

Special Council Meeting

24 August 2021

Commenced at 3.05pm

Minutes

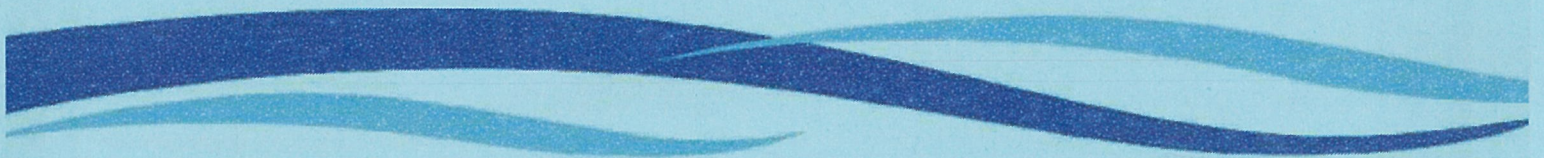
To: The President and Councillors

Here within the Minutes of the Special Council Meeting of the Shire of Toodyay held on the abovementioned date in the Council Chambers at the Shire of Toodyay, 15 Fiennes Street, Toodyay.

The Special Meeting of Council was called by the Shire President in accordance with section 5.4(a)(i) of the *Local Government Act 1995*.

The purpose of the Special Council Meeting was for Council to consider Differential Rates (2021/2022) and all matters related thereto.

Suzie Haslehurst
CHIEF EXECUTIVE OFFICER



Our Vision, Purpose and Values

The Shire of Toodyay works together with the community to obtain the best possible social, economic, and environmental outcomes for the people of Toodyay.

Vision: We are a vibrant rural community that respects our environment, celebrates our past and embraces a sustainable future.

Purpose: Local Government and community working together to obtain the best possible social, economic and environmental outcomes for the people of Toodyay.

Community Values: We value highly:

- Our sense of community support and spirit;
- Our natural environment and healthy ecosystems;
- Our rural lifestyle;
- Our historic town; and
- Our local economy built on agriculture and emerging tourism, arts and cultural opportunities.

Shire Values: To progress the community's aspirations, the Shire is guided by:

Integrity: We behave honestly to the highest ethical standard.

Accountability: We are transparent in our actions and accountable to the community.

Inclusiveness: We are responsive to the community and we encourage involvement by all people.

Commitment: We translate our plans into actions and demonstrate the persistence that produces results.

Disclaimer

Members of the public should note that in any discussion regarding any planning or other application that any statement or intimation of approval made by any member or officer of the Shire of Toodyay during the course of any meeting is not intended to be and is not to be taken as notice of approval from Council. No action should be taken on any item discussed at a Council Meeting prior to written advice on the resolution of the Council being received. Any plans or documents contained in this document may be subject to copyright law provisions (*Copyright Act 1998*, as amended) and the express permission of the copyright owner(s) should be sought prior to reproduction.

Availability of Meeting Agenda and its Attachments

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Public copies are available by contacting the Shire on (08) 9574 9300.



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ATTACHMENTS *are included after the report and before Item 7.*

Preface

When the Chief Executive Officer approves these Minutes for distribution they are in essence "Unconfirmed" until the following Special Council Meeting, where the Minutes will be confirmed subject to any amendments made by the Council.

The "Confirmed" Minutes are then signed off by the Presiding Person.

Attachments that formed part of the Agenda, in addition to those tabled at the Council Meeting are put together as a separate attachment to these Minutes with the exception of Confidential Items.

Confidential Items or attachments that are confidential are compiled as separate Confidential Minuted Agenda Items.

Unconfirmed Minutes

These minutes were approved for distribution on 25 August 2021.



Suzie Haslehurst

CHIEF EXECUTIVE OFFICER

Confirmed Minutes

These minutes were confirmed at a meeting held on 28 September 2021.

Signed:

Note: The Presiding Member at the meeting at which the minutes were confirmed is the person who signs above.



1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

Cr Madacsi, Shire President, declared the meeting open at 3.05pm and read aloud an Acknowledgement of Country:

“I acknowledge the Ballardong Noongar people, the traditional custodians of the land where we meet today and the Yued and Whadjuk people, who are traditional custodians of respective lands within the wider Shire of Toodyay. I pay my respect to their Elders, past, present and emerging.”

2. RECORDS OF ATTENDANCE

Members

Cr R Madacsi	Shire President
Cr B Ruthven	Deputy Shire President
Cr T Chitty	
Cr P Hart	
Cr M McKeown	
Cr S Pearce	

Staff

Ms S Haslehurst	Chief Executive Officer
Mr J Augustin	Manager Assets and Services
Mrs T Bateman	Manager Corporate & Community Services
Mr M Werder	Acting Manager Corporate & Community Services
Mr H de Vos	Manager Planning & Development
Mrs M Rebane	Executive Assistant

Visitors

P Ruthven

2.1 APOLOGIES

Cr Rayner

2.2 APPROVED LEAVE OF ABSENCE

Cr Bell from 4.07pm on 27 July 2021 to 31 August 2021 inclusive.

3. DISCLOSURE OF INTERESTS

The Chief Executive Officer advised that no disclosures of interest in the form of a written notice had been received prior to the commencement of the meeting.

4. PUBLIC QUESTIONS (relating to the purpose of the meeting and *responded to by the Shire President unless otherwise indicated*)

Nil

5. PUBLIC SUBMISSIONS (relating to the purpose of the meeting)

Nil

6. PURPOSE OF MEETING

6.1 Approval to advertise Differential Rates 2021/22

Date of Report:	23 August 2021
Applicant or Proponent:	Shire of Toodyay
File Reference:	FIN29
Author:	T Bateman – Manager Corporate and Community Services
Responsible Officer:	S Haslehurst – Chief Executive Officer
Previously Before Council:	N/A
Disclosure of Interest:	Nil
Council's Role in the matter:	Executive
Attachments:	1. Objects and Reasons.

PURPOSE OF THE REPORT

To consider the proposed differential rate categories, rate in the dollar and minimum payments for advertising prior to adoption of the 2021/2022 Annual Budget, as detailed in the Objects and Reasons for differential rates (Attachment 1).

BACKGROUND

The power to raise local government rates is set out under the *Local Government Act 1995* (Act).

Prior to adopting the differential rates, a local government is required to advertise its intention to do so in accordance with the Act. This process usually occurs between

May and June in preparation for timely budget adoption. However, it was difficult to produce accurate rates modelling from Datascope until the Landgate valuations were loaded. This project was completed on 19 August 2021.

COMMENTS AND DETAILS

Prior to adopting its annual budget each year, Council considers its current Strategic Community, Corporate Business and Long-Term Financial Plans and, subject to the rating provisions under the Act, may raise rate revenue at the level it determines appropriate. To determine this level, Council assesses the current and future service needs, aspirations of the community and their capacity to pay for those services.

Following a series of budget workshops with Councillors, Officers are recommending that to achieve an appropriate level of funding for operations and asset renewal, rate revenue would need to be increased by 5.0%. This increase has been factored into the development of the draft budget and takes into account the following key considerations and their associated impacts;

- No increase to rates since 2019/20
Rates were not increased for the 2020/21 Annual Budget resulting in the absorption of annual increases such as consumer price index, local government cost index (LGCI) and wage increases.
- Storm & fire events
The events of the past six to eight months have had an impact on Shire resources – physical, human and financial.
- Toodyay Recreation Centre
Toodyay Recreation Centre began operating in October 2020 resulting in a required operating allocation for the 2021/2022 financial year of approximately \$400,000.
- Impact of COVID-19
The Shire offered a 3% discount on rates, and withheld interest for the 2020/2021 year in addition to the adoption of Policy F22 COVID-19 Financial Hardship. In addition, supply costs have increased as a result of the pandemic adding to project costs.

Although differential rates have been imposed in the Shire of Toodyay since 2014, it is a requirement of the *Local Government Act 1995* that differential rates be advertised. And, while local governments are required to advertise *proposed* differential rates, the final rates are determined by Council when adopting the Annual Budget.

The proposed differential rates are contained in the table below. It is proposed that those properties on the minimum rate will remain at \$1,351.

It is recommended that Council approves the 2021/2022 rate in the dollar and the minimum rates to be advertised by public notice as per the following:

Basis of Rating	Current Rate in \$	Proposed Rate in \$
GRV Residential	0.129430	0.135733
GRV Commercial	0.140200	0.143042
GRV Industrial	0.123483	0.124842
GRV Rural	0.118690	0.124624
GRV Rural Residential	0.112600	0.118182
UV General	0.011680	0.013823
UV Rural	0.008969	0.008858

Basis of Rating	Current Rate in \$	Proposed Rate in \$
<u>MINIMUM RATES</u>		
GRV Residential	1,351.00	1,351.00
GRV Commercial	1,351.00	1,351.00
GRV Industrial	1,351.00	1,351.00
GRV Rural	1,351.00	1,351.00
GRV Rural Residential	1,351.00	1,351.00
UV General	1,351.00	1,351.00
UV Rural	1,351.00	1,351.00

IMPLICATIONS TO CONSIDER

Consultative:

This report recommends advertising the proposed differential rates for public comment prior to the adoption of the 2021/2022 Annual Budget. This advertising will occur for a

minimum of 21 days and allows ratepayers the opportunity to consider the proposed rate in the dollar and make any submissions prior to Council adopting the proposed rate as part of the budget process.

Strategic:

Differential rates represent a strategic approach to rating. Rates are a major revenue source of Council used to achieve the objectives of the Strategic Community Plan and Corporate Business Plan. The purpose of levying rates is to meet the Shire's budget requirements in order to deliver services and projects each financial year.

Financial:

The financial implications of adopting a 5% rate increase would see an estimated additional rate yield of approximately \$328,000 compared to the 2020/2021 financial year. The anticipated rate revenue for 2021/2022 is \$6,648,000.

This represents an increase to the *median* rates notice across the seven rating categories of between \$82 and \$391 for the 2021/2022 financial year.

Note: The rate yield estimated above is based on current valuations provided by Landgate and may be subject to change.

Legal and Statutory:

Sections 6.33 and 6.34 of the *Local Government Act 1995* allow local governments to impose differential rates and minimum payments. Section 6.36 requires local governments to give notice of certain rates before imposing them. Council is requested to endorse for advertising the proposed rates in accordance with Section 6.36 of the Act.

Risk related:

There are significant financial and operational risks associated with setting rates for the budget adoption process. Compliance with statutory provisions helps to mitigate these risks.

Workforce related:

There are no adverse workforce implications as a result of the officer's recommendation.

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION

That Council:

1. Approves the proposed 2021/2022 differential rate categories, rate in the dollar and minimum payments for advertising prior to adoption of the 2021/2022 Annual Budget as follows;

Basis of Rating	Current Rate in \$	Proposed Rate in \$
GRV Residential	0.129430	0.135733
GRV Commercial	0.140200	0.143042
GRV Industrial	0.123483	0.124842
GRV Rural	0.118690	0.124624
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GRV Rural Residential	1,351.00	1,351.00
UV General	1,351.00	1,351.00
UV Rural	1,351.00	1,351.00

2. Endorses the Objects and Reasons for proposed differential rates for the 2021/22 financial year provided as Attachment 1 to this report to be published on the Shire's website.

Cr Hart moved the Officer’s Recommendation, with amendments, as follows:

That Council:

1. Approves the proposed 2021/2022 differential rate categories, rate in the dollar and minimum payments for advertising prior to adoption of the 2021/2022 Annual Budget as follows:

Basis of Rating	Current Rate in the \$	Proposed Rate in the \$
GRV Residential	0.129430	0.135733
GRV Commercial	0.140200	0.143042
GRV Industrial	0.123483	0.124842
GRV Rural	0.118690	0.124624
GRV Rural Residential	0.112600	0.118182
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UV General	1,351.00	1,351.00
UV Rural	1,351.00	1,351.00

2. Endorses the Objects and Reasons for proposed differential rates for the 2021/22 financial year provided as Attachment 1 to this report to be published on the Shire’s website.

Clarification was sought.

Cr McKeown foreshadowed an amendment to the substantive motion.

Further clarification was sought.

Cr McKeown seconded the substantive motion.

Cr McKeown moved an amendment to the substantive motion as follows:

At Point 1:

- **the word “proposed” be removed;**
- **the words “and ratepayer submissions” be inserted after the words “for advertising”**
- **the words “prior to consideration” replace the words “prior to adoption”**

Cr Hart accepted the amendments to the substantive motion.

Clarification was sought.

Debate commenced.

Further clarification was sought.

The motion was put.

OFFICER’S RECOMMENDATION/COUNCIL RESOLUTION NO. 161/08/21

MOVED Cr Hart

SECONDED Cr McKeown

That Council:

1. Approves these 2021/2022 differential rate categories, rate in the dollar and minimum payments for advertising and ratepayer submissions prior to consideration of the 2021/2022 Annual Budget as follows:

Basis of Rating	Current Rate in the \$	Proposed Rate in the \$
GRV Residential	0.129430	0.135733
GRV Commercial	0.140200	0.143042
GRV Industrial	0.123483	0.124842
GRV Rural	0.118690	0.124624
GRV Rural Residential	0.112600	0.118182
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GRV Industrial	1,351.00	1,351.00
GRV Rural	1,351.00	1,351.00
GRV Rural Residential	1,351.00	1,351.00
UV General	1,351.00	1,351.00
UV Rural	1,351.00	1,351.00

- Endorses the Objects and Reasons for proposed differential rates for the 2021/22 financial year provided as Attachment 1 to this report to be published on the Shire's website.

MOTION CARRIED 6/0

Attachment 1 – Statement of Objects and Reasons for Differential Rating

In accordance with Sections 6.33 & 6.36 of the *Local Government Act 1995* and the Council's intention to continue levying differential rates for the 2021/2022 Financial Year, the Shire is required to publish its Objects and Reasons for implementing the differential rates categories.

All land except exempt land in the Shire of Toodyay is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in accordance with the requirements of s6.28 of the *Local Government Act 1995*. The rates in the dollar (\$) for the various differential rates are calculated to provide the shortfall in income required to enable the Shire to provide necessary works and services in the 2021-22 financial year after taking into account all non-rate sources of income.

GRV - Residential

The rate in the dollar of 0.135733 has been set to ensure that the proportion of total rate revenue derived from residential property remains consistent with previous years. This is based on the total raised from all properties now rated as Residential.

GRV - Commercial

The rate in the dollar of 0.143042 has been set to ensure that the proportion of total rate revenue derived from commercial property remains consistent with previous years and recognises the higher demand on Shire infrastructure and services from the activity on the commercial property.

GRV - Industrial

The rate in the dollar of 0.124842 has been set to ensure that the proportion of total rate revenue derived from industrial property remains consistent with previous years and recognises the higher demand on Shire infrastructure and services from the activity on the industrial property.

GRV - Rural

The rate in the dollar of 0.124624 has been set to ensure that the proportion of total rate revenue derived from these properties remains consistent with previous years.

GRV - Rural Residential

The rate in the dollar of 0.118182 has been set to ensure that the proportion of total rate revenue derived from these properties remains consistent with previous years, notwithstanding that in previous years these properties had been rated as UV General.

Attachment 1 - continued

UV - General

The rate in the dollar of 0.013823 has been set to ensure that the proportion of total rate revenue derived from rural small holdings remain consistent with previous years.

UV - Rural

The rate of 0.008858 has been set to ensure that broadacre farming properties, those over 100 hectares and used for grazing or cropping, are not adversely affected by the valuation changes resulting from the preponderance of rural small holdings.

Minimum Payment all categories

A minimum payment of \$1,351 is applied to GRV & UV properties in recognition that every property receives some minimum level of benefit from works and services provided. The minimum payment helps encourage development and discourage speculation. The minimum rate has not increased.

7. CLOSURE OF MEETING

The Shire President declared the meeting closed at 3.33pm.

