



SHIRE OF
MERREDIN
INNOVATING THE WHEATBELT

AGENDA

Special Council Meeting

To be held in Council Chambers
Corner King & Barrack Street's, Merredin
Tuesday, 27 July 2021
Commencing 2:00pm



Notice of Meeting



Dear President and Councillors,

A Special Meeting of the Council of the Shire of Merredin will be held on Tuesday, 27 July 2021 to consider the Differential Rating Strategy 2021-22. The Special meeting will also consider the CONFIDENTIAL matter of Executive Appointment if required.

The format of the meeting will be:

1:30 pm	Briefing
2:00 pm	Special Council Meeting

A handwritten signature in black ink, appearing to read 'Mark Dacombe', written in a cursive style.

Mark Dacombe
Temporary Chief Executive Officer

22 July 2021

DISCLAIMER

PLEASE READ THE FOLLOWING IMPORTANT DISCLAIMER BEFORE PROCEEDING:

Statements or decisions made at this meeting should not be relied or acted on by an applicant or any other person until they have received written notification from the Shire. Notice of all approvals, including planning and building approvals, will be given to applicants in writing. The Shire of Merredin expressly disclaims liability for any loss or damages suffered by a person who relies or acts on statements or decisions made at a Council or Committee meeting before receiving written notification from the Shire.

The advice and information contained herein is given by and to Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to Council giving entire reasons for seeking the advice or information and how it is proposed to be used.

Common Acronyms Used in this Document	
CBP	Corporate Business Plan
CEACA	Central East Accommodation & Care Alliance Inc
CSP	Community Strategic Plan
CWVC	Central Wheatbelt Visitors Centre
DCEO	Deputy Chief Executive Officer
EA	Executive Assistant to CEO
EMCS	Executive Manager of Corporate Services
EMDS	Executive Manager of Development Services
EMES	Executive Manager of Engineering Services
GECZ	Great Eastern Country Zone
LGIS	Local Government Insurance Services
LPS	Local Planning Scheme
MCO	Media and Communications Officer
MoU	Memorandum of Understanding
MRCLC	Merredin Regional Community and Leisure Centre
SRP	Strategic Resource Plan
T/CEO	Temporary Chief Executive Officer
WALGA	Western Australian Local Government Association
WEROC	Wheatbelt East Regional Organisation of Councils



Shire of Merredin Special Council Meeting

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Shire of Merredin
Special Council Meeting
6:00pm Tuesday 6 July 2021



1. Official Opening

2. Record of Attendance / Apologies and Leave of Absence

Councillors:

Cr JR Flockart	President
Cr MD Willis	Deputy President
Cr RA Billing	
Cr LN Boehme	
Cr AR Butler	
Cr PR Patroni	
Cr RM Manning	
Cr MJ McKenzie	
Cr PM Van Der Merwe	

Staff:

M Dacombe	T/CEO
A Prnich	DCEO
G Garside	EMCS
P Zenni	EMDS
A Brice	EA

Members of the Public: Nil

Apologies:

Approved Leave of Absence: Nil

3. Public Question Time

Members of the public may submit questions by emailing ea@merredin.wa.gov.au.

4. Disclosure of Interest

5. Applications of Leave of Absence

6. Petitions and Presentations

Nil

7. Confirmation of Minutes of Previous Meetings

Nil

8. Announcements by the Person Presiding without Discussion

9. Matters for Which the Meeting may be Closed to the Public

19.1 Executive Appointment

10. Receipt of Minutes of Committee Meetings

Nil

11. Recommendations from Committee Meetings for Council Consideration

Nil

12. Officers' Reports - Development Services

Nil

13. Officers' Reports - Engineering Services

Nil

14. Officers' Reports – Corporate and Community Services

14.1 Differential Rating Strategy 2021-22

<h1>Corporate Services</h1> 	
Responsible Officer:	Geoff Garside, EMCS
Author:	Geoff Garside, EMCS
Legislation:	<i>Local Government Act 1995</i> <i>Local Government (Financial Management) Regulations 1996</i>
File Reference:	Nil
Disclosure of Interest:	Nil
Attachments:	Attachment 14.1A – Statement of Objects and Reasons for Differential Rating in 2021-22

Purpose of Report



Executive Decision



Legislative Requirement

To obtain Council's approval to advertise the proposed differential and minimum rates for the 2021/2022 financial year and invite community feedback.

Background

Local governments are empowered to impose differential general rates subject to compliance with Section 6.33 of the Local Government Act 1995.

Differential rating provides Council with flexibility in the level of rates being raised from specifically identified properties or groups of properties within the community. It is common for Councils to base differential rating for properties on Town Planning Scheme zonings however other criteria such as land use may be used.

Once a budget deficiency has been determined, and after taking into consideration the objectives of the Strategic Community Plan and Corporate Business Plan, a rating strategy and proposed differential general rates in the dollar can be determined. Rates should not be increased by a fixed amount without due consideration of the deficiency. Unless Ministerial approval is given, the amount expected to be raised through all types of local government rates must be within 90% to 110% of the deficiency of the budget (s6.34). This acts to limit the amount that may be raised by rates, but only in proportion to the expenditure requirement determined by the local government, and not in the manner of a set cap on the maximum level of income which can be raised through rates.

Council is required to give local public notice prior to imposing any differential general rates, or any minimum payment applying to a differential rate category, for a minimum of 21 days. However, Council does have the discretion to vary the rate-in-the-dollar and minimum rate during its budget deliberations without having to re-advertise the changes.

Currently, Differential Rating does not apply to properties rated using Gross Rental Values.

	Comment
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Rateable properties in the Shire of Merredin are rated on either Gross Rental Value (GRV) or Unimproved Value (UV). Values are determined by the Valuer General's Office (VGO). Typically, properties within the town boundary are rated using GRV, which is based on an estimate of what the improved property will generate in rent in a year. GRV properties are revalued every three years – the next revaluation is due for the 2022-23 budget year. Other properties in the Shire are rated using unimproved values, based on the capital value of the unimproved (bare) land. UV properties are revalued every year by the VGO. Whilst unimproved values are based on the capital value of the land, land prices are still linked to the land's capacity to generate annual revenue.

The Shire generates rate revenue by charging a rate-in-the-dollar (rates) against the valuations. The Shire's UV properties are rated as Rural, Urban Rural, Mining, Power Generation and Airstrips.

The Shire's last long-term financial plan (LTFP) included assumptions that rate revenue would increase by an average of 3% per annum – 1% from growth in valuations and 2% from rates increases. However, as part of the COVID-response Council decided not to increase rates for the 2020-21 budget. So, rates-in-the-dollar (and minimum rates) were fixed at 2019-20 rates.

The Shire received the latest valuations of UV properties in June. Overall, the average UV has increased by over 3%, whilst the Rural sub-category has increased by an average of more than 8%. Within this average, while some Rural properties have not changed values (142 properties); 31 other properties have reduced in value (four reduced by 11.5%-28%); and five have increased by 17%-18% (total of 397 properties increased in value).

To maintain the level of revenue required to meet the LTFP, and to meet rising costs, the Shire will need to increase total rate revenue by 5% on 2020-21 actuals. It is proposed that rates-in-the-dollar and minimum rates increase by 1.7% which will result in the following:

RATE CATEGORY & TYPE	2020-21 Year (actuals)			2021-22 Year Proposed			Net increase on Prior Year			% on Prior Year	
	Rate in \$ (cents)	Min \$	Rates Raised	Rate in \$ (cents)	Min \$	Rates Raised	Rate in \$ (cents)	Min \$	Rates Raised	Rate in \$	Min \$
Gross rental value											
Gross rental value	0.10615	890	\$2,198,020	0.10796	910	\$2,222,935	0.00181	20	\$24,915	1.7%	2.2%
Unimproved value											
UV 1 Rural	0.01930	1,110	\$1,857,238	0.01963	1,130	\$2,043,448	0.00033	20	\$186,210	1.7%	1.8%
UV 2 Urban Rural	0.03110	1,110	\$158,743	0.03163	1,130	\$162,814	0.00053	20	\$4,071	1.7%	1.8%
UV 3 Mining	0.03668	200	\$4,315	0.03743	205	\$7,573	0.00075	5	\$3,258	2.0%	2.5%
UV 4 Power Generation	0.03668	1,110	\$152,572	0.03743	1,130	\$161,010	0.00075	20	\$8,438	2.0%	1.8%
UV 5 Airstrips	0.03668	1,110	\$6,182	0.03743	1,130	\$6,288	0.00075	20	\$106	2.0%	1.8%
			\$4,377,070			\$4,604,068			\$226,998		

As the highest UV sub-category rate is less than twice the lowest, Ministerial approval is not required.

Policy Implications

Nil

Statutory Implications

As outlined in the Local Government Act 1995:

- s6.32 provides Council with the power to apply rates to property – a rate-in-the-dollar either uniformly or differentially; and to apply minimum rates;
- s6.33 provides Council with the power to apply differential general rates by either zoning or land use. Ministerial approval is required where a Differential Rate is more than twice the lowest differential rate to be applied in the same category (GRV or UV);
- s6.35 provides Council with the power to apply a minimum payment which is greater than the general rate which would otherwise be payable on that land and a lesser minimum in respect of any portion of the district;
- s6.36 requires Council to give public notice of its intention to impose Differential Rates, inviting submissions within 21 days or more. Council is also required to consider any submissions received prior to imposing the proposed rate or minimum payment during budget adoption;
- s6.47 indicates that a local government may resolve to waive or grant a concession for a rate or service charge (absolute majority required). In addition, Regulation 69A of the Local Government (Financial Management) Regulations 1996 also specifies that a local government cannot use its powers under section 6.47 LGA based on whether or not the land is occupied by a person who owns the land (so called absentee owner clause); and
- s5.63 (1) (b) specifically excludes the need for Elected Members to ‘Declare a Financial Interest’ in imposing a rate, fee or charge.

Local Government (Financial Management) Regulations 1996 Part 5.

- The Department prepared a Rating Policy in March 2016 giving guidance on Legislation (the Act s6.33 and Financial Regulations 52A), the five key principles and the steps involved in submitting an Application to the Minister.

Strategic Implications

➤ Strategic Community Plan

Theme:	4. Communication and Leadership
Service Area Objective:	4.2. Decision Making 4.2.2. The Shire is progressive while exercising responsible stewardship of its built, natural and financial resources.
Priorities and Strategies for Change:	N/A

➤ Corporate Business Plan

Key Action: N/A

Directorate:

Timeline:

Sustainability Implications

➤ Strategic Resource Plan

Compliance with the Local Government (Administration) Regulations 1996 and to also give Council some direction regarding its management of finance over an extended period of time.

➤ Workforce Plan

Directorate: Nil

Activity: Nil

Current Staff: Nil

Focus Area: Nil

Strategy Code: Nil

Strategy: Nil

Implications: Nil

Risk Implications

Council would be contravening the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996* should the Council adopt differential rates without advertising via Public Notice.

Financial Implications

Adopting the differential model as detailed below will result in rates revenue in accordance with Council's adopted Long Term Financial Plan.

Voting Requirements

Simple Majority

Absolute Majority

Officers Recommendation

That Council;

- 1. Advertises by local public notice for a period of 21 days, in accordance with Section 6.36(1) of the Local Government Act 1995, its intention to levy differential rates and minimum rates in 2021-22 as set out in the Statement of Objects and Reasons for Differential Rates – 2021-22;**
- 2. Authorises the Chief Executive Officer to invite submissions from electors and ratepayers on the below proposed differential rates and minimum payments for 2021-22:**

Unimproved Value	Minimum Rate	Rate in \$
UV1 – Rural	\$1,130.00	0.01963
UV2 – Urban Rural	\$1,130.00	0.03163
UV3 – Mining	\$205.00	0.03743
UV4 – Special Zone Wind Farm & Power Generation	\$1,130.00	0.03743
UV5 – Special Use Airstrip	\$1,130.00	0.03743

3. Notes any public submissions received in response to 1 and 2 above will be presented to Council for consideration prior to adoption of the 2021-22 Budget and the adoption of the 2021-22 Rates.

15. Officer's Reports - Administration

16. Motions of which Previous Notice has been given

17. Questions by Members of which Due Notice has been given

18. Urgent Business Approved by the Person Presiding of by Decision

19. Matters Behind Closed Doors

In accordance with Section 5.23 (2) (b) and (c) of the *Local Government Act 1995* Council will go Behind Closed Doors to discuss this matter.

19.1 Executive Appointment

Report to be circulated under separate cover.

20. Closure

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