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MINUTES

Shire of Wandering Special Council Meeting 15 June 2023

OUR VISION

Wandering is a community of responsible, resilient and adaptable residents thriving in our scenic, economically diverse environment.

These Minutes of the Council meeting held 15 June 2023 are confirmed as a true and correct record of proceedings without amendment. Confirmed on 20 July 2023 by the Presiding Member, Cr I Turton.


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Cr Turton Presiding Member

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The purpose of this council meeting is to discuss and, where possible, make resolutions about items appearing on the agenda. Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on basis of such decision or on any advice or information provided by a member or officer, or on the content of any discussion occurring, during the course of the meeting.

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Alan Hart
Chief Executive Officer

SHIRE OF WANDERING

Minutes of the Special Meeting of Council held at/in Council Chambers on Tuesday 15 June 2023 – commencing at 7.37pm.

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1. Declaration of Opening / Announcements of Visitors

The Presiding Member declared the meeting open at 7.37pm.

2. Attendance / Apologies / Approved Leave of Absence

Councillors

Cr Ian Turton (Shire President)

Cr Max Watts (Arrived 7.32pm)

Cr Gillian Hansen

Cr Graeme Parsons

Cr Sheryl Little

Staff

Alan Hart (Chief Executive Officer)

Karl Mickle (Operations Manager)

Apologies

Cr Paul Treasure (Deputy President)

Members of the Public

Nil

3. Announcements by the Presiding Member

Nil

4. Response to Previous Public Questions Taken on Notice

Nil

5. Public Question Time

No members of the public were present.

6. Petitions / Deputations / Presentations / Submissions

Nil

7. Applications for Leave of Absence

Nil

8. Disclosures of Interest

Nil

9. Confirmation of Minutes of Previous Meetings

Nil

10. Chief Executive Officer

10.1 2023/2024 Differential General Rates and General Minimum Payments

| | |
|--------------------------------|---|
| File Reference: | 03.031.03103 |
| Location: | N/A |
| Applicant: | N/A |
| Author: | Alan Hart, Chief Executive Officer |
| Authorising Officer | Alan Hart, Chief Executive Officer |
| Date: | 13 June 2023 |
| Disclosure of Interest: | Nil |
| Attachments: | Nil |
| Previous Reference: | N/A |

Summary

Providing public notice of the proposed differential rates and minimum payments is a requirement of Section 6.36 of the Local Government Act 1995 (LG Act). Council are requested to adopt for local public advertising for a minimum period of 21 days the proposed differential rates and minimum payments for 2023-2024.

Background

Rate revenue constitutes the largest funding source for the Shire of Wandering. Rates are levied on all rateable properties within the Shire and the basis of rates is determined using Policy 73.

Landgate provide the Shire with valuations dependent on the properties rating basis of Unimproved Value (UV) or Gross Rental Value (GRV).

In keeping with the requirements of the *Local Government Act 1995* (LG Act), Council is required to give local public notice for a minimum period of 21 days of the proposed 2023-24 rates in the dollar and minimum payments. Any submissions received must be considered by Council before the rates are adopted.

Statutory / Legal Implications

In setting the differential rate in the dollar and minimum payment, the Shire must adhere to the requirements of the LG Act and in particular sections 6.33 and 6.35.

Section 6.33 states that the Shire cannot apply a rate in the dollar that is more than twice the lowest rate in the dollar for any differential rating category.

Section 6.35 states that the Shire cannot apply a minimum payment to more than 50% of the total number of properties for an individual differential rating category.

If the proposed model is adopted by Council, the following timeline of events is being proposed;

| | |
|---|---|
| Advertising Period (21 Days) | 19 th June to 10 th July 2023 |
| Special Council Meeting to Consider Submissions | 13 th July 2023 |
| 2023/24 Annual Budget Adoption | 20 th July 2023 |

- Part VI Local Government Act 1995 deals with the levying of differential rates.
- Section 6.33 states that Council may impose differential rates based on differential categories.
- Section 6.35 states that Council may impose a minimum payment for each category.

- Pursuant to Section 6.36 of the *Local Government Act 1995* the Shire is to give appropriate notice of its intention to impose differential rates and minimum payments in respect to each differential rate category.

Policy Implications

Policy 73.

Financial Implications

There are two rate models included within this report. Council will need to decide on which option is the preferred option. One allows for a 8% increase in total rate revenue and the other is a 9% increase in total rate revenue compared to 2022-23.

The rating strategy in the Long-Term Financial plan estimated that rates increases would need to be at least double the CPI to maintain the same level of service. In Western Australia, CPI is currently 6.30% per annum and double this would result in an increase of rates of 12.6%.

Rating Models

With both rate models, they are transitioning towards the elimination of differential rates and this will occur over two years. In the 2024/25 financial year, there will be a uniform rate in the dollar for GRV valued properties and UV valued properties.

In addition, Rural Residential and Industrial GRV valuations have been combined. This removes the requirement for the Council to obtain the Ministers approval under section 6.35 of the act as no rate category has more than 50% of the properties on the minimum rate.

8% increase Rate model

Below is the rate model that will achieve an increase in total Rate Revenue of 8%. The minimum rate would increase by \$96 to \$1300.

Proposed rate details for 2023-2024 – 8% increase

| Rate Type | Rate in \$ | Number of Properties | Rateable Value | 2023-2024 Budgeted Rate Revenue |
|---|------------|----------------------|----------------------|---------------------------------|
| Differential General Rate / General Rate | | | | |
| Residential - GRV | 13.9234 | 51 | \$577,616 | \$80,423.76 |
| Special Use – GRV | 14.9266 | 3 | \$137,893 | \$20,582.73 |
| Rural Residential & Industrial – GRV | 11.4481 | 55 | \$759,210 | \$86,915.08 |
| Rural, Mining Tenement and Rural Residential – UV | 0.5325 | 131 | \$202,259,065 | \$1,077,029.52 |
| Sub Totals | | 240 | \$203,733,783 | \$1,264,951 |

| Minimum Payment | Minimum Rate | Number of Properties | 2024-2025 Budgeted Rate Revenue |
|---|--------------|----------------------|---------------------------------|
| Residential - GRV | \$1,300 | 29 | \$37,700.00 |
| Special Use – GRV | \$1,300 | 1 | \$1,300.00 |
| Rural Residential & Industrial – GRV | \$1,300 | 49 | \$63,700.00 |
| Rural, Mining Tenement and Rural Residential – UV | \$1,300 | 94 | \$122,200.00 |
| Sub Totals | | 173 | \$224,900 |

TOTAL AMOUNT RAISED FROM GENERAL RATES 2023-2024

\$1,489,851

Objects and Reasons

Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating.

Differential general rate

| <u>Description</u> | <u>Characteristics</u> | <u>Objects</u> | <u>Reasons</u> |
|-----------------------|--|--|--|
| GRV - Residential | Properties valued on a GRV basis with a predominate residential use. | This is considered by Council to be the base rate by which all other GRV land is assessed. | The rate for this category is to reflect the level of rating required to raise the necessary revenue to operate efficiently and provide the diverse range of services and programs and associated infrastructure/facilities required for developed residential areas. These programs include, but not limited to, road maintenance, development of footpath network, and building maintenance. |
| GRV-Special Use | Properties valued on a GRV basis used for purpose other than residential | The objective is to raise additional revenue to contribute toward higher costs associated with commercial activity. | The rate reflects the additional costs associated with increased maintenance and renewal of assets and infrastructure required to service these properties. The higher rate also reflects the additional cost of environmental |
| GRV-Rural Residential | Consists of properties outside the town-site with a minimal rural activity taking place and is predominately residential. | This differential rate is to raise additional revenue to fund cost impacts to the Shire from this type of development. | This category is rated lower to reflect the lower infrastructure/facilities maintenance required for rural residential areas. These programs include, but not limited to, road maintenance, drainage networks, road safety, ranger services, bushfire control and waste transfer services, health, building and planning services. |
| GRV-Industrial | Consists of properties within the town-site undertaking Industrial Activities | The objective is to raise revenue to contribute costs associated with industrial activity | This category is rated lower to reflect the lower infrastructure/facilities maintenance required for industrial areas. These programs include, but not limited to, road maintenance, drainage networks, road safety, ranger services, bushfire control and waste transfer services, health, building and planning services. |
| UV-Rural/Mining | Consists of properties with a predominant rural land use, and all mining leases, exploration/prospecting licenses and all licences as defined under the Mining Act 1978. | Is the lowest of the Shire's UV differentials which serves as a benchmark differential rate by which all other UV rated properties are assessed. | The rate for this category reflects the level of rating required to raise the necessary revenue to operate efficiently and provide the diverse range of services and programs and associated infrastructure/facilities required for rural areas. These programs include, but not limited to, road maintenance, drainage networks, road safety, tree pruning and replacement of road plant. |

Strategic Implications

IMPROVE OUR FINANCIAL POSITION

| Our Goals | Our Strategies |
|---|---|
| The Wandering Shire is financially sustainable | Improve accountability and transparency Develop an investment strategy that plans for the future and provides cash backed reserves to meet operational needs Prudently manage our financial resources to ensure value for money |

Consultation / Communication

External Consultation

Providing local public notice for 21 days of the proposed differential rates and minimum payments represents the external consultation process that is required.

Department of Local Government, Sport and Cultural Industries (DLGSC)

DLGSC Rating Policy for Differential Rates

DLGSC Rating Policy for Minimum Payments

Ratepayers and Electors

The proposal will be advertised for a minimum period of 21 days to allow ratepayers and electors to make submissions to Council. Public submissions are to be received by Monday 10th July 2023. Local Public Notice will be given by advertising in the Narrogin Observer and the West Australian.

Comment

In determining differential rates in the dollar and minimum payments, the Shire is required to take into consideration the following matters:

- Long Term Financial Plan (LTFP) which identifies the forecast deficiency between revenue and expenditure to be funded from rates;
- The draft Budget and the rate yield included to fund the expected deficiency between revenue and expenditure;
- Community perception of affordability and the services provided to the community;
- Growth of rateable properties;
- Landgate UV and GRV property revaluations;
- Policy 73 Shire Rating;
- Relevant rating policies and advices published by the DLGSC; and
- Compliance with the provisions of the LG Act.

If there are further refinements to the minimums and rate in the dollar during the budget process resulting in Council adopting a different minimum or rate in the dollar from what is advertised, the reason for the variation will need to be disclosed in the budget.

Voting Requirements

Simple Majority

010623 Moved: Cr Hansen Seconded: Cr Watts

Council Decision:

That Council having considered the Long-Term Financial Plan 2021-2031 and its expenditure and revenue forecasts for 2023-24, approves for advertising the following rate model, by:

- **increasing rates in the dollar for all GRV and UV categories, as outlined in the body of this report, to achieve a 9% increase in rates revenue;**
- **Increasing minimum payments for all GRV and UV categories to \$1,312; and**
- **Advertises these rates in the dollar and minimum payments and invites written feedback from ratepayers within a period of 21 days from the giving of local public notice**

Carried: 3/2

Note: Crs Little and Parsons voted against this decision

11. New Business or Urgent Business Introduced by Decision of the Meeting

New business of an urgent nature introduced by decision of the meeting. Best practice provides that Council should only consider items that have been included on the Agenda (to allow ample time for Councillors to research prior to the meeting) and which have an Officer Report (to provide the background to the issue and a recommended decision).

11.1 Elected Members

11.2 Officers

12. Matters Behind Closed Doors

13. Closure of Meeting

The Presiding Member declared the meeting closed at 7.43pm.

