



## **AGENDA**

### **SPECIAL COUNCIL MEETING**

**TO BE HELD ON**

**TUESDAY, 11 July 2017**

**6.30<sup>PM</sup>**

**SHIRE COUNCIL CHAMBERS**



**WESTERN AUSTRALIA'S  
WILDFLOWER COUNTRY**

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**1 Declaration of Opening**

The Shire President to declare the meeting open at 6:30pm.

**1.1 Recording of Those Present**

Cr K J Chappel	President
Cr D B Collins	
Cr J M Coaker	
Cr D S Agar	
Cr M J Thornton	
Cr K P Stokes	

Mr S Fletcher	Acting Chief Executive Officer
Ms S Appleton	Executive Manager Development & Administration
Mrs W Gledhill	Manager of Accounting and Finance
Mr P Buist	Principal Works Manager

**1.2 Apologies**

**1.3 Approved Leave of Absence**

**1.4 Welcoming of Visitors to the Meeting**

**1.5 Announcements by the Presiding Member without Discussion**

**2 Public Question Time**

**2.1 Response to previous public questions taken on notice**

**2.2 Public question time**

**3 Declaration of Interest**

Members are to declare financial, proximity and indirect interests.

**4 Confirmation of Minutes of Previous Meetings**

Nil

**5 Public Statements, Petitions, Presentations and Approved Deputations**

**6 Method of Dealing with Agenda Business**

**7     Reports**

**7.1    Reports from Committees**

Nil

**7.2    Reports from the Chief Executive Officer**

**7.2.2   Manager Accounting and Finance**

**7.2.3   Executive Manager**

Nil

<i>Item No/Subject:</i>	<b>7.2.2.1 Differential Rating-Advertising</b>
<i>Date of Meeting:</i>	<b>11 July 2017</b>
<i>Date &amp; Author:</i>	<b>6 July 2017 – Fred Gledhill</b>
<i>Responsible Officer:</i>	<b>Executive Manager Corporate &amp; Community Services – Fred Gledhill</b>
<i>Applicant/Proponent:</i>	<b>Executive Manager Corporate &amp; Community Services – Fred Gledhill</b>
<i>File Number:</i>	
<i>Previous minute/s &amp; Reference:</i>	

## **SUMMARY**

The purpose of the report is for Council to determine;

1. The imposing of a differential rate being a differential Unimproved Valuation (UV) rate for Mining in Morawa at \$0.289681 in the valuation dollar for the 2017-2018 financial year.
2. That the proposal be advertised for 21 days in accordance with the Local Government Act 1995 section 6.36 for public comment, indicating the objects of and reasons for the differential rate.
3. Following the advertising period seek approval from the Minister to impose a differential UV mining rate which is more than twice the lowest differential UV Rate imposed.

## **DECLARATION OF INTEREST**

Nil

## **ATTACHMENTS**

7.2.2.1A Statement of Objects and Reasons for Differential Rates and Minimum Payments

## **BACKGROUND INFORMATION**

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

The Shire of Morawa has adopted differential rates since 2005. The 2016/2017 approved differential Unimproved Valuation (UV) Rural rate is \$0.022570 cents in the dollar and for Mining UV in Morawa is \$0.289681 cents in the dollar.

It is proposed that the UV differential Mining Rate for the Shire of Morawa for the 2017/18 financial year be set at \$0.289681 in the dollar. (Being no increase in the rate in the \$ for that category).

The UV mining is again more than twice the lowest rate hence a council resolution; advertising and Ministerial approval is required prior to adopting the annual budget.

### **OFFICER'S COMMENT**

Differential rating schemes adopted in Western Australia range from simple schemes used in pastoral/mining areas where a single differential rate is used, to those in more populated areas where many differentials may be used.

It is suggested that Council continues to adopt a UV Rural Rate and a UV Mining Rate to address the perceived rating anomaly or inequality within the district.

Once Council determines the proposed differential rate the proposal is required to be advertised for 21 days for public comment, indicating the objects of and reasons for the differential rate.

Approval will then be sought from the Minister to impose a differential UV mining rate which is more than twice the lowest differential UV Rural rate imposed.

### **STATUTORY ENVIRONMENT**

*Local Government Act 1995 Section 6.3 and 6.36*

Ministerial approval will need to be obtained to impose a differential rate which is more than twice the lowest differential rate imposed.

### **POLICY IMPLICATIONS**

Nil

### **FINANCIAL IMPLICATIONS**

This will impact on the forthcoming 2017/18 financial year budget

### **STRATEGIC IMPLICATIONS**

The Annual budget is part of the Integrated Planning requirements to feed into the Corporate Business Plan and the Strategic Community Plan.

## **RISK MANAGEMENT**

Failure to advertise and comply with the Local Government Act 1995 will seriously impact of Councils cash flow for the 2017-2018 financial year's budget as the Department will not accept the differential rate if the rate has not been advertised.

## **VOTING REQUIREMENT:**

Absolute Majority

## **OFFICER'S RECOMMENDATION**

It is recommended:

The Shire of Morawa continues to adopt Differential Rates in formulating the 2017/18 financial year budget.

- 1. The proposed Differential Rate for Mining Unimproved Valuation is set at \$0.289681 cents in the dollar which is consistent with the over-all current rate modelling being considered for the adoption of the 2017/2018 Shire of Morawa Annual Budget.**
- 2. The proposed Differential Rate for UV Rural/Mining be advertised for 21 days inviting public comment.**
- 3. The Acting Chief Executive Officer be authorised to request approval of the Minister for the adoption of the proposed Unimproved Valuation Differential Rates, if at the expiry of the public notice period, no submissions have been received.**





## 2017/2018 Differential Rates Statement of Objects and Reasons

In accordance with Section 6.36 of the Local Government Act 1995 and the notice of Council's intention to levy Differential Rates for the 2017/2018 financial year, the following is the proposed Differential Rates and Minimum Payments for the Shire of Morawa and the Objects and Reasons for these Differential Rates.

<i>Rate Type</i>	<i>Rate in the Dollar (Cents)</i>	<i>Minimum \$</i>
<b>GRV Residential/ Commercial</b>	7.5707	290.00
<b>UV Rural</b>	2.3043	290.00
<b>UV Mining</b>	28.9681	656.00

### **OVERALL OBJECTIVE**

The overall objective of the proposed rates in the dollar and minimum payments in the 2017/2018 Budget is to provide for the net funding requirements of Council's Operational and Capital Budget. The estimated rates in the dollar and minimum payments indicated above, are based on a 2.1% increase on the previous year rate in the dollar for GRV Residential and Commercial Properties and for UV Rural Properties only, with no increase for UV Mining Properties.

The basis for the calculation of Rates is either the Gross Rental Value (GRV) or Unimproved Value (UV) for each individual property; these valuations are provided by the Valuer General's Office.

### **GRV Residential/Commercial**

The object of the GRV rates and minimum payments is to require a fair contribution to the revenue requirements of the Shire, which include but not limited to - street lighting, entrance statements, town square, cleaning of facilities, public parks and gardens, sporting facilities, tourist information, youth centre, medical, refuse collections, aerodrome - while not risking additional financial pressure on the uses in those areas that affect their long term viability. They have been in the past, and are likely to continue into the long term future, to provide the main support for the social and economic life of the Shire.

The reasons for the levels of rates and minimum payments set is that they allow for a fair contribution to the revenue requirements of the Shire at the highest sustainable level.

### **UV Rural**

The object of the UV Rural rates and minimum payments is to raise the amount of revenue that Council believes is required to operate efficiently and to provide the diverse range of services and facilities.

The reason that the rate in the dollar for this category is set at a comparatively low amount, is to offset the relatively high property valuations in this category. The Shire has a large pastoral and agricultural sector and it is essential that it be maintained throughout difficult times.

## ***UV Mining Land Use***

The object of the UV Mining rate is to also raise the amount of revenue that Council believes is required to operate efficiently and to provide the diverse range of services and facilities.

The reasons that the rate in the dollar has been set at a comparatively high amount is to offset the relatively low property valuations in this rating category. Being mindful that operators in the mining industry when they come to the district have the advantage of all the established Shire services and facilities which often have been provided by the rates contributed in the long term by ratepayers in other sectors, who will continue in the long term future to contribute in the same way. The maintenance of Shire assets and services for the benefit of all users, long term and short term, is a burden which to a significant extent falls upon the long term ratepayers.

On the other hand, it is not uncommon for operators in the mining sector to be present in the district for a short period with a prospect of withdrawing very substantial profits in that time exploiting the mineral resources of the district. These activities have a greater short term impact on local roads and waste management services along with other shire principal services as detailed above than that of any other rate payer. This is not a criticism and simply recognises the often transitory nature of mining enterprises. However the mining sector stands to be a beneficiary of the existence and maintenance of the Shire's assets and services to the extent that the mining operators and their connections use them.

While every effort is made to establish rates and minimum payments at the fairest possible levels, it is considered that the mining sector has the capacity to pay the UV rate at the levels proposed.

8. **New Business of an Urgent Nature**
9. **Applications for Leave of Absence**
10. **Motions of Which Previous Notice Has Been Given**
11. **Questions from Members without Notice**
12. **Meeting Closed**
  - 12.1 Matters for which the meeting may be closed
  - 12.2 Public reading of resolutions that may be made public
13. **Closure**

**Next Meeting** - Ordinary Meeting 20 July 2017