Rate in the dollar is 0.0068. Minimum payment is \$1,099.00.

10. *UV – MINING*

A differential rate is applied to UV valued land located outside the gazetted town site which is used primarily for mining purposes and encompasses mining leases, petroleum exploration permits and general purpose mining leases.

The mining sector activities require a greater level of non-exclusive services than pastoral activities in the same location and their impact on the community is of a much greater intensity, particularly given the haulage of heavy machinery through the town and its impact on associated infrastructure and the provision of rest/truck parking areas. The sector should therefore contribute to a greater share of the costs of providing infrastructure across the Shire.

Many of the mining tenements have very small values. In order to not only achieve compliance in relation to the number of properties on minimum payments, but to ensure that the minimum payment is reflective of the overall cost of providing services to the community a higher rate in the dollar is imposed.

Rate in the dollar is 0.2788. Minimum payment is \$1,099.00.

10. *UV – MINING EXPLORATION AND PROSPECTING*

A differential rate is applied to UV valued land located outside the gazetted town site which is used primarily for mining exploration and prospecting licences.

Exploration and prospecting licences are considered to have a minimal impact on the cost of providing services, facilities and infrastructure across the Shire and could be considered to be vacant land. Only when minerals are discovered is it anticipated that the property holder would seek to convert the property into a mining lease.

Many of the mining tenements for exploration and prospecting have very small values and with exploration licences, it is understood that there is a requirement for the licence holder to return half of the land back to the State each year, however there is no such requirement for prospecting licences. In order to ensure that there is some equity in the application of the rate in the dollar to these licences, a 50% reduction in comparison to the UV Mining rate in the dollar has been applied.

Rate in the dollar is 0.1394. Minimum payment is \$220.00.

11. UV – OTHER

A differential rate is applied to UV valued land located outside the gazetted town site which is not otherwise rated as Rural Residential, Pastoral, Commercial/Industrial, Rural Agriculture 1, Rural Agriculture 2, Mining or Mining Exploration and Prospecting to ensure that all property owners contribute to the provision of services, facilities and infrastructure.

Rate in the dollar is 0.0064. Minimum payment is \$1,099.00.

EXPLANATORY NOTES:

BACKGROUND

This Policy has been developed within the context of the Shire of Wyndham East Kimberley's Strategic Community Plan and Corporate Business Plan. In setting rates, the Council considers the long term vision for the Shire, strategic directions, financial sustainability and the likely impacts on the community.

Rates are based on property values and are therefore a property tax. Under the *Valuation of Land Act 1978*, the Valuer-General must maintain valuation rolls of rateable and taxable land throughout Western Australia. These rolls are periodically provided to the Shire for rating purposes. On behalf of the Valuer-General, Property & Valuations Services, Landgate (the Western Australian Land Information Authority), conducts general valuations (revaluations) and makes interim valuations as required.

The types of values made are:

1. Unimproved Value (UV), and
2. Gross Rental Value (GRV).

The unimproved value and gross rental value are defined within the *Valuation of Land Act 1978* and have been outlined in the definitions section of this Policy.

The Shire has no role in the process of determining the valuations attributed to each property. All land within the Shire is rateable except for land specifically exempt under section 6.26 of the *Local Government Act 1995* as outlined above and the Council Policy *CP FIN-3208 Rates Exemption for Charitable Organisations (Non-Rateable Land)*.

The Council determines the amount of revenue required from rates collections each year to meet its financial, strategic, operational and statutory responsibilities for the coming financial year.

Valuations are not the sole factor in determining the rates income of the Shire, and as a result, valuation increases or decreases do not necessarily cause a rate rise or reduction.

SCOPE AND LIMITATIONS

The *Local Government Act 1995* provides the Council with defined discretionary powers to levy rates and require contributions from the community for the provision of services to the district.

The rating principles outlined within this Policy are to apply to all rateable land within the Shire of Wyndham East Kimberley.

The applicable legislation in reference to limitations is section 6.26 of the *Local Government Act 1995* which outlines land that is not rateable, and is therefore exempt from rates section 6.26 states:-

6.26. Rateable land

- (1) *Except as provided in this section all land within a district is rateable land.*
- (2) *The following land is not rateable land —*
 - (a) *land which is the property of the Crown and —*
 - (i) *is being used or held for a public purpose; or*
 - (ii) *is unoccupied, except —*
 - (I) *where any person is, under paragraph (e) of the definition of **owner** in section 1.4, the owner of the land other than by reason of that person being the holder of a prospecting licence held under the Mining Act 1978 in respect of land the area of which does not exceed 10 ha or a miscellaneous licence held under that Act; or*
 - (II) *where and to the extent and manner in which a person mentioned in paragraph (f) of the definition of **owner** in section 1.4 occupies or makes use of the land;*

and

 - (b) *land in the district of a local government while it is owned by the local government and is used for the purposes of that local government other than for purposes of a trading undertaking (as that term is defined in and for the purpose of section 3.59) of the local government; and*
 - (c) *land in a district while it is owned by a regional local government and is used for the purposes of that regional local government other than for the purposes of a trading undertaking (as that term is defined in and for the purpose of section 3.59) of the regional local government; and*
 - (d) *land used or held exclusively by a religious body as a place of public worship or in relation to that worship, a place of residence of a minister of religion, a convent, nunnery or monastery, or occupied exclusively by a religious brotherhood or sisterhood; and*
 - (e) *land used exclusively by a religious body as a school for the religious instruction of children; and*
 - (f) *land used exclusively as a non-government school within the meaning of the School Education Act 1999; and*
 - (g) *land used exclusively for charitable purposes; and*
 - (h) *land vested in trustees for agricultural or horticultural show purposes; and*
 - (i) *land owned by Co-operative Bulk Handling Limited or leased from the Crown or a statutory authority (within the meaning of that term in the Financial Management Act 2006) by that co-operative and used solely for the storage of grain where that co-operative has agreed in writing to make a contribution to the local government; and*
 - (j) *land which is exempt from rates under any other written law; and*
 - (k) *land which is declared by the Minister to be exempt from rates.*
- (3) *If Co-operative Bulk Handling Limited and the relevant local government cannot reach an agreement under subsection (2)(i) either that co-operative or the local government may refer the matter to the Minister for determination of the terms of the agreement and the decision of the Minister is final.*
- (4) *The Minister may from time to time, under subsection (2)(k), declare that any land or part of any land is exempt from rates and by subsequent declaration cancel or vary the declaration.*

- (5) *Notice of any declaration made under subsection (4) is to be published in the Gazette.*
- (6) *Land does not cease to be used exclusively for a purpose mentioned in subsection (2) merely because it is used occasionally for another purpose which is of a charitable, benevolent, religious or public nature.*

In determining the methodology of how rates will be applied, the Council is to consider the basis of rates in accordance with section 6.28 of the *Local Government Act 1995* which states:

6.28. Basis of rates

- (1) *The Minister is to —*
 - (a) *determine the method of valuation of land to be used by a local government as the basis for a rate; and*
 - (b) *publish a notice of the determination in the Government Gazette.*
- (2) *In determining the method of valuation of land to be used by a local government the Minister is to have regard to the general principle that the basis for a rate on any land is to be —*
 - (a) *where the land is used predominantly for rural purposes, the unimproved value of the land; and*
 - (b) *where the land is used predominantly for non-rural purposes, the gross rental value of the land.*
- (3) *The unimproved value or gross rental value, as the case requires, of rateable land in the district of a local government is to be recorded in the rate record of that local government.*
- (4) *Subject to subsection (5), for the purposes of this section the valuation to be used by a local government is to be the valuation in force under the Valuation of Land Act 1978 as at 1 July in each financial year.*
- (5) *Where during a financial year —*
 - (a) *an interim valuation is made under the Valuation of Land Act 1978; or*
 - (b) *a valuation comes into force under the Valuation of Land Act 1978 as a result of the amendment of a valuation under that Act; or*
 - (c) *a new valuation is made under the Valuation of Land Act 1978 in the course of completing a general valuation that has previously come into force,*

the interim valuation, amended valuation or new valuation, as the case requires, is to be used by a local government for the purposes of this section.

In determining the differential general rates, the Council must consider section 6.33 and section 6.35 of the *Local Government Act 1995* which states:

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, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or*

- (b) *a purpose for which the land is held or used as determined by the local government; or*
 - (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 a 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.*
- (5) *A differential general rate that a local government purported to impose under this Act before the Local Government Amendment Act 2009 section 39(1)(a) came into operation¹ is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.*

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; and*
- (b) to land rated on unimproved value; and*
- (c) to each differential rating category where a differential general rate is imposed.*

TRANSITIONARY PERIOD

As outlined within the objects of and reasons for differential rates within this Policy, the UV Rural Residential, UV Commercial/Industrial are intended to be transitional differential rating categories while the Shire work through a process to have these properties provided with a gross rental value instead of an unimproved value given the primary purpose is residential, commercial, industrial and/or tourism and the land owners should have been contributing more equitably to these costs.

Council therefore commits to continuously working through this process.

RISK:

Risk: Inability to fund the infrastructure gap.

Control: Develop LTFP to ensure critical assets maintained in Annual Budgets.

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

Control: Current budget and service levels.

Risk: Failure to comply with legislative requirements leading to damage of reputation and/or financial loss.

Control: Review policies and procedures in accordance with review schedule.

LAND USES AS PER THE TOWN PLANNING SCHEME NO. 7 KUNUNURRA AND ENVIRONS	ZONING AS PER THE TOWN PLANNING SCHEME NO. 7 KUNUNURRA AND ENVIRONS																RATING DIFFERENTIAL CATEGORY ALIGNED TO PREDOMINANT LAND USE &/OR ZONE. IF LAND IS UNDEVELOPED, THE RATING CATEGORY WILL BE GRV OTHER VACANT
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
	TOWN CENTRE	LOCAL CENTRE	TOURIST	RESIDENTIAL	RESIDENTIAL DEVELOPMENT	LIGHT INDUSTRY	MIXED BUSINESS	RURAL INDUSTRY	COMPOSITE INDUSTRY	GENERAL RURAL	RURAL AGRICULTURE 1	RURAL AGRICULTURE 2	RURAL LIVING	SPECIAL SITE	SETTLEMENT	RURAL SMALLHOLDING	
COMMERCIAL																	
Amusement Parlour	P	AA	AA	X	X	X	AA	X	X	X	X	X	X			X	GRV Commercial
Art and Craft Centre	P	X	AA	X	X	IP	SA	X	SA	IP	IP	IP	IP				GRV Commercial
Art Gallery	P	X	AA	X	X	IP	SA	X	SA	IP	IP	IP	IP			IP	GRV Commercial
Bakery - Retail	P	SA	SA	X	X	AA	P	X	SA	X	X	X	X			X	GRV Commercial
Bakery - Wholesale	X	X	X	X	X	P	P	X	SA	X	X	X	X			X	GRV Commercial
Bed and Breakfast	AA	X	P	SA	SA	X	X	X	X	IP	IP	IP	AA			IP	GRV Commercial
Boarding House	P	X	P	SA	AA	X	SA	X	X	X	X	X	X			X	GRV Commercial
Brewery	X	X	X	X	X	X	X	AA	X	IP	SA	SA	IP			X	GRV Commercial
Cabin	X	X	P	X	X	X	X	X	X	IP	IP	IP	X				GRV Commercial
Car Park	P	P	P	AA	AA	IP	IP	IP	IP	IP	IP	X	X			X	GRV Commercial
Caravan Park	P	X	AA	X	X	X	SA	SA	X	X	X	X	X			X	GRV Commercial
Camping Ground	SA	X	SA	X	X	X	SA	X	X	X	X	X	X			X	GRV Commercial
Chalet	X	X	P	X	X	X	X	X	X	IP	IP	IP	X				GRV Commercial
Convenience Store	P	P	P	X	X	AA	AA	IP	X	X	X	X	X			X	GRV Commercial
Drive-In Theatre	AA	X	SA	X	X	AA	X	X	X	X	X	X	X			X	GRV Commercial
Dry Cleaning Premises	P	X	X	X	X	P	AA	X	X	X	X	X	X			X	GRV Commercial
Farm Stay	X	X	X	X	X	X	X	X	X	IP	IP	IP	SA			IP	GRV Commercial
Farm Supply Centre	X	X	X	X	X	P	P	P	SA	X	X	X	X			X	GRV Commercial
Fast Food Outlet	P	P	SA	X	X	AA	AA	X	X	X	X	X	X			X	GRV Commercial
Funeral Parlour	AA	X	X	X	X	AA	SA	X	X	X	X	X	X			X	GRV Commercial
Garden Centre	P	AA	X	X	X	P	P	AA	AA	AA	AA	AA	AA			AA	GRV Commercial
Health Studio	P	AA	AA	X	X	SA	AA	X	X	X	X	X	X			X	GRV Commercial
Home Business	X	X	X	X	X	X	X	X	AA	AA	AA	AA	AA			AA	GRV Commercial
Home Occupation	P	X	X	P	P	X	X	X	AA	P	P	P	P			P	GRV Commercial
Hotel	P	X	P	X	X	X	SA	X	X	X	X	X	X			X	GRV Commercial
Laundromat	P	P	AA	X	X	P	P	X	X	X	X	X	X			X	GRV Commercial
Lunch Bar	P	P	P	X	X	AA	P	AA	SA	X	X	X	X			X	GRV Commercial
Marine Filling Station	X	X	SA	X	X	AA	AA	X	X	X	X	X	X			X	GRV Commercial
Market	P	SA	X	X	X	AA	AA	AA	AA	AA	X	X	X			X	GRV Commercial
Motel	P	X	P	X	X	X	SA	X	X	X	X	X	X			X	GRV Commercial
Motor Vehicle/Marine Sales Premises	P	X	X	X	X	P	P	X	X	X	X	X	X			X	GRV Commercial
Motor Vehicle Hire	P	X	P	X	X	P	P	X	AA	X	X	X	X			X	GRV Commercial
Motor Vehicle Wash Station	SA	X	SA	X	X	SA	SA	SA	SA	X	X	X	X			X	GRV Commercial
Museum	P	X	AA	X	X	X	X	X	X	IP	X	X	X				GRV Commercial
Night Club	AA	X	AA	X	X	X	SA	X	X	X	X	X	X			X	GRV Commercial
Office	P	P	IP	X	X	IP	AA	IP	IP	IP	IP	IP	IP			IP	GRV Commercial
Plant Nursery	AA	AA	X	X	X	P	P	AA	AA	IP	IP	IP	X			AA	GRV Commercial
Reception Centre	P	X	AA	X	X	X	X	X	X	X	X	X	X			X	GRV Commercial
Restricted Premises	SA	SA	X	X	X	SA	SA	X	X	X	X	X	X			X	GRV Commercial
Restaurant	P	P	P	X	X	X	AA	X	X	SA	SA	SA	X			X	GRV Commercial
Road House	SA	SA	SA	X	X	AA	AA	SA	SA	X	X	X	X			X	GRV Commercial
Service Station	X	X	X	X	X	P	P	SA	SA	X	X	X	X			X	GRV Commercial
Shop	P	P	AA	X	X	X	SA	X	X	X	X	X	X			X	GRV Commercial
Showroom	P	X	X	X	X	P	P	SA	AA	X	X	X	X			X	GRV Commercial
Tavern	P	X	SA	X	X	X	X	X	X	X	X	X	X			X	GRV Commercial
Tourist Accommodation	P	X	P	X	X	X	X	X	X	X	X	X	X			X	GRV Commercial
Warehouse	AA	X	X	X	X	P	AA	SA	AA	X	X	X	X			X	GRV Commercial
Wayside Stall	X	X	X	X	X	X	X	AA	AA	IP	IP	IP	AA			X	GRV Commercial
Winery	X	X	X	X	X	X	X	AA	X	IP	SA	SA	IP			X	GRV Commercial

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PREDOMINANT USES TO BE LIMITED TO THOSE INCLUDED IN A COMMUNITY LAYOUT PLAN ENDORSED BY THE COMMUNITY, THE COUNCIL AND THE WA PLANNING COMMISSION.

LAND USES AS PER THE TOWN PLANNING SCHEME NO. 7 KUNUNURRA AND ENVIRONS	ZONING AS PER THE TOWN PLANNING SCHEME NO. 7 KUNUNURRA AND ENVIRONS																RATING DIFFERENTIAL CATEGORY ALIGNED TO PREDOMINANT LAND USE &/OR ZONE. IF LAND IS UNDEVELOPED, THE RATING CATEGORY WILL BE GRV OTHER VACANT	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16		
	TOWN CENTRE	LOCAL CENTRE	TOURIST	RESIDENTIAL	RESIDENTIAL DEVELOPMENT	LIGHT INDUSTRY	MIXED BUSINESS	RURAL INDUSTRY	COMPOSITE INDUSTRY	GENERAL RURAL	RURAL AGRICULTURE 1	RURAL AGRICULTURE 2	RURAL LIVING	SPECIAL SITE	SETTLEMENT	RURAL SMALLHOLDING		
RESIDENTIAL																		
Aged & Dependent Persons Dwelling	AA	X	X	AA	AA	X	X	X	X	X	X	X	X	X	X	X	X	GRV Residential
Caretaker's Dwelling	IP	IP	IP	X	X	IP*	IP	IP	AA	IP	IP	IP	X				X	Ancillary Use. Refer to the predominant use of the land for alignment.
Community Home	AA	X	X	P	P	P	X	X	X	X	X	X	X	X	X	X	X	GRV Residential
Grouped Dwelling	AA	X	SA	AA	AA	X	X	X	X	X	X	X	X	X	X	X	X	GRV Residential
Multiple Dwelling	AA	X	SA	AA	AA	X	X	X	X	X	X	X	X	X	X	X	X	GRV Residential
Residential Building	AA	X	SA	SA	SA	X	SA	X	X	X	X	X	X	X	X	X	X	GRV Residential
Single Dwelling	X	X	X	P	P	X	X	X	AA	P	P	P	P				P	GRV Residential
Transient Accommodation	X	X	AA	X	X	SA	SA	X	AA	AA	AA	AA	X				X	GRV Commercial
INSTITUTIONAL																		
Civic Building	P	AA	X	SA	SA	SA	SA	X	SA	X	X	AA	AA				AA	GRV Commercial
Club Premises	P	AA	SA	X	X	X	AA	X	X	X	X	X	X				X	GRV Commercial
Community Service Depot	AA	X	X	AA	AA	P	P	AA	AA	AA	AA	AA	AA				AA	GRV Commercial
Consulting Rooms	P	P	X	SA	SA	X	SA	X	X	X	X	X	X				X	GRV Commercial
Day Care Centre	P	AA	X	SA	SA	X	SA	X	X	X	X	X	X				X	GRV Commercial
Detention Centre	X	X	X	X	X	X	X	SA	X	X	X	X	X				X	GRV Commercial
Education Establishment	P	AA	X	SA	SA	AA	AA	X	X	AA	AA	AA	X				X	GRV Commercial
Hospital	P	X	X	X	X	X	X	X	X	X	X	X	X				X	GRV Commercial
Kennels/Catery	X	X	X	X	SA	SA	AA	X	SA	SA	SA	X					X	GRV Commercial
Kindergarten	AA	AA	X	SA	SA	X	X	X	X	X	X	X	X				X	GRV Commercial
Medical Centre	P	P	X	SA	SA	X	P	X	X	X	X	X	X				X	GRV Commercial
Public Amusement	P	AA	AA	X	X	X	SA	X	SA	X	X	X	X				X	GRV Commercial
Public Worship	P	X	X	SA	SA	X	X	X	X	X	X	X	X				X	GRV Commercial
Radio & TV Installation	SA	AA	X	SA	SA	AA	AA	AA	X	AA	AA	AA	X				X	GRV Commercial
Veterinary Consulting Room or Hospital	AA	X	X	X	X	AA	AA	AA	X	X	X	X	X				X	GRV Commercial
INDUSTRIAL																		
Abattoir	X	X	X	X	X	X	X	SA	X	AA	SA	X	X				X	GRV Industrial
Boat Building Facility	X	X	X	X	X	P	SA	X	AA	X	X	X	X				X	GRV Industrial
Factory Units	X	X	X	X	X	P	P	AA	AA	X	X	X	X				X	GRV Industrial
Fuel Depot	X	X	X	X	X	AA	AA	AA	AA	X	X	X	X				X	GRV Industrial
Industry: General	X	X	X	X	X	AA	AA	X	X	X	X	X	X				X	GRV Industrial
Light	X	X	X	X	X	P	AA	AA	AA	X	X	X	X				X	GRV Industrial
Service	X	X	X	X	X	P	AA	AA	AA	X	X	X	X				X	GRV Industrial
Extractive	X	X	X	X	X	X	SA	X	AA	AA	X	X	X				X	GRV Industrial
Hazardous	X	X	X	X	X	X	X	SA	X	X	X	X	X				X	GRV Industrial
Noxious	X	X	X	X	X	X	X	SA	X	X	X	X	X				X	GRV Industrial
Cottage	AA	X	AA	AA	AA	AA	AA	AA	AA	AA	AA	SA	SA				SA	GRV Industrial
Rural	X	X	X	X	X	X	X	P	AA	P	SA	SA	X				X	GRV Industrial
Motor Vehicle Repair	AA	AA	X	X	X	P	P	AA	AA	X	X	X	X				X	GRV Industrial
Motor Wrecking	X	X	X	X	X	AA	X	X	X	X	X	X	X				X	GRV Industrial
Salvage Yard	X	X	X	X	X	AA	X	X	X	X	X	X	X				X	GRV Industrial
Transport Depot	X	X	X	X	X	AA	X	AA	AA	X	SA	X	X				X	GRV Industrial

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PREDOMINANT USES TO BE LIMITED TO THOSE INCLUDED IN A COMMUNITY LAYOUT PLAN ENDORSED BY THE COMMUNITY, THE COUNCIL AND THE WA PLANNING COMMISSION.

LAND USES AS PER THE TOWN PLANNING SCHEME NO. 7 KUNUNURRA AND ENVIRONS	ZONING AS PER THE TOWN PLANNING SCHEME NO. 7 KUNUNURRA AND ENVIRONS																RATING DIFFERENTIAL CATEGORY ALIGNED TO PREDOMINANT LAND USE &/OR ZONE. IF LAND IS UNDEVELOPED, THE RATING CATEGORY WILL BE GRV OTHER VACANT
	1 TOWN CENTRE	2 LOCAL CENTRE	3 TOURIST	4 RESIDENTIAL	5 RESIDENTIAL DEVELOPMENT	6 LIGHT INDUSTRY	7 MIXED BUSINESS	8 RURAL INDUSTRY	9 COMPOSITE INDUSTRY	10 GENERAL RURAL	11 RURAL AGRICULTURE 1	12 RURAL AGRICULTURE 2	13 RURAL LIVING	14 SPECIAL SITE	15 SETTLEMENT	16 RURAL SMALLHOLDING	
RURAL																	
Airfield	X	X	X	X	X	X	X	X	X	AA	AA	X	X			X	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
Aquaculture	X	X	X	X	X	SA	X	AA	X	SA	SA	SA	X			X	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
Equestrian Centre	X	X	X	X	X	X	X	X	X	P	AA	SA	X			X	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
Intensive Agriculture	X	X	X	X	X	X	X	X	X	P	P	P	X			X	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
Milk Depot	X	X	X	X	X	AA	P	P	X	AA	SA	SA	X			X	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
Piggery	X	X	X	X	X	X	X	X	X	AA	AA	X	X			X	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
Poultry Farming	X	X	X	X	X	X	X	SA	X	AA	AA	SA	X			X	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
Private Recreation	AA	AA	AA	X	X	X	AA	X	X	X	X	X	X			X	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
Public Recreation	P	P	P	P	P	P	P	P	X	P	P	P	P			P	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
Rural Pursuit	X	X	X	X	X	X	X	X	X	P	P	P	SA			SA	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
Stable	X	X	X	X	X	X	X	AA	X	P	P	P	P			P	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
Zoological Gardens	X	X	X	X	X	X	X	X	X	AA	AA	SA	X			X	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
PREDOMINANT USES TO BE LIMITED TO THAT SPECIFICALLY MARKED ON THE SCHEME MAP OR LISTED IN APPENDIX 2 OF THE TPS NO. 7. PREDOMINANT USES TO BE LIMITED TO THOSE INCLUDED IN A COMMUNITY LAYOUT PLAN ENDORSED BY THE COMMUNITY, THE COUNCIL AND THE WA PLANNING COMMISSION.																	

APPENDIX A TO COUNCIL POLICY CP/FIN-3200 STRATEGIC RATING

LAND USES AS PER THE TOWN PLANNING SCHEME NO. 6 WYNDHAM TOWNSITE	ZONING AS PER THE TOWN PLANNING SCHEME NO. 6 WYNDHAM TOWNSITE							RATING DIFFERENTIAL CATEGORY ALIGNED TO PREDOMINANT LAND USE &/OR ZONE. IF LAND IS UNDEVELOPED, THE RATING CATEGORY WILL BE GRV OTHER VACANT
	1 TOWN CENTRE	2 RESIDENTIAL	3 INDUSTRIAL	4 SPECIAL RURAL	5 RURAL/PASTOR	6 SPECIAL SITE	7 SETTLEMENT	
COMMERCIAL								
Amusement Facility	AA	X	X	X	X			GRV Commercial
Car Park	P	AA	P	AA	AA			GRV Commercial
Dry Cleaning Premises	AA	X	P	X	X			GRV Commercial
Fast Food Outlet	P	X	X	X	X			GRV Commercial
Funeral Parlour	SA	X	AA	X	X			GRV Commercial
Health Studio	AA	X	AA	X	X			GRV Commercial
Home Occupation	AA	AA	AA	AA	AA			GRV Commercial
Hotel	AA	X	X	X	X			GRV Commercial
Laundromat	AA	X	P	X	X			GRV Commercial
Motel	AA	X	X	X	X			GRV Commercial
Motor Vehicle or Marine Sales Premises	AA	X	X	X	X			GRV Commercial
Motor Vehicle Hire	AA	X	P	X	X			GRV Commercial
Night Club	AA	X	P	X	X			GRV Commercial
Office	P	AA	IP	IP	IP			GRV Commercial
Office - Professional	P	X	X	X	X			GRV Commercial
Reception Centre	P	X	X	X	X			GRV Commercial
Restricted Premises	AA	X	AA	X	X			GRV Commercial
Restaurant	P	X	X	X	X			GRV Commercial
Service Station	SA	X	AA	X	X			GRV Commercial
Shop	P	SA	AA	X	X			GRV Commercial
Showroom	P	X	P	X	X			GRV Commercial
Tavern	AA	X	X	X	X			GRV Commercial
Warehouse	AA	X	P	X	X			GRV Commercial
RESIDENTIAL								
Aged & Dependent Persons Dwelling	AA	AA	X	X	X			GRV Residential
Caretaker's Dwelling	IP	X	IP	IP	IP			Ancillary Use. Refer to the predominant use of the land for alignment.
Grouped Dwelling	P	AA	X	X	X			GRV Residential
Multiple Dwelling	P	AA	X	X	X			GRV Residential
Residential Building	AA	AA	X	X	X			GRV Residential
Single House	AA	P	X	P	P			GRV Residential

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PREDOMINANT USES TO BE LIMITED TO THOSE INCLUDED IN A COMMUNITY LAYOUT PLAN ENDORSED BY THE COMMUNITY, THE COUNCIL AND THE WA PLANNING COMMISSION.

APPENDIX A TO COUNCIL POLICY CP/FIN-3200 STRATEGIC RATING

LAND USES AS PER THE TOWN PLANNING SCHEME NO. 6 WYNDHAM TOWNSITE	ZONING AS PER THE TOWN PLANNING SCHEME NO. 6 WYNDHAM TOWNSITE							RATING DIFFERENTIAL CATEGORY ALIGNED TO PREDOMINANT LAND USE &/OR ZONE. IF LAND IS UNDEVELOPED, THE RATING CATEGORY WILL BE GRV OTHER VACANT
	1 TOWN CENTRE	2 RESIDENTIAL	3 INDUSTRIAL	4 SPECIAL RURAL	5 RURAL/PASTOR	6 SPECIAL SITE	7 SETTLEMENT	
COMMUNITY								
Civic Building	P	AA	X	X	X			GRV Commercial
Club Premises	AA	X	SA	AA	AA			GRV Commercial
Consulting Rooms	P	SA	SA	AA	X			GRV Commercial
Day Care Centre	P	SA	X	SA	X			GRV Commercial
Educational Establishment	P	X	AA	X	X			GRV Commercial
Fire Brigade Depot	P	X	P	P	X			GRV Commercial
Hospital	SA	SA	X	X	X			GRV Commercial
Kennels/Cattery	X	X	AA	SA	SA			GRV Commercial
Kindergarten	P	SA	X	X	X			GRV Commercial
Medical Centre	P	SA	X	X	X			GRV Commercial
Public Utility	P	P	P	P	P			GRV Commercial
Public Worship	P	SA	X	X	X			GRV Commercial
Radio & TV Installation	SA	P	AA	AA	AA			GRV Commercial
Veterinary Consulting Room or Hospital	SA	X	AA	X	AA			GRV Commercial
INDUSTRIAL								
Fuel Depot	X	X	P	X	X			GRV Industrial
Industry: General	X	X	P	X	X			GRV Industrial
Light	SA	X	P	X	X			GRV Industrial
Service	SA	X	P	X	X			GRV Industrial
Extractive	X	X	X	X	SA			GRV Industrial
Hazardous	X	X	SA	X	X			GRV Industrial
Cottage	AA	AA	AA	AA	AA			GRV Industrial
Motor Vehicle Repair	SA	X	P	X	X			GRV Industrial
Motor Wrecking	X	X	AA	X	X			GRV Industrial
Salvage Yard	X	X	P	X	X			GRV Industrial
Transport Depot	X	X	P	X	X			GRV Industrial
	PREDOMINANT USES TO BE LIMITED TO THAT SPECIFICALLY MARKED ON THE SCHEME MAP OR LISTED IN APPENDIX 2 OF THE TPS NO. 7.							
	PREDOMINANT USES TO BE LIMITED TO THOSE INCLUDED IN A COMMUNITY LAYOUT PLAN ENDORSED BY THE COMMUNITY, THE COUNCIL AND THE WA PLANNING COMMISSION.							

APPENDIX A TO COUNCIL POLICY CP/FIN-3200 STRATEGIC RATING

LAND USES AS PER THE TOWN PLANNING SCHEME NO. 6 WYNDHAM TOWNSITE	ZONING AS PER THE TOWN PLANNING SCHEME NO. 6 WYNDHAM TOWNSITE							RATING DIFFERENTIAL CATEGORY ALIGNED TO PREDOMINANT LAND USE &/OR ZONE. IF LAND IS UNDEVELOPED, THE RATING CATEGORY WILL BE GRV OTHER VACANT
	1 TOWN CENTRE	2 RESIDENTIAL	3 INDUSTRIAL	4 SPECIAL RURAL	5 RURAL/PASTOR	6 SPECIAL SITE	7 SETTLEMENT	
RECREATION								
Equestrian Centre	X	X	X	P	P	PREDOMINANT USES TO BE LIMITED TO THAT SPECIFICALLY MARKED ON THE SCHEME MAP OR LISTED IN APPENDIX 2 OF THE TPS NO. 7.	PREDOMINANT USES TO BE LIMITED TO THOSE INCLUDED IN A COMMUNITY LAYOUT PLAN ENDORSED BY THE COMMUNITY, THE COUNCIL AND THE WA PLANNING COMMISSION.	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
Private Recreation	AA	X	SA	AA	AA			Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
Public Amusement	AA	P	X	P	P			Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
Public Recreation	P	P	P	P	P			Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
RURAL								
Rural Pursuit	X	X	X	P	P	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy		
Stable	X	X	X	P	AA	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy		

11.2. PROPOSED REALLOCATION OF BLACKSPOT PROJECT FUNDS FOR 2016/17

DATE:	18 August 2016
AUTHOR:	David Klye, Director Infrastructure
RESPONSIBLE OFFICER:	David Klye, Director Infrastructure
FILE NO:	GS.05.39
DISCLOSURE OF INTERESTS:	Nil

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

<p>That Council:</p> <ol style="list-style-type: none">1. Endorse the reallocation of a total of \$80,000 (being \$53,333 State Blackspot funds and \$26,667 Shire funds) currently contained in the draft 2016/17 budget from the proposed Chestnut Street Embayment Modification works to the Coolibah Street Lighting Upgrade project;2. Endorse the increase to the Coolibah Street Lighting Upgrade Project of \$100,000 (being \$66,667 State Blackspot funds and \$33,333 Shire funds) in the draft 2016/17 budget utilising the unallocated funds currently identified to be held in the Asset Management Reserve.
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COUNCIL DECISION

Minute No: 11445

Moved: Cr K Wright

Seconded: Cr S Cooke

That Council:

- 1. Endorse the reallocation of a total of \$80,000 (being \$53,333 State Blackspot funds and \$26,667 Shire funds) currently contained in the draft 2016/17 budget from the proposed Chestnut Street Embayment Modification works to the Coolibah Street Lighting Upgrade project;**
- 2. Endorse the increase to the Coolibah Street Lighting Upgrade Project of \$100,000 (being \$66,667 State Blackspot funds and \$33,333 Shire funds) in the draft 2016/17 budget utilising the unallocated funds currently identified to be held in the Asset Management Reserve.**

Carried 8/0

PURPOSE

To seek Council direction on an offer of funding from Main Roads Western Australia of \$120,000 for improvements to street lighting on Coolibah Drive, as a part of the Statewide Blackspot Program. This grant funding would require \$60,000 matching fund from the Shire, which could be sourced by reallocating funds from another project that did not receive funding for 2016/17.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Funder - provide funds or other resources

Provider - provide physical infrastructure and essential services

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

Each year, the Shire applies for grant funding from Main Roads Western Australia in relation to road maintenance and upgrades. The Coolibah Drive Blackspot site has been included in the applications for a number of years and partial funding of components of the program has been progressively funded by the Shire and Main Roads.

In 2015/16, Council also decided to include a number of Blackspot Locations including Coolibah Drive in the documentation for the community consultation on the Forward Capital Works Plan:

COUNCIL DECISION

Minute No: 11383

**Moved: Cr S Cooke
Seconded: Cr N Perry**

That Council endorses the Community Engagement Plan (Attachment 1) for the Draft Corporate Business Plan 2016/17 to 2019/20 and the Draft 2016/17 Annual Budget.

Carried 8/0

Following the consultation, as a part of the annual budget briefings, Council has indicated in the Corporate Business Plan that the street lighting of Coolibah Drive should be considered for potential inclusion in the 2017/18 budget.

Council included an allocation of \$80,000 for Chestnut Drive Embayment Modification works in the draft 2016/17 budget in anticipation of receiving grant funding of \$53,333 from Main Roads Western Australia, therefore only requiring a Shire contribution of \$26,667. Given the change in the Main Roads Western Australia allocation, it is appropriate that the changes be considered by the Council.

STATUTORY IMPLICATIONS

The Council is required to consider its expenditure under Part 6 of the *Local Government Act 1995*.

POLICY IMPLICATIONS

This report is prepared having regard to the Asset Management policy.

FINANCIAL IMPLICATIONS

The draft 2016/17 budget currently includes the following allocations, noting that there are additional Blackspot projects also incorporated for Coolibah, Ironwood and Mangaloo Streets:

Year	Shire Funds	Main Roads WA	TOTAL
2016/17 Chestnut Drive Embayment Modifications	\$26,667	\$53,333 [#]	\$80,000
	\$26,667	\$53,333[*]	\$80,000^{**}

[#] This funding has not been provided by Main Roads

^{*} This is the budgeted current income.

^{**} This is the current budgeted expenditure.

The outcome of the 2016/17 State Blackspot allocation resulted in an unsuccessful funding submission for the embayment modifications, however Main Roads Western Australia have incorporated Stage 1 of a lighting upgrade for Coolibah Drive for which is currently included in the 2017/18 financial year of the Shire draft Corporate Business Plan.

If the Council determines to reallocate funding to undertake the street lighting upgrade project, as is suggested by Main Roads Western Australia, the following reallocations will be required to be incorporated into the Corporate Business Plan and 2016/17 Annual Budget.

OPTION 1: Full funding of the Chestnut Street Embayment

Year	Shire Funds	Main Roads WA	TOTAL
Original 2016/17 allocation - Chestnut Drive Embayment Modifications	\$26,667	\$53,333	\$80,000
Revised 2016/17 allocation - Stage 1 Street Lighting Upgrades to Coolibah Drive	\$60,000	\$120,000	\$180,000
Variation Required	\$33,333	\$66,667	\$100,000

The adjusted funding that Main Roads Western Australia have offered to the Shire for the Coolibah Drive lighting upgrade will require a matching contribution from the Shire of \$60,000 to achieve a 2/3 - 1/3 funding arrangement.

The above proposal will result in additional funds of \$33,333 being required from the Shire as a co-contribution to the overall \$180,000 staged Blackspot project that could be sourced from the unallocated funds currently available for 2016/17.

It should be noted that additional Shire funds expended on capital and maintenance road programs will improve the own source expenditure (otherwise called the reference point) required by the Roads to Recovery program in order to ensure future funding allocations.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2012-2022

Goal 2: Greater returns from regional investment to ensure sustainable provision of appropriate physical and social infrastructure

Objective 2.3: Assets are appropriate for their intended purpose and factor in whole of life costing and maintenance

Strategy 2.3.2 : Plan, design and budget for sustainable infrastructure

Goal 3: Protection and enhancement of lifestyle values, community facilities and the environment to provide safe and inviting communities.

Objective 3.3: Towns are safe and inviting for locals and tourists

Strategy 3.3.1 : Improve streetscapes in town and urban centres incorporating public art and 'designing out crime' principles

Strategy 3.3.3 : Ensure adequate street lighting

RISK IMPLICATIONS

Risk: Loss of funding through non compliance with contractual requirements.

Control: Project Manager addresses contractual requirements.

Risk: Lack of funding to maintain sealed and unsealed road network.

Control: Funding submissions.

COMMUNITY ENGAGEMENT

Community engagement has taken place in accordance with the Shire's Community Engagement Guidelines, as a part of the broader Corporate Business Plan engagement process. Additional engagement will be undertaken with local stakeholders to manage the timing of works.

COMMENTS

Council included a total allocation of \$80,000 in the draft 2016/17 budget in anticipation of receiving grant funding from Main Roads Western Australia of \$53,333. An application was made to Main Roads Western Australia for funding assistance for the Chestnut Drive embayment works however in this instance the application was not successful.

Should the project remain in the 2016/17 budget, the project would be required to be funded in its entirety by the Shire. The recommendation would be to seek funding for the project in the 2017/18 financial year rather than the Shire funding the complete project upfront.

Main Roads Western Australia has however offered funding assistance of \$120,000 for improvements to street lighting on Coolibah Drive, as a part of the Statewide Blackspot Program. The funding will require a matching contribution from the Shire of \$60,000 to achieve a $\frac{2}{3}$ - $\frac{1}{3}$ funding arrangement. The \$60,000 matching funding could be sourced in part by postponing the Chestnut Drive embayment remediation project and reallocating \$26,667 of the Shire funds to the Coolibah Drive lighting upgrade project, which would still require an additional \$33,333 from the Shire to ensure the appropriate funding arrangements.

Over the past 2 years there has been a significant focus on reducing blackspots in Coolibah Drive, Ironwood Drive and Mangaloo Streets using Blackspot funding. The treatments have seen significant pedestrian improvements in the area surrounding the two schools, agricultural grounds and associated side streets. The treatments completed and proposed include:

- The installation of Wombat crossings (raised walking platform);
- Additional footpath links;
- Installation of blister islands (pedestrian stopping places);
- Improved parking bays; and
- Proposed improved street lighting.

The proposed improvements in street lighting in Coolibah Drive will improve visibility for motorists and pedestrians. This will have the benefit of reducing crash risk and increasing the perception of safety. The funds required may be sourced from those remaining to be allocated for 2016/17.

ATTACHMENTS

There are no attachments associated with this report.

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 declares the meeting closed at 5:09pm.