SHIRE OF IRWIN
DONGARA-PORT DENISON
A BRILLIANT BLEND

AGENDA

and

Notice of Special Council Meeting

to be held on

Tuesday 21 May 2024

at

6.00pm

in the

Shire of Irwin Council Chambers

11-13 Waldeck Street, Dongara

The purpose of the meeting is for Council to adopt the 2024-25 Differential Rates

Shane Ivers
Chief Executive Officer
Thursday 16 May 2024

Disclaimer

The Shire of Irwin advises that the purpose of an Ordinary Council Meeting is to discuss and, where possible, make resolutions about items appearing in the agenda. No person should rely or act on the basis of any decision, advice or information provided by a Member or Officer, or on the content of any discussion occurring during the course of the meeting. No person should rely on the decisions made by Council until formal written advice of the Council is received by that person.

The Shire of Irwin expressly disclaims any liability for any loss or damage 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.

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AGENDA

SPECIAL COUNCIL MEETING

to be held on

Tuesday 21 May 2024

at 6.00pm

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

2. RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

Members

Councillor M Leonard	President
Councillor B Wyse	Deputy President
Councillor I Scott	
Councillor E Tunbridge	
Councillor A Gillam	
Councillor P Summers	

Staff

Mr S D Ivers	Chief Executive Officer
Miss P Machaka	Manager Finance
Mr M Connell	Manager Development
Ms F Boksmati	Acting Manager Community Services
Mr M Jones	Acting Manager Operations
Mr S Stubbs	Community Emergency Services Manager
Ms S Mearns	Acting Executive Assistant

Apologies
Nil

Approved Leave of Absence
Nil

3. DECLARATION OF PURPOSE OF MEETING

The purpose of the meeting for Council to adopt the 2024-25 Differential Rates.

4. DECLARATIONS OF INTEREST

Nil

5. PUBLIC QUESTION TIME

Nil

6. OFFICER REPORTS

CORPORATE AND COMMUNITY	CC01-05/24
Subject:	**CC01-05/24 Differential Rates 2024/25**
Author:	**Patience Machaka Manager Finance**
Responsible Officer:	**S Ivers, Chief Executive Officer**
File Reference:	**3.0683**
Voting Requirements:	**Simple Majority**

Council Role:

☐	**Advocacy**	When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
☒	**Executive**	The substantial direction setting and oversight role of the Council e.g., performance of the Local Government's function under law, administration of Local Laws, adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
☐	**Legislative**	Includes adopting local laws and local planning schemes.
☐	**Review**	When Council reviews decisions made by Officers.
☐	**Quasi-judicial**	When Council determines an application/matter that directly affects a person's rights and interests. The judicial character arises from the obligation to abide by the principles of natural justice e.g., local planning applications, building permits, other permits/licences (e.g. under the Health Act, Dog Act or local laws) and other decisions that may be appealable to the State Administrative Tribunal (SAT).

Report Purpose:
To consider the proposed rates in the dollar for differential rating to be advertised prior to the adoption of the 2024/25 Budget.

Background:
There is provision under the *Local Government Act 1995* to impose differential rates within the local government's boundaries and in considering this imposition, there are certain statutory obligations that the local government must comply with:

- Before any consideration to the Budget, the local government is required to give local public notice of its intention to impose differential rates;
- The local government must provide information of each new rate or minimum payment;
- Electors or ratepayers are invited to make submissions in respect of the proposed rate or minimum payment. This submission period must be for a minimum of 21 days; and
- Application must be made to the Minister for Local Government, Heritage, Culture and the Arts seeking approval to impose a differential rate that is more than twice the lowest rate.

The Shire of Irwin historically has used differential rates to levy a higher rate in the dollar for Mining Tenements than other Unimproved Valuation (UV) properties. This practice is common within local governments.

A draft budget workshop was held on Tuesday 14 May 2024 where Councillors reviewed the projected changes in operating revenue and expenditure, along with efficiency measures, proposed

capital works and projects. The differential rates will directly influence Council's ability to fund expenditure requirements in the 2024/25 Budget.

Officer's Comment:
For Council to meet the requirements of the Act it is required to advertise the proposed differential rates within timeframes to meet the 21 day minimum advertising period before the budget is adopted.

The draft budget comprises total operating income of $4.4m (excluding rates revenue), capital grants funding of $5.3m, operating expenses of $13.7m and capital works program of $8.8m. After considering reserve movements and grant funding the rates revenue required to achieve a balanced budget is $6.9m.

An overall increase of 5% on 2023/24 actual billed rates was applied to achieve this rate revenue which is just sufficient to meet the requirements of the 2024/25 Budget and enables the Shire to undertake projects that are a key priority to the community.

Over the last six years the Shire has increased rates by an average of 3.6%, with 0% rise in 2020/21, due to COVID-19. The Shire endeavours to raise rates in a fair and equitable manner and the same time raise enough income to cater for increase in costs for materials and contracts, fuel, electricity, insurance, and labour.

Differential rating allows Council to maintain a degree of equity between rates levied on all unimproved value assessments within the Shire of Irwin rate base whilst providing income annually to allow for the service requirements of all property owners. The reasoning for levying the higher rate in the dollar can be found in the attachment - Statement of Objects and Reasons.

It is worth noting that while both UV Rural and UV Mining are based on "Unimproved Values" provided by the Valuer General, the *Valuation of Land Act 1978* prescribes different methods of calculating each one.

The unimproved valuation of land utilised for rural purposes is the capital amount that the property (not including improvements) might reasonably be expected to realise upon sale.

The unimproved valuation of land used for mining tenements is calculated on the annual rent per hectare multiplied by a factor, the amount of which depends on the number of hectares and type of lease held. They therefore have no relativity and cannot be compared.

2024/25 valuations for Gross Rental Values, Unimproved Values Rural and Unimproved Values Mining, were conducted by the Valuer General (Landgate) and were provided as per below:

Gross Rental Values (GRV)
The average change in GRV valuations roll, has increased from 2019 by 33.97% to $34,614,191, with the following summary of changes:

- Residential: 1576 properties with a median change of 38.3%
- Commercial: 81 properties with a median change of 9.19%
- Industrial: 8 properties with a median change of 7.63%
- Vacant Land: 463 properties with a median change of 20.51%
- Miscellaneous: 91 Properties with a median change of 22.52%

Rural Unimproved Values (UV Rural)
The total rural unimproved valuation has increased significantly again, from 2023, by an overall average of approximately 21.52% to $172,035,300.

Mining Unimproved Valuations
The Mining Tenement Unimproved Roll provided by Landgate reflected an increase of approximately 11% to $3,918,741.

The proposed rates of $6,805,058 includes a 5% increase on 2023/24 billed rates and interims levied. Due to the increase in UV valuations, the rates in the dollar decreased slightly with the minimum rate of $1,050 remaining unchanged from 2024/25. The draft budget is still being finalised and is subject to change due to the end of financial year process.

It should be noted that individual property values will change by more or less than the average increases reported above and therefore when rate notices are issued, they will not necessarily reflect a 5% increase in rates on the property rated.

2024/25 Proposed Rates In The Dollar			
	2023/24 Rate in the $	**2024/25 Rate in $**	**% Increase**
Gross Rental Value (GRV)	12.137	13.065	7.6%
Unimproved Value (UV)	21.361	22.335	4.6%
Unimproved Value (UV) Mining	1.3019	1.0910	-16.2%

2024/25 Proposed Rates Revenue		
Gross Rental Value (GRV)	3,722,647	55%
Unimproved Value (UV)	2,343,850	34%
Unimproved Value (UV) Mining	738,563	11%
	$6,805,060	**100%**

Consultation:
Once adopted, the proposed differential rates together with the objects of imposing differential rates and reasons for each rate category must be advertised for a minimum period of 21 days. This period of advertising allows ratepayers to consider the proposed rates and make any submissions to Council. The advertising process does not prevent Council from amending the rate in the dollar at budget adoption.

Statutory Environment:
Local Government Act 1995

- Section 6.33 Differential general rates
- Section 6.36 Local government to give notice of certain rates

Policy Implications:
In accordance with the Department of Local Government and Communities' Rating Policy – Differential Rates, Council must demonstrate that consideration has been given to the key values of Objectivity, Fairness and Equity, Consistency, Transparency and Administrative Efficiency.

Objectivity
The land on which differential general rates has been rated according to one or more of the following land characteristics:

- zoning
- land use
- vacant land

Where there has been a change to the boundaries of the district within the past five years, the land on which differential general rates apply may also be rated according to one or more of the following land characteristics:

- whether or not it is situated in a town-site
- whether or not it is situated in a particular part of the district

The local government has proposed a differential general rate which is more than twice the lowest differential rate.

Fairness and Equity

The Council of the local government has reviewed its expenditure and considered efficiency measures as part of its budget deliberations. This is to be reflected in the council minutes when it adopts the budget strategy and endorses objects and reasons for each differential rating category and each minimum payment.

The objects of imposing differential rates and reasons for each proposed differential general rate are set out by the local government in a publicly available document.

These objects and reasons clearly explain why each differential general rate is proposed to be imposed.

The objects and reasons clearly explain why it is proposed to set the differential general rate at that particular rate.

If a category of ratepayer is significantly contributing to the local government's revenue through fees, charges and other payments, the local government has not used these same costs as the justification for the difference in differential general rate.

If there are fewer than thirty ratepayers who will be subject to the differential general rate, each affected ratepayer has been informed in writing by the local government of:

- the terms of this policy (through the provision of a copy of this document to the ratepayer
- the local government's objects of and reasons for proposing to impose the differential general rates
- the differential general rate that will apply to the ratepayer's property; and
- the differential general rate that applied in the previous year for comparison

and was given at least 21 days to make submissions to the local government on the proposal.

The ratepayers' submissions, if any, and the local government's response to each ratepayer's submission (as recorded in the minutes of the Council meeting at which the response was adopted) have been provided to the Minister.

Consistency

The local government has rated similar properties that are used for the same purpose in the same way.

The proposed differential rates align with the rating strategy in the Corporate Business Plan and Long Term Financial Plan or the council of the local government has detailed its reasons for deviating from that rating strategy.

The local government has reviewed and considered rates proposed in neighbouring or similar local government districts in the rating strategy.

Transparency and administrative efficiency

The local government has:

- prepared and made publicly available a document clearly describing the object of and reason for each differential general rate;
- given public notice in a newspaper circulating generally throughout the district and exhibited to the public on a notice board at the local government's office and at every local government library in the district (refer to Rating Policy – Giving Notice)
- published the notices after 1 May in the relevant year.

The public notice published by the local government contained:

- details of each differential general rate that the local government intends to impose
- an invitation for submissions to be made by an elector or ratepayer

- a closing date for submissions which is at least twenty one days after the day on which the notice is published
- advice on the time and place where a document containing the objects of and reasons for the differential general rates can be inspected.

The council of the local government has:

- considered each ratepayer submission (if any)
- resolved to make the application provided the Minister with the minutes and agenda papers relevant to these matters.

Financial/Resource Implications:
The Shire's principle source of income is through rates. It is an essential part of the budget process that the Council consider the level of rates that need to be raised in the context of funding the annual budget. It must also be noted that as other income, such as statutory fees and charges are fixed by external legislation, there is very little scope for the Shire to increase this revenue source to keep up with the rising costs of service provision and reduction of grant funding, therefore, these increasing costs must be borne by increases in rates.

Strategic Implications:
Our Brilliant Future - Strategic Community Plan 2021 - 2031
Strategy 4.2.1 Ensure compliance whilst embracing innovation and better practice principles
Strategy 4.3.2 Adopt and follow better practice processes

Attachments:
CC03-05/24 Attachment 1: Statement of Objects and Reasons 2024/25

OFFICER RECOMMENDATION:

That Council:

1) **Adopts the following rates in the dollar and minimum rates for the differential rating categories specified for the 2024/25 financial year:**

Rate Category	Rate in Cents in the Dollar	Minimum Rates
Gross Rental Valuations		
General Rate	**13.065**	**$1050**
Unimproved Valuations		
General Differential Rate	**1.0910**	**$1050**
Mining Differential Rate	**22.335**	**$1050**

2) **Approves the advertising of its intention in accordance with Section 6.36 of the *Local Government Act 1995*;**

3) **Endorses the Statement of Objects and Reasons, as presented in Attachment Booklet – May 2024 under separate cover; and**

4) **Confirms that expenditure has been reviewed and the following efficiency measures have been considered as part of budget deliberations:**

Efficiency Measures:

- **Service levels and core business**
- **Process improvement strategy to increase efficiencies**
- **Rural roads infrastructure improvement strategy**
- **Asset management strategy**
- **Improve utility efficiencies for future savings**

7. MATTERS FOR WHICH THE MEETING IS CLOSED TO THE PUBLIC

Nil

8. CLOSURE

Attachment

Item: CC03-05/24
Statement of Objects and Reasons 2024/25

SHIRE OF IRWIN
DONGARA-PORT DENISON
A BRILLIANT BLEND

innovation
accountability
integrity
respect

Shire of Irwin

Statement of Objects and Reasons

2024/25

Including Objects and Reasons for the Current Rating Structure

This Statement is published by the Shire of Irwin in accordance with Section 6.36 of the *Local Government Act 1995* to advise the public of its objectives and reasons for implementing differential rates.

The purpose of levying of rates is to meet Council's budgetary requirements in each financial year in order to deliver services, facilities and community infrastructure. Property valuations provided by the Valuer General are used as the basis for the calculation of rates each year. Section 6.36 of the Local Government Act provides the ability to differentially rate properties based on zoning and/or land use as determined by the Shire of Irwin. The application of differential rating maintains equity in the rating of properties across the Shire, enabling the Council to provide facilities, services and infrastructure to the entire community and visitors to the area.

Gross Rental Values (GRV)

The *Local Government Act 1995* provides that properties of a non-Rural purpose be rated using the Gross Rental Valuation (GRV) as the basis for the calculation of annual rates. The Valuer General determines the GRV for all properties with a non-rural purpose within the Shire of Irwin approximately every four years and provides a GRV Roll. The current valuation is effective from 1 July 2024. Interim valuations are provided regularly to Council by the Valuer General for properties where changes have occurred during the year (i.e., subdivisions or strata title of property, amalgamations, building constructions, demolition, additions and/or property rezoning). In such instances Council recalculates the rates for the affected properties and issues interim rate notices.

GRV – Uniform Rate

All land within the Shire used for non-rural purposes (GRV) is rated using a uniform GRV Rate. The uniform rate is calculated and adopted after the consideration of many factors such as current economic conditions, increases to land valuations as assessed by the Valuer General's Office, the infrastructure and service improvement proposals contained in the Budget, as well as other factors. It is considered that for this financial year the valuations imposed by the Valuer General provides the capacity for the additional rate contributions that may be required from different zoning/land use and therefore the need for a differential rate is not deemed necessary.

Unimproved Values (UV)

The *Local Government Act 1995* provides that properties predominantly used for a rural purpose are assigned an Unimproved Value as supplied and reviewed by the Valuer General on an annual basis. The unimproved value of land refers to the market value of the land in its natural state without improvements such as buildings, fences, dams etc.

The rate in the dollar set for the UV Rural category forms the basis for calculating all other UV differential rates. Interim valuations are provided regularly to Council by the Valuer General for properties where changes have occurred during the year (i.e., subdivisions of property, amalgamations, and/or property rezoning). In such instances Council recalculates the rates for the affected properties and issues interim rate notices.

UV Differential Rate - Rural

All land in the Shire used for rural purposes are classified into Policy Areas based on their zoning in the Shire of Irwin Local Planning Scheme No 5, as set out below. All land within these zoning areas are rated using the same differential rate.

Policy Area A	Conservation Crown Land: To preserve and protect the major areas of Crown Reservations and Vacant Land within this policy area in its natural state.
Policy Area B	Urban: Set aside for Townsite expansion or impacted on by buffers and mining leases.

Policy Area C	General Farming Zone: General Broadacre farming, not suitable for subdivision, designed to consolidate and preserve existing agricultural practices.
Policy Area D	Rural Smallholdings Zone: Hobby farming suitable for subdivision into rural/small holdings to a minimum of 15 ha.
Policy Area E	General Farming Zone: Coastal management area for future development of tourist projects and possible subdivision into rural smallholdings to a minimum lot size of 15ha.
Policy Area F	Special Residential Zone: Properties zoned as Special Residential with provision for subdivision of small 1 to 2 ha lifestyle lots.
Policy Area G	Rural Small Holdings Zone: Hobby farming suitable for subdivision into rural/small holdings to a minimum of 20 ha.

Objects and Reasons for UV Rural Differential Rate

To distinguish land zoned Policy Area A-G from land used for Mining, Prospecting and Exploration in recognition of the variation in land use intensity and the impact on the Shire's road infrastructure network and other services.

UV Differential Rate - Mining

The *Local Government Act 1995* provides for rural use properties used for mining, exploration, or prospecting purposes to be assigned an Unimproved Value supplied and reviewed by the Valuer General. It refers to all land for which a mining tenement has been issued by the Department of Mines, Industry Regulation and Safety (DMIRS), and valued as such by the Valuer General's Office.

The valuation determined by the Valuer General for mining tenements is calculated by multiplying the following factors.

- Rental cost of the tenement type (mining lease, prospecting lease, exploration license, petroleum producing licence etc.);
- UV basis as determined by the DMIRS, and
- Tenement/license area.

The valuation of mining tenements is provided annually, interim valuations are provided regularly to Council by the Valuer General for properties when changes to the tenement rental is amended or the tenement is surrendered. In such instances Council recalculates the rates for the affected tenements and issues interim rate notices.

Objects and Reasons for UV Mining Differential Rate

Land used for Mining is rated higher than the UV-Rural differential rate to improve fairness and equity outcomes by:

- Ensuring mining rates payable are no less than the average rates payable, per property, in Policy Area C (General Farming), in part to:
  - compensate for the different valuation method and comparatively lower valuation level;
  - to recognise the often short term tenure of mining projects in the region; and
  - to maintain comparability with other commercial operations in the rural sector.

- Applying a percentage premium above the average rates payable, per property, in Policy Area C (General Farming), at a level determined by the Council, to reflect the following:
  - the impact of higher road infrastructure maintenance costs to Council as a result of frequent vehicle use over extensive lengths of roads throughout the year;
  - capacity of property owners to pass on the rates charge as a business cost;
  - additional emergency service arrangements that have to be put in place.
  - the monitoring of environmental impacts of clearing, noise, dust and smell;

- planning, building and health assessment cost; and
- additional costs of amenities and services provided to cater for the employees of the mining operations, such as recreation, parking and law, order, and public safety.

Minimum Payments

The setting of general minimum payment level within all rating categories is an important method of ensuring all properties contribute an equitable rate amount to non-exclusive services.

Objections & Appeals

Objections to valuations must be lodged with the Valuer General's Office within 60 days after issue of the rates notice. Rates are still required to be paid if an objection is lodged with a refund paid if the objection is successful. Forms are available from the Shire Office or on the Shire's web site.

Under the provisions of the *Local Government Act 1995*, a property owner can lodge an objection to the rates imposed by a Council on the following grounds:

- There is an error on the rate assessment, either in respect to the owners or property details.
  or
- The characteristics of the land differ from that used in the differential rating system. The objection is to be received within 60 days of the issue of the rate notice.

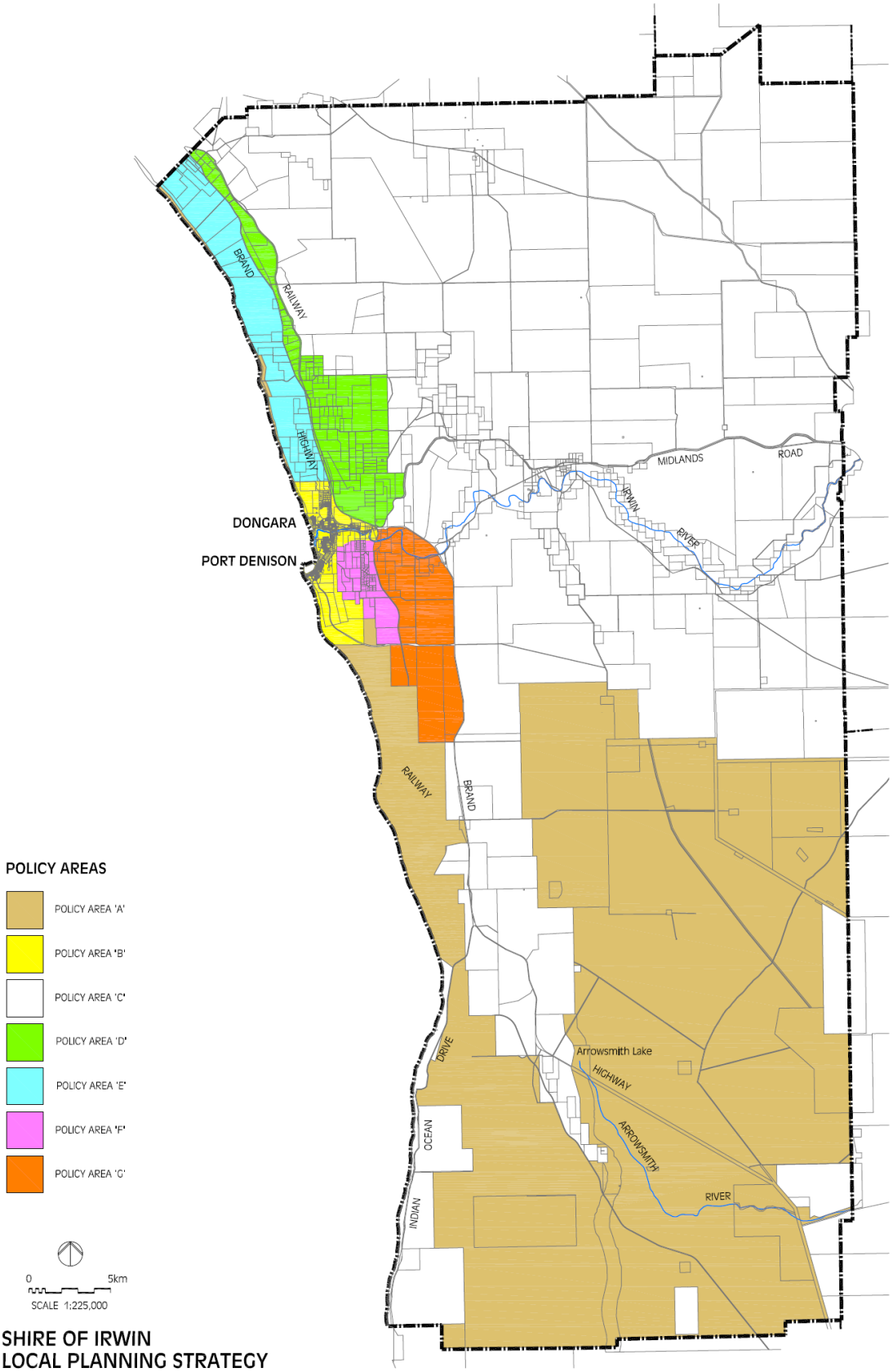
Please contact the Shire if you would like to discuss this matter further.

Pensioner Discount

Eligible Pensioners are entitled to receive a discount on their rates. Council shall determine the nature and extent of entitlement from details as at 1 July, in relation to ownership and occupation. Also, a pro-rata rebate amount will be paid if a person becomes the holder of an eligible card type during the financial year which is effective from the date of registration. A deferral arrangement is also possible.

If the circumstances of a Pensioner, who is already claiming the rebate, have changed during the previous year, they will need to update their details (i.e., card number, etc.) with Council.

Please contact the Shire if you believe you may be eligible for a rebate.



MAP 3B

SHIRE OF IRWIN
LOCAL PLANNING STRATEGY
EXISTING POLICY AREAS

EC 01338_map3B 060405

MAP 3B