



MINUTES

Special Council Meeting

4 July 2023

CONFIRMATION OF MINUTES

These Minutes have been CONFIRMED as the official record for the Shire of Gingin's Special Council Meeting held on 4 July 2023.

Councillor C W Fewster
SHIRE PRESIDENT

DISCLAIMER

Members of the public are advised that Council agendas, recommendations, minutes and resolutions are subject to confirmation by Council and therefore, prior to relying on them, one should refer to the subsequent meeting of Council with respect to their accuracy.

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Applicants and other interested parties should refrain from taking any action until such time as written advice is received confirming Council's decision with respect to any particular issue.

ACKNOWLEDGEMENT OF COUNTRY



The Shire of Gingin would like to acknowledge the Yued people who are the traditional custodians of this land. The Shire would like to pay respect to the Elders past, present and emerging of the Yued Nation and extend this respect to all Aboriginal people. The Shire also recognises the living culture of the Yued people and the unique contribution they have made to the Gingin region.

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ORDER OF BUSINESS

1 DECLARATION OF OPENING

The Deputy Shire President declared the meeting open at 1:02 pm and welcomed all in attendance.

2 RECORD OF ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE

2.1 ATTENDANCE

Councillors – A R Vis (Deputy Shire President), F Johnson, R Kestel, F J Peczka and E Sorensen

Staff – L Crichton (Acting Chief Executive Officer), R Kelly (Executive Manager Regulatory and Development Services), V Crispe (Executive Manager Operations and Assets, L Burt (Coordinator Governance), and K Johnston (Governance Support Officer/Minute Officer)

Gallery – There were 0 members of the public present in the Gallery.

2.2 APOLOGIES

Councillor W Fewster (Shire President)
Councillor L Balcombe
Councillor J K Rule

2.3 LEAVE OF ABSENCE

Nil

3 DISCLOSURES OF INTEREST

Nil

4 PUBLIC QUESTION TIME

4.1 RESPONSES TO PUBLIC QUESTIONS PREVIOUSLY TAKEN ON NOTICE

Nil

4.2 PUBLIC QUESTIONS

Nil

5 PETITIONS

Nil

6 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

7 ANNOUNCEMENTS BY THE PRESIDING MEMBER

Nil

8 UNRESOLVED BUSINESS FROM PREVIOUS MEETINGS

Nil

9 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

10 REPORTS - OFFICE OF THE CEO

Nil

11 REPORTS - CORPORATE AND COMMUNITY SERVICES

11.1 DIFFERENTIAL RATING 2023/24

File	RAV/1
Author	Les Crichton - Executive Manager Corporate & Community Services
Reporting Officer	Les Crichton - Executive Manager Corporate and Community Services
Refer	Nil
Appendices	1. Statement of Objects and Reasons for Differential Rates 2023-24 [11.1.1 - 5 pages]

DISCLOSURES OF INTEREST

Nil

PURPOSE

To consider and adopt the Shire of Gingin's differential rating options for the 2023/24 financial year.

BACKGROUND

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

The Shire of Gingin first introduced differential rating in the 2011/12 financial year and has continued to use this method of rating in each subsequent year.

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 Local Planning Scheme zonings; however other criteria such as land use may be used. Differential rating in the Shire of Gingin has, to date, been based on land use since 2011/12.

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. Council does, however, have the discretion to vary the rate in the dollar and minimum rate during its budget deliberations without having to re-advertise the changes.

Before local public notice is given, proposed rates should be determined by Council, along with the objects and reasons providing justification for each differential general rate or minimum payment.

It is important that these provide sufficient supporting information to electors and ratepayers, otherwise the local government may be asked to readvertise by the Minister for Local Government (the Minister).

A review of the Rating Strategy was undertaken in May 2022 following removal in 2021 of the concession provided to some UV Intensive/Mining properties and was adopted in July 2022 following a 21 day public consultation period.

The Strategy then informed Council's 2022/23 Statement of Objects and Reasons for Differential Rates outlining the intent of Council's Rating Strategy.

The following table details the differential rates set for the previous year:

Differential Rates 2022/23			
Differential Rate Category	UV Rate in \$	Minimum Rate	Income
Rural & Other – UV (including exploration and prospecting tenements)	\$0.005380	\$1,350	\$2,181,932
Rural Intensive – UV (excluding exploration and prospecting tenements)	\$0.008157	\$2,300	\$ 942,952
Differential – Total Revenue			\$3,124,884

COMMENT

Officers have prepared the following 2023/24 differential rating model for Council's consideration.

Differential Rates 2023/24			
Differential Rate Category	UV Rate in \$	Minimum Rate	Income
Rural & Other – UV (including exploration and prospecting tenements)	\$0.004848	\$1,444	\$2,336,494
Rural Intensive – UV (excluding exploration and prospecting tenements)	\$0.007376	\$2,461	\$1,007,394
Differential – Total Revenue			\$3,343,888

While the Statement of Objects and Reasons for Differential Rates (Appendices) has been updated to reflect the 2023/24 proposed rating revenue, the intent remains largely unchanged following the 2022 Rating Strategy Review.

For the purpose of Budget discussions, the 2023/24 draft Budget rates modelling has been calculated using the General Valuation 1 August 2022 for rural assessments (UV) provided by Landgate Valuation Services. The total valuation of \$566,435,000 has a valuation date of 1 August 2022, is effective from 30 June 2023, and represents an average overall increase of 17.6%

A general valuation of all non-rural properties (GRV) is undertaken by Landgate Valuation Services every 6 years. As the most recent general valuation was completed in 2022, a general valuation was not undertaken this year, resulting in a minimal increase to the 2022 GRV figure to \$62,734,806.

In line with Council practice, the “Rate in the Dollar” for UV – Rural and Other (including exploration and prospecting tenements) and UV Rural Intensive/Mining (excluding exploration and prospecting tenements) properties has been adjusted (factored back) to negate the impact of the increase as a result of the 2022 general valuation.

The minimums for the UV Rural and UV Intensive categories have been checked to ensure the number of minimum rated properties within each rating category is maintained under 50% as required under the *Local Government Act 1995*.

In the current economic climate including a 7.9% CPI increase March 2022 to March 2023, both UV and GRV rates in the dollar have been adjusted to achieve an overall increase in rate revenue of \$10,075,892 (7%) to fund current levels of operational and asset renewal.

STATUTORY/LOCAL LAW IMPLICATIONS

Local Government Act 1995

Part 6 – Financial management Division 6 – Rates and service charges

Section 6.33 – Differential general rates

Section 6.36 – Local government to give notice of certain rates.

POLICY IMPLICATIONS

Nil

BUDGET IMPLICATIONS

Local public notice of the proposed differential rates is required. It is anticipated the advertising costs will amount to approximately \$1,000 which will be funded from the existing advertising budget.

STRATEGIC IMPLICATIONS

Shire of Gingin Strategic Community Plan 2022-2032

Aspiration	4. Excellence & Accountability - Deliver Quality Leadership and Business Expertise
Strategic Objective	4.4 Strategic & Sustainable Financial Planning - Undertake long-term resource planning and allocation in accordance with the Integrated Planning and Reporting Framework

VOTING REQUIREMENTS – SIMPLE MAJORITY

COUNCIL RESOLUTION/OFFICER RECOMMENDATION

MOVED: Councillor Johnson **SECONDED:** Councillor Sorensen

That Council:

1. Adopt the following Differential Rates in the Dollar and minimum payments for Unimproved Value rated properties, subject to finalisation of the 2023/24 draft Budget and the establishment of the funding shortfall required from the imposition of rates on Unimproved Value rated properties:

Differential Rates 2023/24			
Differential Rate Category	UV Rate in \$	Minimum Rate	Income
Rural & Other – UV (including exploration and prospecting tenements)	{resolution}.004848	\$1,444	\$2,336,494
Rural Intensive – UV (excluding exploration and prospecting tenements)	{resolution}.007376	\$2,461	\$1,007,394
Differential – Total Revenue			\$3,343,888

and

2. In accordance with Section 6.36 of the *Local Government Act 1995*, advertise its intention to levy differential rates on Unimproved Value properties for the 2023/24 Budget, and the availability of the Shire Gingin's 2023/24 Differential Rating Objects and Reasons.

**CARRIED
4 / 1**

FOR: Councillor Sorensen, Councillor Johnson, Councillor Peczka and Councillor Vis
AGAINST: Councillor Kestel



Statement of Objects and Reasons
for Differential Rates 2023/24



Introduction

For the purpose of determining rates each year, property valuations have been the standard basis for the calculation of rates, not only in Australia, but for many overseas countries as well. However, it is recognised that valuations alone do not always produce equitable results in all communities and therefore the *Local Government Act 1995* provides several options, such as differential and specified area rates, to assist in achieving the desired rating outcome.

The purpose of levying rates is to meet the Council's budget requirements each year in a manner that is deemed to be fair and equitable to the ratepayers of the community.

Methods of Rating - Gross Rental Valuations and Unimproved Valuations

The *Local Government Act 1995* specifies that where land is used predominantly for rural purposes, the rate levied shall be based upon its unimproved value (UV); and where land is used predominantly for non-rural purposes, the rate levied shall be on its gross rental value (GRV). A change in valuation methodology for a property must be made by the Council to the Department of Local Government, Sports, and Cultural Industries. The Minister for Local Government must then approve a change of valuation methodology for a property, based on the recommendation by the Department.

In accordance with the *Local Government Act 1995* the Shire of Gingin uses a combination of Gross Rental Valuations (GRV) and Unimproved Valuations (UV) in the calculation of annual rates. Properties assigned a UV are revalued every year with properties assigned a GRV being revalued every six years by the Valuer General (Landgate).

Interim valuations are issued to Council by Landgate for properties where changes have occurred as a result of subdivisions, building construction/demolition, additions and/or property rezoning. In such instances Council must amend the rates for the properties concerned and issue an amended rate notice to the property owner.

Applicable Valuations

The valuations to be applied this coming year for UV properties, by comparison to last year, are shown below:

Category	Valuation Type	Current	Future	Count	Variance	% Change
Rural and Other - UV	UV	379,173,933	445,923,934	844	66,750,001	17.60%
Rural Intensive/ Mining - UV	UV	103,075,139	120,510,885	249	17,435,746	16.91%
Total UV		482,249,072	566,434,819	1093	84,185,747	17.46%

Differential Rating

Differential rating allows Council 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.

The aim of the Shire of Gingin is to ensure that rate revenue is collected on an equitable basis from all properties. For this reason the Council has proposed to adopt differential rates for the 2023/24 financial year.

Section 6.33 of the *Local Government Act 1995* makes provision for the Shire to be able to levy differentials based on a number of criteria:

- (1) *A local government may impose differential general rates according to any, or a combination, of the following characteristics –*
- (a) *the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or*
 - (b) *a purpose for which the land is held or used as determined by the local government; or*
 - (c) *whether or not the land is vacant land; or*
 - (d) *any other characteristic or combination of characteristics prescribed.*

Section 6.33 of the *Local Government Act 1995* also permits Council to levy differentials such that the highest is not more than twice the lowest differential. A greater difference in differentials may be used, which requires Ministerial approval.

The Shire intends to establish the following differential rate categories for the 2023/24 financial year:

- UV - Rural and Other (including exploration and prospecting tenements)
- Minimum payment in respect to UV - Rural and Other
- UV - Rural Intensive/Mining
- Minimum payment in respect to UV - Rural Intensive/Mining

A uniform rate in the dollar will be applied to GRV rated land.

Minimum Payments

Section 6.35 of the *Local Government Act 1995* makes provision for the Shire to be able to set a minimum payment in relation to rateable land. This is set out below:

6.35 Minimum payment

- (1) *Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.*
- (2) *A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.*
- (3) *In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than –*
- (a) *50% of the total number of separately rated properties in the district; or*
 - (b) *50% of the number of properties in each category referred to in subsection (6),*
- on which a minimum payment is imposed.*
- (4) *A minimum payment is not to be imposed on more than the prescribed percentage (50%) of –*
- (a) *the number of separately rated properties in the district; or*
 - (b) *the number of properties in each category referred to in subsection (6),*
- unless the general minimum does not exceed the prescribed amount (\$200).*

- (5) *If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.*
- (6) *For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories –*
- (a) *to land rated on gross rental value; and*
 - (b) *to land rated on unimproved value; and*
 - (c) *to each differential rating category where a differential general rate is imposed.*

Overall Objective

The rates in the dollar (\$) for the various differential rates are calculated to provide the shortfall in revenue required to make up the budget deficiency to enable the Shire to provide the level and range of works and services required in the 2023/24 financial year after taking into account all non-rate sources of revenue.

Purpose: UV - Rural and Rural Other (including exploration and prospecting tenements)

The objective of this differential rate category is to impose a differential general rate on land held or used for the purposes of rural broad acre farming, rural residential, rural industry, and other non-intensive uses.

Purpose: UV - Rural Intensive/Mining

The objective of this differential rate category is to impose a differential general rate on land held or used for the purposes of the following land uses defined within the Shire of Gingin local Planning Scheme –

- Agriculture Intensive
- Animal Husbandry – Intensive
- Aquaculture
- Industry – extractive
- Industry – mining

Objects and Reasons

- **UV - Rural and Rural Other**

The reason for this rate is to reflect the lower impact on transport infrastructure and monitoring of land use/environmental impacts compared to the Rural Intensive/Mining – UV category. It also ensures that all ratepayers make a reasonable contribution towards the ongoing maintenance and service provision of works, services, and facilities throughout the Shire.

Proposed Rate in \$: 0.004848

- **Minimum payment in respect to UV - Rural and Other**

The object of the proposed minimum payment of **\$1,444** is to ensure that the proportion of total rate revenue derived from Rural and Rural Other UV properties is consistent with the overall rate increase for this category. This rate is considered to be the base minimum rate by which all other UV rated properties are assessed.

It also recognises that every property receives some minimum level of benefit of works and services provided.

- **Rural Intensive/Mining – UV**

The reason for this differential rate is to reflect the higher impact on transport infrastructure and monitoring of land use/environmental impacts compared to Rural and Other – UV properties, and the capacity to pass on the rates charge as a business cost. It also ensures that all ratepayers make a reasonable contribution towards the ongoing maintenance and service provision of works, services, and facilities throughout the Shire.

Proposed Rate in \$: 0.007376

- **Minimum payment in respect to Rural Intensive/Mining – UV**

The object of this minimum payment is to reflect the additional costs from this sector associated with the higher impact on transport infrastructure and environmental monitoring. The minimum rate of **\$2,461** also ensures that the proportion of total rate revenue derived from Rural Intensive/Mining UV properties is essentially consistent with the overall rate increase for this category and recognises that every property receives some minimum level of benefit of works and services provided.

A summary of the differential rates to be used for the **2023/24 rating period** are as follows:

Differential Rating Category	UV Rate in \$	Minimum Rate	Income
Rural & Other - UV	\$0.004848	\$1,444	\$2,336,494
Rural Intensive/Mining - UV	\$0.007376	\$2,461	\$1,007,394

In Summary

In arriving at the proposed differential rates in the dollar the Council has attempted to balance the need for revenue to fund essential services and facilities with the desire to limit any increase on the ratepayer to affordable levels.

Submissions addressed to the Chief Executive Officer, Shire of Gingin by electors or ratepayers in respect of the Intention to Levy Differential Rates may be made to Council within twenty-one (21) days of this notice and close **4pm on Monday, 31 July 2023**.

12 REPORTS - REGULATORY AND DEVELOPMENT SERVICES

Nil

13 REPORTS - OPERATIONS AND ASSETS

Nil

14 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

15 COUNCILLORS' OFFICIAL REPORTS

15.1 INAUGURAL MINDAROO VOLUNTEER MUSTER

File	GOV/20-1
Councillor	A Vis
Report Date:	4 July 2023

Councillor Vis advised that the first Mindaroo Volunteer Muster would be held in Gingin from Wednesday, 19 July 2023 through to Friday, 21 July 2023. Volunteers will be based at the Gingin Emergency Services Centre on Wednesday and Thursday, and at the Gingin District High School on Friday. Approximately 90 corporate volunteers will be participating, with the work undertaken focusing on fire mitigation.

An open invitation was extended to any interested members to participate.

15.2 SAT MEDIATION HEARING – 145 BARAMBA RODA, KARAKIN

File	GOV/20-1
Councillor	E Sorensen
Report Date:	4 July 2023

Councillor Sorensen advised that, together with Councillors Vis and Kestel, on 30 June 2023 he participated in an onsite SAT mediation hearing relating to a proposed development at 145 Baramba Road, Karakin.

16 NEW BUSINESS OF AN URGENT NATURE

Nil

17 MATTERS FOR WHICH MEETING IS TO BE CLOSED TO THE PUBLIC

Nil

18 CLOSURE

There being no further business, the Deputy Shire President declared the meeting closed at 1:46 pm.

The next Ordinary Council Meeting will be held in Council Chambers at the Shire of Gingin Administration Centre, 7 Brockman Street, Gingin on 18 July 2023, commencing at 3.00pm.