



MINUTES

SPECIAL MEETING OF COUNCIL

to be held on

Wednesday 1 June 2022 at 8:00am

at the

**Shire of Morawa Council Chambers,
26 Winfield Street, Morawa**



WESTERN AUSTRALIA'S
WILDFLOWER COUNTRY

'This meeting is being recorded on audio tape and to assist with minute taking purposes. The public is reminded that in accordance with Section 6.16 of the Shire of Morawa Meeting Procedures Local Law 2012 that nobody shall use any visual or vocal recording device or instrument to record the proceedings of Council without the written permission of the presiding member.'

DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Morawa for any act, omission, statement or intimation occurring during Council Meetings. The Shire of Morawa 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, and statement of intimation occurring during Council Meetings.

Any person or legal entity that acts or fails to act in reliance upon any statement, act or omission occurring in a Council Meeting does so at their own risk. The Shire of Morawa advises that any person or legal entity should only rely on formal confirmation or notification of Council resolutions.

DISCLOSURE OF FINANCIAL/ IMPARTIALITY/ PROXIMITY INTERESTS
*Local Government Act 1995 – Section 5.65, 5.70 and 5.71 Local
 Government (Administration) Regulation 34C*

<i>This form is provided to enable members and officers to disclose an Interest in a matter in accordance with the regulations of Section 5.65, 5.70 and 5.71 of the Local Government Act and Local Government (Administration) Regulation 34C</i>			
Name of person declaring the interest			
Position			
Date of Meeting			
Type of Meeting (Please circle one)	Council Meeting/ Committee Meeting/ Special Council Meeting Workshop/ Public Agenda Briefing/ Confidential Briefing		
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality

Signature: _____ **Date:** _____

Important Note:

Should you declare a **Financial** or **Proximity** Interest, in accordance with the Act and Regulations noted above, you are required to leave the room while the item is being considered.

For an **Impartiality** Interest, you must state the following prior to the consideration of the item:

“With regard to agenda item (read item number and title), I disclose that I have an impartiality interest because (read your reason for interest). As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly.”

This page is blank intentionally.

Item 1 Opening of Meeting

The President to declare the meeting open at 8:06am.

Item 2 Acknowledgement of Traditional Owners and Dignitaries

The President acknowledges the traditional custodians, the Yamatji people, and recognises the contribution of Yamatji elder's past, present and future, in working together for the future of Morawa.

Item 3 Recording of Attendance**3.1 Attendance****Council**

President (Presiding Member) Councillor Karen Chappel
Deputy President Councillor Ken Stokes
Councillor Jane Coaker
Councillor Debbie Collins
Councillor Yvette Harris
Councillor Shirley Katona

Staff

Chief Executive Officer	Scott Wildgoose
Executive Manager Corporate & Community Services	Jackie Hawkins
Executive Manager Works and Assets	Paul Devcic

Members of the Public

Nil

3.2 Attendance by Telephone / Instantaneous Communications

In accordance with section 14 of the *Local Government (Administration) Regulations 1996* "Meetings held by electronic means in public health emergency or state of emergency (Act s. 5.25(1)(ba))", the President to declare that this Meeting may take place via instantaneous communication. All Councillors and staff are to be available either via telephone (teleconference) or in person.

3.3 Apologies

Nil

3.4 Approved Leave of Absence

Nil

3.5 Disclosure of Interests

Nil

Item 4 Declaration by all Members to have given due consideration to All Matters Contained in the Business Paper before the Meeting

- President (Presiding Member) Councillor Karen Chappel
- Deputy President Councillor Ken Stokes
- Councillor Jane Coaker
- Councillor Debbie Collins
- Councillor Yvette Harris
- Councillor Shirley Katona

Item 5 Reports from Officers

5.1 Setting of Differential Rates for Advertising
--

Author: Executive Manager Corporate & Community Services

Authorising Officer: Chief Executive Officer

Disclosure of Interest: The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

OFFICER'S RECOMMENDATION

That Council confirm that:

220601 Moved: Cr Stokes Seconded: Cr Coaker

That Council resolves to:

1. Adopt the Statement of Objects and Reasons for Differential Rating 2022-2023.
2. Pursuant to sections 6.32, 6.33 and 6.35 of the *Local Government Act 1995*, adopt a 4% rate in the dollar increase across the GRV and UV Rural categories to form the basis of the proposed rate setting for the 2022-2023 budget.
3. Pursuant to sections 6.32, 6.33 and 6.35 of the *Local Government Act 1995*, adopt a NIL rate in the dollar increase across the UV Mining category to form the basis of the proposed rate setting for the 2022-2023 budget as detailed below:

<i>Rate Type</i>	<i>Rate in the Dollar (Cents)</i>	<i>Minimum Payment</i>
GRV Residential/ Commercial	8.4538	\$324.50
UV Rural	2.4439	\$324.50
UV Mining	30.1974	\$683.00

4. Adopt the Rates Discount amount of 1.5% for prompt payment.
5. Authorise the Chief Executive Officer to advertise the proposed Differential Rates for 2022-2023 and call for submissions in accordance with the *Local Government Act 1995 Section 6.36* – for a minimum of 21 days.

6. Authorise the Chief Executive Officer to seek ministerial approval under *Section 6.33 of the Local Government Act 1995* to impose differential rates at the end of the advertising period, subject to no submissions being received.

CARRIED BY ABSOLUTE MAJORITY 6/0

PURPOSE

This report is for Council to adopt the 2022-2023 financial year Rates Model in advance of the 2022-2023 Annual Budget being adopted in order to gain approvals for the Shire's system of differential rating.

DETAIL

As Council is proposing to adopt differential rates it will be necessary to advertise the proposed rate in accordance with s6.36 of the *Local Government Act 1995*, review any submission/s received and authorise the Chief Executive Officer (CEO) to apply for ministerial approval prior to the adoption of the budget or imposition of any such rate.

As part of the budget deliberations and rate setting process Council must also review and adopt the Statement of Objects and Reason for its' rating strategy.

Council must also show that it has reviewed its' expenditure and considered efficiency measures as part of its budget deliberations.

A local government may impose differential general rates based on the predominant purpose for which the land is held or used. Ministerial approval will need to be obtained to impose a differential rate which is more than twice the lowest general rate imposed.

Council is required, as part of the differential rating process, to consider budget efficiencies so that it is not just automatically relying on differential rates without looking for alternative options. The effect of having no differential rates – would be a negative impact on revenue of approximately \$179,000. It is unfeasible to save the level of income required from efficiencies alone, however, a 0% increase to the differential rate income is proposed to reduce the overall difference.

On review the Shire administration recommends an increase to the GRV and UV Rural rate categories rate in the dollar of 4%, to align with the 2018-2022 Long Term Financial Plan increases and to counteract inflationary pressure across the country.

Matters Considered as part of the Budget Process

In the review of the rate increase for the 2022-2023 Budget, Council has considered a range of issues impacting the development of the draft budget including:

- The validity or relevance of the rates increase proposed in the current Long Term Financial Plan (LTFP).
- The NIL % increase in 2020/2021.
- The Corporate Business Plan 2020-2024.
- The impact of the agricultural season and the economic changes in the mining industry.
- Whether differential rating was applicable for 2022-23 as required by the Department of Local Government, Sport & Cultural Industries (DLGSC) Rating Policy Differential Rates.

- The Shire's asset management plans including key capital costs going forward.
- The 5-year Capital Works Plan.
- Budget efficiencies as required by the DLGSC Rating Policy Differential Rates.
- The continued impact of Cyclone Seroja on Shire expenditure and resource allocations.
- The continuing reduction/tightening of available grants and the increased number of councils chasing the reduced amounts of funding available.
- The tight labour markets.
- The 5-6% increase to the Consumer Price Index (CPI) and the Local Government Cost Index (LGCI), anticipated.

In recognition of the difficult circumstances that Council has faced this year, and with no increases to rates or fees and charges in 2020-2021, and an increase of only 3% in 2021-2022 it is recommended to Council that:

- Rates in the dollar are increased by 4%
- The rates discount percentage be maintained at 1.5%.
- Penalty interest is to remain at the reduced rate of 5.5%. This is the same as implemented last year and will potentially raise around \$28,000.
- The only differential rate applicable for 2022-2023 is UV Mining and it is proposed that Council does not increase the rate in the dollar from 30.1974c.
- Annual charges increased by 4%
- Fees and Charges – no increases to most Council controlled items with the remainder generally increasing by 4%.

Matters Regarding Differential Rating and Minimums

The Statement of Objects and Reasons for Differential Rating - *Attachment 1* - has been reviewed and amended and needs to be adopted by Council so that it can form the basis of the rationale for the rating strategy and be made available to interested parties as part of the advertising requirement of the intention to impose differential rates.

Budget Efficiencies

Where the Shire can implement efficiencies, they will be included in the Draft Budget and have been used when determining the increase to the rates revenue for 2022-2023.

Efficiency measures considered are:

- Installation of solar panels on the shire administration building;
- Continued review of the need for and remuneration of each vacant position; and
- Conduct 3 budget reviews each financial year.

However, with the expected further increases to costs over the next 12 to 24 months any efficiencies gained are offset by:

- ◆ Minimum wage increases and labour shortages
- ◆ Increase to insurance expenses of up to 15%
- ◆ Utility Cost increases (to be determined)
- ◆ Higher costs for materials and contractors estimated at 15%
- ◆ Higher inflation with expected CPI of 5.7%

As such the general budget has been made more efficient to accommodate increases outside Shire control but the Shire has very limited alternate income sources to call upon outside rates, as such cost increases will impact on rates required.

LEVEL OF SIGNIFICANCE

High significance – Setting the 2022-2023 rate in the dollar is a significant part of the development of the 2022-2023 budget.

CONSULTATION

CEO Briefing Forum / Workshop – 13 April 2022

LEGISLATION AND POLICY CONSIDERATIONS

- S6.33 (1) of the *Local Government Act 1995*
- Financial Management Regulation 52A - a local government may impose a differential rate.

An application to the Minister for Local Government is required for approval to impose a differential general rate under s6.33 (3) of the *Local Government Act 1995* that is more than twice the lowest differential rate being imposed. The Shire's current UV Mining rate is 12 times the UV Rural rate.

FINANCIAL AND RESOURCES IMPLICATIONS

In previous years Council has adopted minimal or NIL rate increases that have culminated in lower income offset by increasing costs. For Council to maintain the service levels it prides itself on an increase to the rate in the dollar of 6% is needed.

Outcome 4.5 Long term financial viability.

Reference	Strategy
4.5.1	Maintain a Financial Health Indicator (FHI) score within acceptable benchmarks
4.5.2	Continue to assess quality and usage of the Shire's services, facilities, and assets.
4.5.3	Ensure currency of all required IPRF documents including Assets Management Plans, Plant Replacement Programs, Corporate Business Plans and Long-Term Financial Plans.

RISK MANAGEMENT CONSIDERATIONS

Financial Risk

The current differential rate levels pose a strategic risk to the shire such that the Shire is reliant on ministerial approval to maintain current differentials, this could cause budget delays or loss of income if the minister withholds approval. In order to manage the risk, Officers propose to keep the UV Mining rate fixed at its current rate until rates increase to reduce the variance.

Compliance Risk

Under the Shire's risk governance framework non-compliance with the requirements regarding differential rates is a major risk – i.e. imposed penalties. Such a penalty would be imposed by the DLGSC. Through complying with the requirements of the DLGSC Rating Policy: Differential General Rates, the risk is mitigated from High to Low.

CONCLUSION

That Council adopts the Statement of Objects and Reasons as attached, adopts a 4% increase in the rates in the dollar across the GRV and UV Rural categories and advertises their intention to impose differential rates as required under legislation, prior to seeking ministerial approval for the proposed rating categories.

ATTACHMENTS

Attachment 1 – 11.2.4b Statement of Objectives and Reasons

Item 6 New Business of an Urgent Nature

Nil

Item 7 Closure

7.1 Closure

There being no further business, the President to declare the meeting closed at 8:11am.



..... Presiding Member