



SHIRE OF CARNARVON

AGENDA

SPECIAL COUNCIL MEETING 14 JUNE 2021

Council Chambers, Stuart Street
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To be noted that, in accordance with Regulation 11 of the Local Government (Administration) Regulations 1996, the minutes of the Council Meeting are a record of the decisions of the Council, any additional officers' advice, and explanatory notes as required. The minutes contain a summary of questions asked by members of the public and the answers given. The minutes are not a transcript of the proceedings of the meetings.

NOTICE OF MEETING

Notice is hereby given

Shire of Carnarvon Special Council Meeting

will be held
on Monday 14 June 2021
in the Shire Council Chambers,
Stuart Street Carnarvon, commencing at 8.15am

Andrea Selvey
CHIEF EXECUTIVE OFFICER

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AGENDA

1.0 ATTENDANCES , APOLOGIES & APPLICATIONS FOR LEAVE OF ABSENCE

(The Local Government Act 1995 Section 2.25 provides that a Council may, by resolution, grant leave of absence to a member for Ordinary Council Meetings. The leave cannot be granted retrospectively and an apology for non-attendance at a meeting is not an application for leave of absence.)

2.0 PUBLIC AND ELECTED MEMBER QUESTION TIME

(In accordance with Section 5.23 of the Local Government Act 1995, and Regulation 12(4) of the Local Government (Administration) Regulations 1996, public question time is made available at a Special Meeting of Council to allow members of the public the opportunity of questioning Council on matters relating to the purpose of the meeting only.

3.0 DECLARATIONS OF INTEREST

(Councillors and Staff are reminded of the requirements of Section 5.65 of the Local Government Act 1995, to disclose any interest during the meeting or when the matter is to be discussed.)

4.0 ITEMS FOR DISCUSSION

4.1 Differential Rates 2021/2022

5.0 MATTERS FOR WHICH MEETING TO BE CLOSED TO MEMBERS OF THE PUBLIC

6.0 CLOSURE

INTENTION TO IMPOSE AMENDED DIFFERENTIAL RATES FOR 2021/2022

Date of Meeting:	14 June 2021
Location/Address:	Shire of Carnarvon
Name of Applicant:	Shire of Carnarvon
Name of Owner:	Shire of Carnarvon
Author/s:	Susan Mizen – Manager of Finance
Declaration of Interest:	Nil
Schedules:	Differential Rates Model
Voting Requirements:	Absolute Majority

Authority / Discretion

	Advocacy	When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
X	Executive	The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
	Legislative	Includes adopting local laws, town planning schemes and policies.
	Quasi-Judicial	When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses.
	Information	Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).

Summary of Item:

As part of the 2021/2022 budget process, the Council is required to endorse the proposed differential rates for properties valued on an unimproved basis. The proposed differential rates presented here represent an holistic approach to setting rates where rates are levied that reflect associated costs of providing infrastructure and services to the various ratepayers. Differential rates have been applied to three groups of unimproved properties and range from 2.9313 cents in the dollar of valuation, to 24.512 cents in the dollar of valuation.

Description of Proposal:

It is proposed to levy the following differential rates for properties classed as unimproved:

	Rate in \$	Minimum Rate
UV Mining	24.512	\$400
UV Pastoral	8.69	\$1158.58
UV Intensive Horticultural	2.9313	\$1158.58

The objective of imposing differential rates is to ensure equity across different land uses, especially where values can vary greatly from properties close to townsites and those in more remote areas of the Shire. The ability of Council to apply a different rate in the dollar ensures that all properties make a fair contribution to the required revenue of the Shire.

Applying differential rates can also be used, should Council wish to offset dramatic changes in valuations which come about as part of Landgate's periodical revaluations, and the future values of properties that fall within the Unimproved Value roll have had a sudden devaluation which was received by the Shire within the last few weeks. The devaluation of properties resulted in a dramatic fall in anticipated revenue, hence it is considered prudent to re calculate the rate in the dollar to maintain a balanced budget.

The proposed differential rates contained in this report are set to maintain the relative contributions to general rate revenue for each differential category as applied in 2021/2022.

Background:

The purpose of levying rates is to meet Council's budget requirements in each financial year and enables Council to raise the revenue necessary to provide facilities, infrastructure and services to the entire community and visitors of the Shire of Carnarvon. The rates levied on properties are determined by applying the rate in the dollar to the applicable valuation amount of the properties within the district, and if applicable, applying a minimum rate where considered appropriate. The Shire applies a minimum rate to each rating category in accordance with S6.35 of the Act, to ensure that properties with a low valuation still pay a fair and reasonable amount towards the maintenance and continuity of Shire services.

The method of land valuation (GRV or UV) is determined by the Minister for Local Government, Sports and Cultural Industries (the Minister) with individual valuations being provided to the Shire by the Valuer Generals Office (VGO) as part of Landgate.

The power to set differential rates is contained in the Local Government Act 1995 section 6.33 (1) which provides the ability to differentially rate properties, based on land characteristics, an excerpt of the act is shown under the Statutory Environment later in this document.

The Department of Local Government, Sports and Cultural Industries (the Department) requires that Council endorse not only the imposition of differential rates, but also the objects and reasons for the imposition of differential rating. The application of differential rates and minimum payments to properties within the Shire maintains equity in the rating of properties.

This report has been prepared to:

1. Present the updated proposed 2021/2022 Differential Rates Model that will reflect the rate in the dollar and minimum rate for each unimproved rating category
2. Present the required public notice for approval which must be advertised for at least 21 days from 1st May 2021.

At the April Council meeting, Council adopted differential rates based on the existing property values for 2020/2021. Since that date Landgate has very recently informed the Shire that it has devalued by approximately 28% values of properties that fall under the Unimproved Value (UV) roll. Whilst revaluations are common and expected, the enormity of the devaluation and the lateness of informing the Shire of the devaluations by Landgate, have resulted in the necessity to prepare an amended Differential Rate for UV properties. Further, Landgate have indicated that there are many other properties for which objections from the 2020/2021 Financial Year have still not been resolved, that may reduce the UV property valuations resulting in a reduction of the amount of Rates collectable for UV properties. The amended Rates in the Dollar for UV properties is presented here together with the amended Public Notice for advertising. The already adopted Objectives and Reasons to support the imposition of the proposed Differential Rates are not part of this report.

Consultation:

Nil

Statutory Environment:

Local Government Act 1995 Section 6.3 and 6.35

Community & Strategic Objectives:

ITEM	OUTCOMES AND STRATEGIES
5.2	The Shire has a high standard of governance and accountability
5.2.1	Robust decision-making by culturally aware, well-informed and supported Councillors
5.2.3	Risks are well managed
5.2.6	Compliance with the Local Government Act 1995 and all other relevant legislation and regulations
5.4	Sound financial and asset management
5.4.4	Financial transactions are accurate and timely

Comment:

The legislative requirements surrounding the imposition of Differential Rates impose a considerable time factor as the steps following the endorsement of the differential rate are as follows:

- Advertise the proposed differential rates which is 21 days
- Consideration of any submissions received and determine the final differential rates
- Seek Ministerial approval which may be up to 21 days.

As noted above, all this needs to be completed at a time before the adoption of Council's budget for the next financial year. Advertising of Differential Rates based on the 2020/2021 UV property values has already been completed, however the dramatic fall of values for these properties has necessitated a revision of the rates in the dollar to received sufficient income to meet Councils Budget for 2021/2022 Financial Year

If any submissions are received, Council must consider the submissions prior to seeking Ministerial approval and prior to formally adopting the differential rates and minimum payments as part of the annual budget process.

OFFICER'S RECOMMENDATION

1. *That Council seeks approval under section 6.33 of the Local Government Act to impose differential rates for 2021/2022 land parcels that have unimproved valuations assigned to them as follows;*

Category	Rate in the \$	Minimum Rate \$
UV Mining	24.512	400.00
UV Pastoral	8.69	1158.58
UV Intensive Horticulture	2.9313	1158.58

2. *That Council publicly advertises its intention to impose the revised differential rates, pursuant to section 6.36(1) of the Local Government Act 1995 and invites public submissions for a period of twenty-one days; and*
 3. *That Council consider any submissions in respect of imposition of differential rates as part of the 2021/2022 Budget deliberations.*
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**Schedule
– Proposed Rates Model**

This table contains the Differential Rates as adopted by Council at the Ordinary Meeting of Council on the 27th April 2021.

Category	Rate in the \$		Minimum Rate		Actual	Actual	Estimated
	20/21	21/22	20/21	21/22	Rateable Valuations 21/22	Rate Revenue (Inc. Mins) 20/21	Rate Revenue (Inc. Mins) 21/22
UV Mining	11.9933	24.512	229	400	511,623	74,488	129063
UV Pastoral	3.9737	6.000	461	1158.58	5,241,565	211,213	323,079
UV Intensive Horticulture	1.4728	1.5759	902	1158.58	33,730,000	498,876	533080
TOTALS					39,483,188	784,577	985,222

This table contains the proposed **amended** rates in the dollar and minimum rates for Unimproved Properties:

Category	Rate in the \$		Minimum Rate		Actual	Actual	Estimated
					Rateable Valuations	Rate Revenue	Rate Revenue
	20/21	21/22	20/21	21/22	21/22	(Inc. Mins) 20/21	(Inc. Mins) 21/22
UV Mining	11.9933	24.512	229	400	514800	74,488	129801.47
UV Pastoral	3.9737	8.69	461	1158.58	4,704087	211,213	416,544.55
UV Intensive Horticulture	1.4728	2.9313	902	1158.58	23,459,500	498,876	687,668.49
TOTALS					39,483,188	784,577	1,235,173.09