



Special Council Minutes Index – 14 June 2018

Subject	Page No
Acknowledgment of Country	2
Attendance, Apologies & Leave of Absence	2
Attendance of Gallery	2
Public Question Time	2
Petitions/Deputations/Presentations	2
Comments on Agenda Items by Parties with an Interest	2
Notification of Disclosures of Interest	2
Business Items	3
SpC.01/0618 Levying Rates in 2018/19 – Setting the Rates in the Dollar and Minimum Rates	3
Closure	8
List of Attachments	8

unconfirmed minutes

Minutes of the Special Meeting of Council held on Thursday, 14 June 2018 in the Council Chambers Bridgetown commencing at 5.30pm called for the purpose to consider a proposal for the setting of differential rates for the 2018/19 Budget

The Presiding Member opened the Meeting at 5.30pm

Acknowledgment of Country – Presiding Member

On behalf of the Councillors, staff and gallery, I acknowledge the Noongar People, the Traditional Owners of the Land on which we are gathered, and pay my respects to their Elders both past and present.

Attendance, Apologies and Leave of Absence

President	- Cr A Pratico
Councillors	- J Bookless - J Boyle - D Mackman - J Moore - J Nicholas - P Scallan - C Wallace - A Wilson
In Attendance	- T Clynch, CEO - M Larkworthy, Executive Manager Corporate Services - E Dennis, Executive Manager Community Services

Attendance of Gallery - Nil

Public Question Time - Nil

Petitions/Deputations/Presentations - Nil

Comments on Agenda Items by Parties with an Interest - Nil

Notification of Disclosures of Interest

Section 5.65 or 5.70 of the Local Government Act requires a Member or Officer who has an interest in any matter to be discussed at a Committee/Council Meeting that will be attended by the Member or Officer must disclose the nature of the interest in a written notice given to the Chief Executive Officer before the meeting; or at the meeting before the matter is discussed.

A Member who makes a disclosure under Section 5.65 or 5.70 must not preside at the part of the meeting relating to the matter; or participate in; or be present during, any discussion or decision making procedure relating to the matter, unless allowed by the Committee/Council. If Committee/Council allow a Member to speak, the extent of the interest must also be stated.

Business Items

ITEM NO.	SpC.01/0618	FILE REF.	160
SUBJECT	Levying Rates in 2018/19 – Setting the Rates in the Dollar and Minimum Rates		
OFFICER	Executive Manager Corporate Services		
DATE OF REPORT	5 June 2018		

Attachment 1 Objectives and Reasons for Proposed Differential Rates for the Year Ending 30 June 2019

OFFICER RECOMMENDATIONS That Council:

1. *After consideration of its strategic community plan and annual review of the corporate business plan fund the estimated budget deficiency of \$4.53m by applying differential rates when drafting the 2018/19 Annual Budget.*
2. *In accordance with section 6.36 of the Local Government Act 1995 endorses the advertising for public submissions on the proposed differential rates as set out in the table below, and makes available to the public Attachment 1 to this report setting out the objects and reasons for the differential rates:*

Category	Rate in \$	Minimum Rate
<i>Gross Rental Value (GRV) Properties</i>	<i>9.0434 cents</i>	<i>\$897.00</i>
<i>Rural Unimproved Value (UV) Properties</i>	<i>0.6222 cents</i>	<i>\$1,112.00</i>
<i>Mining Unimproved Value (UV) Properties</i>	<i>7.8450 cents</i>	<i>\$534.00</i>

3. *Direct the CEO to:*
 - *report back to Council any public submissions in relation to the proposed differential rates;*
 - *seek the approval of the Minister to impose in 2018/19 a differential Mining UV rate which is more than twice the lowest general differential UV rate.*
4. *Incorporate into the 2018/19 Budget a concession of 15% of the rate raised for properties previously rated in the 'UV Urban Farmland' differential rating category. Further, this concession be reduced by 5% in each subsequent budget commencing in 2019/20.*

Summary/Purpose

In accordance with s.6.36 of the Local Government Act 1995 (the Act) Council needs to establish the differential rates it will advertise prior to final consideration and adoption of the 2018/19 Budget. This matter is brought before Council to consider a proposal for the setting of differential rates for the 2018/19 Budget.

Background

To set the rates for its budget, Council determines the total rate revenue that it will need and sets a rate in the dollar for each rating category that will generate that revenue. Individual property valuations determine what proportion of the total rate requirements are to be met by each owner, and this proportion will change when a property's valuation changes.

It is proposed that one change be made in the 2018/19 rating year in relation to Council's existing differential rating categories, being cessation of the Urban Farmland Unimproved Value category.

Officer Comment

The 'rates in the dollar' and 'minimum payments' being recommended will deliver an overall rate increase in keeping with the estimated budget deficiency.

As part of its budget deliberations officers and/or Council has determined the budget deficiency by:

- Reviewing all revenue sources and expenditure
- A review of the corporate business plan taking into consideration the Shire's strategic community plan and long term financial plan
- Consideration and introduction of the following efficiency measures:
 - ongoing monitoring and review of the Bridgetown Leisure Centre operations and services
 - as part of the 18/19 budget process Council commenced a review of programming at the Bridgetown Leisure Centre and a review of pool opening hours
 - first stage of the parks and gardens service level review has been completed
 - a commitment in the corporate business plan to progressively review service levels
 - implementation of a Senior Management Group budget monitoring process
 - operational procedures developed to ensure compliance including purchasing
 - financial ratios report with improvement action plan
 - contract grader driver engaged that includes mentoring of junior staff
 - mid-year brief on building maintenance and capital works

Following the budget workshop held 17 May 2018 officers have determined the preliminary budget requirements for 2018/19 on the following basis:

- All corporate business plan actions for year 1 have been incorporated including year 1 allocations from all capital works plans as considered by Council
- All community grant, service agreements and other donations have been incorporated in accordance with Council's recommendation

- Increase in discretionary fees and charges as per Council's recommendations
- Employee costs – 1.75% annual increase
- Council's own source contribution to the works program has been increased by 1.6 % on 2017/18 levels
- Estimated utilities increase of 5.5%

The estimated budget deficiency of \$4.53m will result in an increase to the total rate yield of 3.5% from the 2017/18 rate yield (adjusted for natural growth).

Council reviews its rating strategy every five years. As part of the 2016/17 budget process Council considered its existing differential rating categories in line with the key values contained within the Rating Policy Differential Rates (s.6.33) released by the Department of Local Government, Sport and Cultural Industries, being:

- Objectivity
- Fairness and equity
- Consistency
- Transparency and administrative efficiency

At that review, Council indicated its preference for maintaining its existing differential rating categories of rural, urban farmland and mining land in an attempt to ensure that the rates revenue from these classes is collected on an equitable basis, taking into consideration the cost of delivering services to each of the respective land classes in the district.

During the 2017/18 budget process an application was made to the Minister for Local Government for approval of the Mining UV differential rate as required by Section 6.33(3) of the Act. As part of the Department's review of Council's application it was suggested that for 2018/19, the Shire review its rating strategy, specifically the 'UV Urban Farmland' category and the application of a 15% discount compared to the 'UV Rural' rate. It was considered that the Council's Objects and Reasons did not clearly identify the difference between 'UV Urban Farmland' and 'UV Rural'.

It was further suggested that for clarity, and if there are specific reasons why those properties currently in the 'UV Urban Farmland' category need to have a different rate, the Council may like to consider offering a concession, rather than trying to define a separate rating category. There are currently three properties rated as 'UV Urban Farmland' the discount provided to this category in 2017/18 by way of a reduced rate in the dollar equated to \$1,980.20. Officers have reviewed the Department's feedback and concur that it would be more appropriate to offer a concession rather than determining a separate rating category for the three properties.

The proposed rate in the dollar and minimum payments will maintain existing relativities (adjusted for natural growth) between all rating categories to those that applied in 2017/18. This will ensure an equitable distribution of the required rates yield from one year to the next.

The percentage split of rate revenue proposed for 2018/19 in comparison to 2017/18 is as follows:

	2017/18	2018/19
GRV	66.8%	67.0%
UV	31.3%	31.3%
Mining UV	1.9%	1.7%

A comparison of the minimum rates being proposed compared to 2017/18 is detailed below:

	2017/18	2018/19
GRV	\$867	\$897
UV	\$1,074	\$1,112
Mining UV	\$760	\$534

The reason for the reduction in the minimum rate for Mining UV is that the number of assessments on the minimum rate has increased. No more than 50% of assessments can be on the minimum rate therefore the minimum rate has been adjusted to achieve compliance.

The recommendations relate only to undertaking the prescribed advertising for public submissions for the proposed differential rates and minimum payments, and to seeking approval from the Minister to impose in 2018/19 a differential Mining UV rate which is more than twice the lowest general differential UV rate. Adopting the recommendations does not commit the Council to the general GRV rates, the differential general UV rates, or the minimum payments proposed. Council is required to consider any public submissions received prior to making its final decision and adopting the 2018/19 rating information.

Statutory Environment

Section 6.32(1) of the Act – Rates and service charges

Section 6.33(1) to (3) of the Act – Differential general rates

Section 6.35(4) of the Act – Minimum payment

Section 6.36 of the Act – Local government to give notice of certain rates

Integrated Planning

- Strategic Community Plan
Key Goal 5: Our leadership will be visionary, collaborative and accountable
Objective 5.2: We maintain high standards of governance, accountability and transparency
Strategy 5.2.8: Ensure all legislative responsibilities and requirements are met
- Corporate Business Plan - Nil
- Long Term Financial Plan - Nil
- Asset Management Plans - Nil
- Workforce Plan – Nil
- Other Integrated Planning – Nil

Policy

Policy F.10 – Method of Valuation of Rateable Properties

Budget Implications

This item has no bearing on the rates revenue being collected in 2017/18. The levying of general GRV rates, differential general UV rates and minimum payments in 2018/19 is about deriving an equitable level of revenue from each of the categories of properties in the district.

Fiscal Equity

In setting various rates in the dollar and minimum payment amounts Council aims to achieve a fair and equitable distribution of the rate burden throughout all ratepayers in the district.

Whole of Life Accounting – Not Applicable

Social Equity – Not Applicable

Ecological Equity – Not Applicable

Cultural Equity – Not Applicable

Risk Management

The advertising of Council's intention to raise differential rates is part of the statutory provisions required to ensure Council's rates are levied in accordance with legislation and are not at risk of being ruled improperly raised or imposed. There is a risk to Council not adopting its 2018/19 budget by the statutory deadline of 31 August 2018 in the event that the Minister does not approve Council's Mining UV differential rate.

Continuous Improvement – Not Applicable

Voting Requirements – Absolute Majority

Council Decision Moved Cr Scallan, Seconded Cr Wallace

SpC.01/0618 That Council:

- 1. After consideration of its strategic community plan and annual review of the corporate business plan fund the estimated budget deficiency of \$4.53m by applying differential rates when drafting the 2018/19 Annual Budget.**
- 2. In accordance with section 6.36 of the Local Government Act 1995 endorses the advertising for public submissions on the proposed differential rates as set out in the table below, and makes available to the public Attachment 1 to this report setting out the objects and reasons for the differential rates:**

Category	Rate in \$	Minimum Rate
Gross Rental Value (GRV) Properties	9.0434 cents	\$897.00
Rural Unimproved Value (UV) Properties	0.6222 cents	\$1,112.00
Mining Unimproved Value (UV) Properties	7.8450 cents	\$534.00

3. **Direct the CEO to:**
- **report back to Council any public submissions in relation to the proposed differential rates;**
 - **seek the approval of the Minister to impose in 2018/19 a differential Mining UV rate which is more than twice the lowest general differential UV rate.**
4. **Incorporate into the 2018/19 Budget a concession of 15% of the rate raised for properties previously rated in the ‘UV Urban Farmland’ differential rating category. Further, this concession be reduced by 5% in each subsequent budget commencing in 2019/20.**


Absolute Majority 9/0

Closure

The President closed the Meeting at 5.39pm

List of Attachments

Attachment	Item No.	Details
1	SpC.01/0618	Objectives and Reasons for Proposed Differential Rates for the Year Ending 30 June 2019

Minutes checked and authorised by T Clynch, CEO		15.6.18
--	---	---------

CERTIFICATION OF MINUTES

As Presiding Member, I certify that the Minutes of the Special Council Meeting held 14 June 2018 were confirmed as a true and correct record of the proceedings of that meeting at the Ordinary Meeting of Council held on 28 June 2018

..... 28 June 2018