



Special Council Meeting

8 June 2022

Commencing at 1.00pm

Agenda

Notice of Meeting.

To: The President and Councillors.

A Special Council Meeting of the Shire of Toodyay will be held at the Shire of Toodyay Council Chambers, 15 Fiennes Street, Toodyay WA 6566 on the above-mentioned date and time.

The Special Council Meeting has been called by the Shire President in accordance with section 5.4 of the *Local Government Act 1995* for the purpose of considering Differential Rates (2022/2023) 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 can be found in the Attachments Paper on the Council website alongside this agenda.

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Presiding Member is to run through the Preliminaries, and to declare the Ordinary Meeting of Council open.

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**2.1 APOLOGIES****2.2 APPROVED LEAVE OF ABSENCE**

Nil

3 DISCLOSURE OF INTERESTS**4 PUBLIC QUESTIONS****4.1 PUBLIC QUESTION TIME****5 PUBLIC SUBMISSIONS**

6 OFFICER REPORTS**6.1 CORPORATE AND COMMUNITY SERVICES****6.1.1 Advertising of 2022-2023 Differential Rates**

Date of Report:	3 June 2022
Applicant or Proponent:	Shire of Toodyay
File Reference:	FIN30/MIN1
Author:	M Werder – Project Manager
Responsible Officer:	T Bateman – Manager Corporate and Community Services
Previously Before Council:	Nil
Author's Disclosure of Interest:	Nil
Council's Role in the matter:	Legislative
Attachments:	1. Statement of 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 2022/2023 Annual Budget, as detailed in the Objects and Reasons for differential rates (Attachment 1), including the new Mining Tenement Differential Rate.

BACKGROUND

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

Prior to adopting the differential rates, a local government is required to advertise its intention to do so in accordance with the Act, (Section 6.36(3)). This process usually occurs between May and June in preparation for timely budget adoption. However, it is difficult to produce accurate rates modelling from Datascape until the Landgate valuations are loaded. This project is ongoing as at June 2022 and any changes after the current date are expected to be minor and will not affect the foundation of this report.

At the May 2022 Ordinary Council Meeting, Council resolved (CRN: OCM081/05/22) the following:

That Council:

1. *Resolves to introduce a Mining Tenement Differential Rate to contribute to the costs incurred by the Shire as a result of mining tenement activities.*
2. *Requests the CEO to:*
 - (a) *Develop a statement of objects and reasons for inclusion and publication as part of the 2022/23 annual budget process.*

- (b) *Closely monitor and record Shire expenditure related to the Mining Tenement sector to confirm the relevance, adequacy and accuracy of the imposed Differential Rate and report to Council as part of the annual budget process.*

COMMENTS AND DETAILS

Prior to adopting its annual budget each year, Council considers its current Strategic Community Plan, Corporate Business Plan and Long-Term Financial Plan 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 2.5% on the 2021/2022 rate revenue. New properties and the increased Mining Tenement rate revenue will be in addition to this proposed rate increase. This increase has been factored into the development of the draft budget and takes into account the following key considerations and their associated impacts:

- The Long-Term Financial Plan (LTFP) specifies a 2.5% rate revenue increase and the draft budget will be managed within this guideline. To meet the 2.5% overall increase in rate revenue, individual rates categories will increase by 3.05%.
- There will be no increase in the minimum rate of \$1,351.00 as it is considered that this is appropriate considering the requirements of the Shire and compares with surrounding and similar Local Governments.
- Annual increases such as consumer price index, local government cost index (LGCI), wage increases and the LTFP are considered in developing the draft budget.
- The impact of COVID-19 is still a factor in the management of the Shire and district and is being considered in the budget process.

Although differential rates have been imposed in the Shire of Toodyay since 2014, it is a requirement of section 6.36 (3) 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.

Differential rates form one part of local government's approach for setting rates. This means that local governments have the option to set more than one rate in the dollar based on property class, rather than having a uniform rate for all property classes. Differential rates allow different classes of property to be rated differently, to maintain relativity between general, residential, commercial, industrial rural and mining rating classifications.

The 2022/2023 rates modelling has been based on a 2.50% overall increase which will provide a budgeted rate revenue of \$7,205,512. There has been no change made to the minimum rate of \$1,351. To meet the 2.5% overall increase in rate revenue, individual rates categories will increase by 3.05%. This reflects the proposed rate increase adopted by Council in the Long-Term Financial Plan.

The revenue from a Mining Tenement Differential Rate will be in addition to any previous rates decision on the overall rates position of the Shire, as to be decided by Council. This differential rate is to offset some of the additional expenditure incurred by the Shire as a result of the operations of this specific sector.

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 proposed 2022/2023 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	0.134622	0.138729
GRV Commercial	0.142662	0.147014
GRV Industrial	0.124842	0.128650
GRV Rural	0.124494	0.128292
GRV Rural Residential	0.117860	0.121456
UV General	0.013750	0.014170
UV Rural	0.008858	0.009128
UV Mining	0.013750	0.935665

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
UV Mining	Included in UV General	1,351.00

Under Section 6.33 (3) of the Local Government Act 1995, as one differential general rate is more than twice the lowest differential rate imposed by the local government, approval of the Minister will be sought after the advertising period of Differential Rate. If there is a modification in the approved differential rate just prior to the Budget Adoption further Ministerial Approval will be sought.

IMPLICATIONS TO CONSIDER

Consultative:

Discussions have taken place between staff and Councillors in a number of Council workshops. A Statement of Objects and Reasons is provided (Attachment 1).

Under Section 6.36 (1) of the Local Government Act 1995, this report recommends giving local public notice of the intention to impose the proposed differential rates for public comment prior to the adoption of the 2022/2023 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 appropriate 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 to deliver services and projects each financial year.

Shire of Toodyay Strategic Community Plan

Built environment: Our buildings, roads and transport:

O 1: Ensure safe and sustainable transport options.

Governance: The way the Shire leads and operates:

O 1: Provide accountable and transparent leadership for the community.

Policy related:

Long Term Financial Planning.

Significant Accounting Policy

Dealing with Mining Proposals.

Financial:

The financial implications of adopting a 2.5% overall rate increase would see an estimated additional rate yield of approximately \$335,479 compared to the 2021/2022 financial year which includes the increased Mining Tenement Rates. The anticipated rate revenue for 2022/2023 is \$7,205,512.

This represents an increase to the *median* rates notice across the seven rating categories of between \$52 and \$246 for the 2022/2023 financial year, as compared \$82 and \$391 for 2021/2022.

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.

Section 6.35 (6) of the Local Government Act 1995 states that a differential minimum payment may be imposed.

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. There is an expectation from the community that the Shire maintains the assets in a reasonable state and fit for purpose. The application of differential rates ensures the needs and responsibilities of various areas are addressed.

Workforce related:

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

VOTING REQUIREMENTS

Absolute Majority

OFFICER'S RECOMMENDATION 1

That Council:

- Approves the proposed 2022/2023 differential rate categories, rate in the dollar and minimum payments for advertising prior to adoption of the 2022/2023 Annual Budget as follows:

Basis of Rating	Current 2021/22 Rate in \$	Proposed 2022/23 Rate in \$
GRV Residential	0.134622	0.138729
GRV Commercial	0.142662	0.147014
GRV Industrial	0.124842	0.128650
GRV Rural	0.124494	0.128292
GRV Rural Residential	0.117860	0.121456
UV General	0.013750	0.014170
UV Rural	0.008858	0.009128
UV Mining	0.013750	0.935665

Basis of Rating	Current 2021/22 Rate	Proposed 2022/23 Rate
<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
UV Mining	Included in UV General	1,351.00

2. Endorses the Objects and Reasons for proposed differential rates for the 2022/23 financial year provided as Attachment 1 to this report to be published on the Shire's website.



Shire of Toodyay

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 2022/2023 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 town sites or Unimproved Value (UV) in accordance with the requirements of section 6.28 of the *Local Government Act 1995*. In 2022-2023 the Mining Tenement Differential Rate will be introduced.

OBJECTIVES AND REASONS FOR DIFFERENTIAL RATING

The proposed 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 2022/2023 financial year for each category after taking into account all non-rate sources of income.

GRV – Residential

The rate in the \$ of 0.138729 has been set to ensure that the proportion of total rate revenue derived from residential property remains consistent with previous years and recognises the demand on Shire infrastructure and services from the activity on the GRV Residential properties.

GRV – Commercial

The rate in the \$ of 0.147014 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 GRV Commercial properties.

GRV – Industrial

The rate in the \$ of 0.128650 of 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 GRV Industrial properties.

Statement of Objects and Reasons for Differential Rating

Continued

GRV – Rural

The rate in the \$ of 0.128292 has been set to ensure that the proportion of total rate revenue derived from rural properties remains consistent with previous years and recognises the demand on Shire infrastructure and services from the activity on GRV Rural properties.

GRV - Rural Residential

The rate in the \$ of 0.121456 has been set to ensure that the proportion of total rate revenue derived from rural residential properties remains consistent with previous years and recognises the demand on Shire infrastructure and services from the activity on GRV Rural Residential properties.

UV - General

The rate in the \$ of 0.014170 has been set to ensure that the proportion of total rate revenue derived from rural small holdings remain consistent with previous years and recognises the demand on Shire infrastructure and services from the activity on UV General properties.

UV – Rural

The rate of 0.009128 has been set to ensure that broad acre 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 small rural holdings.

UV – Mining

The rate of 0.935665 has been set to ensure that the requirements of the Mining Tenements can be significantly addressed within the rates revenue from this sector.

Differential Minimum Payment

Minimum Payment

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 over the previous two years.

7 CLOSURE OF MEETING