SHIRE OF IRWIN
DONGARA-PORT DENISON
A BRILLIANT BLEND

MINUTES

Special Council Meeting

held on

Tuesday 21 May 2024

in the

Shire of Irwin Council Chambers

11-13 Waldeck Street, Dongara

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

I certify that this copy of the Minutes is a true and correct record of the meeting held on

Tuesday, 21 May2024

Signed: .....

Presiding Elected Member

Date: 28 May 2024

Contents

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS 3
2. RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE 3
3. DECLARATION OF PURPOSE OF MEETING 3
4. DECLARATIONS OF INTEREST 3
5. PUBLIC QUESTION TIME 3
6. OFFICER REPORTS 4
   6.1 MATTERS FOR WHICH THE MEETING IS CLOSED TO THE PUBLIC 9
7. CLOSURE 9

MINUTES

SPECIAL COUNCIL MEETING

held on

Tuesday 21 May 2024

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Shire President opened the Special Meeting at 6.00pm and welcomed Councillors and Staff.

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 (via Zoom)	Acting Manager Community Services
Ms S Mearns	Acting Executive Assistant
Mr G Nadarajah	ICT Supervisor

Apologies

Mr M Jones	Acting Manager Operations
Mr S Stubbs	Community Emergency Services Manager

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:
Special Council Meeting – 21 May 2024 Attachment Booklet
CC03-05/24 Attachment 1: Statement of Objects and Reasons 2024/25

OFFICER RECOMMENDATION AND COUNCIL DECISION 010524

MOVED: Cr Wyse **SECONDED: Cr Gillam**

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**

VOTING DETAILS **CARRIED: 6/0**

For: **Cr Leonard, Cr Wyse, Cr Scott, Cr Gillam, Cr Summers, Cr Tunbridge**

Against: **Nil**

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

Nil

8. CLOSURE

There being no further business, the Shire President closed the meeting at 6.02pm.