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MINUTES

Shire of Wandering Special Council Meeting 12 July 2022

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 12 July 2022 are confirmed as a true and correct record of proceedings without amendment. Confirmed on 21 July 2022 by the Presiding Member, Cr I Turton.


.....
Cr Turton Presiding Member

21/7/2022

DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Wandering for any act, omission or statement or intimation occurring during Council or Committee meetings or during formal/informal conversations with staff. The Shire of Wandering disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee meetings or discussions. Any person or legal entity that act or fails to act in reliance upon any statement does so at the person's or legal entity's own risk.

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.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or limitation of approval made by a member or officer of the Shire of Wandering during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Wandering. The Shire of Wandering warns that anyone who has an application lodged with the Shire of Wandering must obtain and only should rely on WRITTEN CONFIRMATION of the outcome of the application, and any conditions attaching to the decision made by the Shire of Wandering in respect of the application.

Persons should be aware that the provisions of the Local Government Act 1995 (section 5.25 (e)) establish procedures for revocation or rescission of a Council decision.

The Shire of Wandering expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any resolution of Council, or any advice or information provided by a member or officer, or the content of any discussion occurring, during the course of the Council meeting.

Alan Hart
Chief Executive Officer

SHIRE OF WANDERING

Minutes of the Special Meeting of Council held at/in Council Chambers on Tuesday 12 July 2022 – commencing at 7pm.

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1. Declaration of Opening / Announcements of Visitors

The Presiding Member declared the meeting open at 7pm.

2. Attendance / Apologies / Approved Leave of Absence

Councillors

Cr Ian Turton (Shire President)
Cr Paul Treasure (Deputy Shire President)
Cr Graeme Parsons
Cr Max Watts
Cr Gary Curtis
Cr Gillian Hansen

Staff

Alan Hart (Chief Executive Officer)
Barry Gibbs (Executive Manager Technical Services)

Apologies

Cr Sheryl Little

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 Held 19 May 2022

Nil

10. Chief Executive Officer

10.1 2022-2023 DIFFERENTIAL RATES AND MINIMUM PAYMENTS FOR PUBLIC COMMENT

Proponent	Shire of Wandering
Owner	
Location/Address	
Author of Report	Alan Hart, Chief Executive Officer
Date of Meeting	11 July 2022
Previous Reports	21 May 2021
Disclosure of any Interest	Nil
File Reference	03.031.03103
Attachments	Nil

BRIEF 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 2022-2023.

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 2022-23 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.

The differential rating category of Mining, Industrial and Rural Residential is non-compliant with section 6.35 of the LG Act as the total number of properties for each of these categories on the minimum payment exceeds 50%. Ministerial approval must be obtained before the 2022/23 Annual Budget can be adopted by Council.

If the proposed model is adopted by Council, the following timeline of events will need to occur;

Advertising Period (21 Days)	14 th July to 4 th August 2022
Special Council Meeting to Consider Submissions	5 th August 2022
Minister's Approval for Differential Rating	5 th August to 26 th August 2022
2022/23 Annual Budget Adoption	Before 31 st August 2022

- 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

The rate model included within this report allows for a 9.65% increase in total rate revenue compared to 2021-22. Total rate revenue would be \$1,375,737 and is an increase of \$120,783 compared to last year.

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 7.20% per annum and double this would result in an increase of rates of 14.4%.

Rating Models

Below is the rate model that will achieve an increase in total Rate Revenue of 9.65%. The minimum rate would increase by \$104 to \$1204.

Proposed rate details for 2022-2023

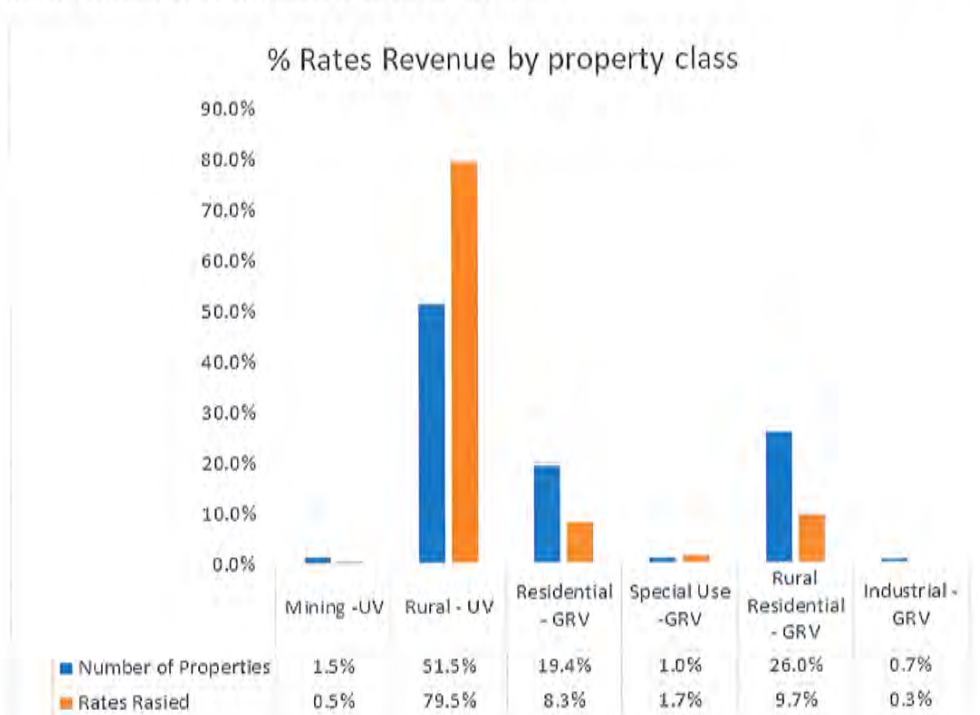
Rate Type	Rate in \$	Number of Properties	Rateable Value	2022-2023 Budgeted Rate Revenue
Differential General Rate / General Rate				
Residential - GRV	13.7841	54	\$603,720.37	\$83,217.42
Special Use – GRV	15.6112	3	\$137,893.05	\$21,526.76
Rural Residential – GRV	9.2758	39	\$550,159.98	\$51,031.74
Industrial – GRV	7.82	1	\$20,800.00	\$1,626.56
Rural – UV	0.6160	133	\$162,209,000	\$999,207.44
Mining Tenement – UV	0.6160	0	\$0.00	\$0.00
Sub Totals		230	\$163,521,573.41	\$1,156,609.92

Minimum Payment	Minimum Rate	Number of Properties	2022-2023 Budgeted Rate Revenue
Residential - GRV	\$1,204	26	\$31304.00
Special Use – GRV	\$1,204	1	\$1,204.00
Rural Residential – GRV	\$1,204	68	\$81,872.00
Industrial – GRV	\$1,204	2	\$2,408.00
Rural – UV	\$1,204	79	\$95,116.00
Mining Tenement – UV	\$1,204	6	\$7,224.00
Sub Totals		182	\$219,128.00

TOTAL AMOUNT RAISED FROM GENERAL RATES 2022-2023

\$1,375,737.92

Percentage of Rates Revenue by Property Class



Rates Objectives and Reasons

The Shire of Wandering provides services and facilities to the community and visitors to the Shire. Rate revenue collected enables the Shire to provide facilities, community buildings, recreational areas and the road network, and ensure that efficient administrative services are provided to our entire community and its visitors. The Shire applies differential rating in conjunction with the Shire's Local Planning Scheme No 3 (LPS3) and includes the differential rating categories of residential, rural residential, special use, industrial, mining and rural.

When determining the annual differential rates in the dollar and minimum payments, the following factors are normally considered:

- Long Term Financial Plan (LTFP) and draft Budget which identify the forecast deficiency between revenue and expenditure to be funded from rates;
- Community perception of affordability and the services provided to the community;
- Growth of rateable properties and increases/decreases in valuations;
- Landgate Unimproved Value (UV) and Gross Rental Value (GRV) revaluations; and
- Compliance with the provisions of the *Local Government Act 1995*.

Long Term Financial Plan

The Long-Term Financial Plan assumes the increase to the rate yield for 2022-2023 would be equivalent to a rate of 4% in addition to forecast property growth of 2%. This Plan is a base level plan that provides for continued commitment to sound financial management.

The Plan also projected that to maintain the current level of service rates would need to increase by double the rate of inflation (CPI) the CPI for Western Australia is currently 7.2% per annum.

Affordability and Services

Council are very conscious of the impact rate increases have upon the community. In the current economic climate, it is increasingly difficult to maintain the same level of service with significant cost increases from sources such as utility costs, fuel, materials and freight.

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

Description	Characteristics	Objects	Reasons
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 Thursday 4th August 2022. 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.

UV to GRV for Rural Residential and Industrial Properties

This year has seen a significant structural change to the Shire’s rate book with rural residential and industrial properties changing from unimproved value (UV) to gross rental value (GRV). To ensure that there is minimal impact on those ratepayers, the rate in the dollar for these classes of properties has been adjusted based on the changed valuation. This year an increased number of properties in this class will only be charged the minimum rate (In 2021/22, 53 properties were rated on the minimum rate, in 2022/23, this will increase to 68 properties.) The balance, 39 properties will on average have a rate increase of 15.42% or approximately \$169.00. (note that this will vary depending on their actual valuation).

The 2022 UV property revaluation provided by Landgate increased the valuation of rural land by 18% from last year, accordingly the rate in the dollar has been adjusted down to reflect this change in valuation.

Total valuations are \$173,885,191, an increase of 13% from last year.

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

OFFICER'S RECOMMENDATION – ITEM 2022-2023 DIFFERENTIAL RATES AND MINIMUM PAYMENTS FOR PUBLIC COMMENT

That Council having considered the Long-Term Financial Plan 2021-2031 and its expenditure and revenue forecasts for 2022-23, 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 9.65% increase in rates revenue;
- Increasing minimum payments for all GRV and UV categories to \$1,204; 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

Moved: Cr Max Watts

Seconded: Cr Gillian Hansen

CARRIED 6/0

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

18. Closure of Meeting

The Presiding Member declared the meeting closed at 7.59pm.

