

SHIRE OF ASHBURTON SPECIAL MEETING OF COUNCIL

AGENDA

&

ATTACHMENTS (Public Document) Council Chamber, Onslow Shire Complex, Second Avenue, Onslow

Via Teleconference

- 1. Council Chambers, Onslow Shire Complex, Second Avenue, Onslow
- 2. Council Chambers, Recreation Centre, Central Road, Tom Price
- 3. Paraburdoo Library, Ashburton Avenue, Paraburdoo
- 4. Pannawonica Library, Pannawonica Drive, Pannawonica

21 August 2017

SPECIAL MEETING OF COUNCIL 21 AUGUST 2017

SHIRE OF ASHBURTON

SPECIAL MEETING OF COUNCIL

Notice is hereby given that a Special Meeting of Council of the Shire of Ashburton will be held on 21 August 2017 at the Council Chamber, Onslow Shire Complex, Second Avenue, Onslow commencing at 7:00 pm.

The business to be transacted is shown in the Agenda.

Dale Stewart ACTING CHIEF EXECUTIVE OFFICER

DISCLAIMER

The recommendations contained in the Agenda are subject to confirmation by Council. The Shire of Ashburton warns that anyone who has any application lodged with Council must obtain and should only rely on written confirmation of the outcomes of the application following the Council meeting, and any conditions attaching to the decision made by the Council in respect of the application. No responsibility whatsoever is implied or accepted by the Shire of Ashburton for any act, omission or statement or intimation occurring during a Council meeting.

SPECIAL MEETING OF COUNCIL 21 AUGUST 2017

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1. DECLARATION OF OPENING

The Presiding Member declared the meeting open at _____ pm.

1.1 ACKNOWLEDGEMENT OF COUNTRY

As representatives of the Shire of Ashburton Council, we respectfully acknowledge the local Indigenous people, the traditional custodians of this land where we are meeting upon today and pay our respects to them and all their elders both past and present.

2. ANNOUNCEMENT OF VISITORS

3. ATTENDANCE

3.1 PRESENT

RESENT			
Elected Members:	Cr K White	Shire President, (Presiding Officer)	Leeming
	Cr L Rumble	Onslow Ward Deputy Shire President, Paraburdoo	Paraburdoo Library
	Cr D Dias	Ward Paraburdoo Ward	Paraburdoo Library
	Cr P Foster	Tom Price Ward	Council Chambers, Tom Price
	Cr M Lynch	Tom Price Ward	Council Chambers, Tom Price
	Cr D Diver	Tom Price Ward	Council Chambers, Tom Price
	Cr M Gallanagh	Pannawonica Ward	Pannawonica Library
Staff:	Mr D Stewart	Acting Chief Executive Officer	Council Chambers, Tom Price
	Mr J Bingham	Director Corporate Services	Council Chambers, Tom Price
	Ms J Smith	Executive Officer	Council Chambers, Tom Price
	Mrs M Lewis	CEO & Councillor Support Officer	Council Chambers, Tom Price
Guests:			
Members	There were members of the		
of Public:	public in attendar		
	commencement	of the meeting.	
Member of	There were	members of the	
Media:	media in attenda		
	commencement	of the meeting.	

3.2 APOLOGIES

Cr G Dellar	Ashburton Ward
Cr L Thomas	Tableland Ward

3.3 APPROVED LEAVE OF ABSENCE

4. PUBLIC QUESTION TIME

5. DECLARATION BY MEMBERS

5.1 DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA

Councillors are requested to give due consideration to all matters contained in the Agenda presently before the meeting.

5.2 DECLARATIONS OF INTEREST Councillors to Note

A member who has an Impartiality, Proximity or Financial Interest in any matter to be discussed at a Council or Committee Meeting, that will be attended by the member, must disclose the nature of the interest:

- In a written notice given to the Chief Executive Officer before the Meeting or:
- (b) At the Meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest, must not:

- (c) Preside at the part of the Meeting, relating to the matter or;
- (d) Participate in, or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under Section 5.68 or Section 5.69 of the Local Government Act 1995.

NOTES ON DECLARING INTERESTS (FOR YOUR GUIDANCE)

The following notes are a basic guide for Councillors when they are considering whether they have an interest in a matter.

These notes are included in each agenda for the time being so that Councillors may refresh their memory.

- 1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor or a person closely associated with the Councillor and is capable of being measure in money terms. There are exceptions in the Local Government Act 1995 but they should not be relied on without advice, unless the situation is very clear.
- 2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.
- 3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
- 4. If in doubt declare.

- 5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it <u>MUST</u> be given when the matter arises in the Agenda, and immediately before the matter is discussed.
- 6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:
- 6.1 Where the Councillor discloses the <u>extent</u> of the interest, and Council carries a motion under s.5.68(1)(b)(ii) or the Local Government Act; or
- 6.2 Where the Minister allows the Councillor to participate under s.5.69 (3) of the Local Government Act, with or without conditions.

Declarations of Interest provided:

Item Number/ Name	Type of Interest	Nature/Extent of Interest

6. ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

7. BUSINESS

7.1 PROPOSED DIFFERENTIAL RATES 2017/18

FILE REFERENCE:	GV04
AUTHOR'S NAME AND POSITION:	John Bingham Director Corporate Services
AUTHORISING OFFICER AND POSITION:	Dale Stewart Acting Chief Executive Officer
NAME OF APPLICANT/ RESPONDENT:	Not Applicable
DATE REPORT WRITTEN:	18 August 2017
DISCLOSURE OF FINANCIAL INTEREST:	The author and authorising officer have no financial, proximity or impartiality interests in the proposal.
PREVIOUS MEETING REFERENCE:	Agenda Item 18.1 (Minute No. 210/2017) – Ordinary Meeting of Council 18 July 2017 Agenda Item 7.1 (Minute No. 32/2017) – Special Meeting of Council 25 July 2017

Summary

At the 28 July Special Meeting of Council (SCM) endorsed the re-advertising of the 2017/18 proposed differential rates. This report considers those submissions received before the deadline of 12.00pm, Monday 21 August 2017, and recommends Council endorse an increase of 1.75% for the GRV Category, and to keep the same rate in the dollar as 2016/17, for the UV Category.

Background

The day before the Special Meeting of Council on 28 July 2017, the Shire President and Acting CEO received correspondence from Michael Connolly the Deputy Director of the Department of Local Government, Sport and Cultural Industries (DLGSCI) advising Council that they believed that the proposed approach (to have a single UV Rate Category and provide for a concession for Pastoral and UV Tourist Operators) was an inappropriate use of the purpose of concessions, which, by extension, could be seen as attempting to subvert their role in approving the Shire's differential rates.

ATTACHMENT 7.1A

The Shire responded to the Department's correspondence advising an alternative recommendation would be proposed to Council including (i) deferral of Budget adoption; (ii) readvertising of the rates with a differential rate for UV in structure very similar to last year (a 1.75% increase across the board and proposed to close at 12 noon on 21 August, and that as a result of this, will require Ministerial approval due to the provisions of Section 6.33 (3) of the Act; and (iii) approve an application being made to the Minister for the rates proposed and endorsed at the meeting.

ATTACHMENT 7.1B

Comment

Following on from that at the 28 July SMC, Council authorised the Acting CEO to re-advertise the 2017/18 proposed differential rates without the single UV Rate Category. This category was to be replaced by a UV Pastoral and UV Tourism category. Also the Objects and Reasons were revised to accommodate this change.

ATTACHMENT 7.1C

Additionally Council considered the following in the amended rating differential rates proposed:

- 1. The Budget deficiency (without levying the rates at the level indicated) including the likelihood and severity of potential valuation appeals and fluctuations in mining tenements; and
- 2. The Budget efficiency and savings measures and additional facilities being constructed as detailed within the report; and
- 3. The Corporate Business Plan and Long Term Financial Plan 2017; and
- 4. The Rating Strategy 2017; and
- 5. The request of the Department of Local Government, Sport and Cultural Industries dated 27 July 2017.

The following 2017/18 Proposed Differential Rates were advertised in The West Australian on Saturday 29 July as well as exhibited on public notice boards in accordance with Section 1.7 of the Local Government Act 1995:

ATTACHMENT 7.1D

Rate Code Description	16/17 Rate in the \$	17/18 Rate in the \$	Change YOY	General Minimum	Lesser Minimum
GRV Residential/Community	0.050961	0.051853	1.75%	830.00	622.50
GRV Commercial/Industrial/Tourism	0.051060	0.051954	1.75%	1037.50	NA
UV Pastoral	0.060154	0.060154	0%	1037.50	NA
UV Tourism	0.162445	0.162445	0%	1037.50	NA
UV Mining/Industrial	0.382467	0.382467	0%	1037.50	NA

The rate revenue level is based on an increase in the rate in the dollar for GRV Category of 1.75 per cent on 2016/17 levels and no increase on 2016/17 levels for the UV Category. The proposed rates model will yield \$34,408,479 before concessions of \$272,147 with total amounts raised from General Rates of \$34,136,332.

ATTACHMENT 7.1E

Valuations

The valuations used in the proposed rates model have not altered since the 18 July OMC. The following table indicates there has been a significant increase from 2016/17 valuations in the UV Mining/Industrial category with one property in particular accounting for the large increase (from \$1,965,000 to \$13,808,000). Changes to UV Pastoral are due to several properties.

Rate Category	2016/17 Valuations	1/8/17 Valuations	Var. \$	Var. %
GRV Residential/Community	81,859,669	85,438,414	3,578,745	4.37%
GRV Commercial/Industry/Tourism	20,543,069	20,548,404	5,335	0.03%
UV Mining/Industrial	60,318,949	73,482,703	13,163,754	21.8%
UV Pastoral	6,316,147	6,650,147	334,000	5.29%
UV Tourism	345,000	345,000	0	0.00%
Non-Rateable	1,773,650	1,773,650	0	0.00%
Total Valuation	169,382,834	188,238,318	12,703,214	7.00%

Concessions

The Rating Strategy adopted by Council at the June OMC included the granting of a Concession on Application for Pastoral and Tourism property owners. It is now not intended to grant this concession. Concessions however for GRV Residential are intended to be granted.

As of writing this report no submission with respect to the differential rates proposed have been received. Any subsequently received from 18 August to 12 noon on 21 August will need to be considered by the Council.

Consultation

Acting Chief Executive Officer Finance Manager Management Reporting Coordinator Rates Officer

Statutory Environment

The Local Government Act 1995 following sections apply:

- S 6.32 provides Council with the power to apply rates to property;
- S 6.33 provides Council with the power to apply differential general rates although Ministerial approval is required where a Differential Rate is more than twice the lowest differential rate to be applied;
- S 6.35 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;
- S 6.36 requires Council to give public notice of its intention to impose Differential Rates, inviting submissions within 21 days (or more is desired). Council is also required to consider any submissions received prior to imposing the proposed rate or minimum payment;
- S 6.47 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);
- S 5.63 (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 of Local Government and Communities prepared a Rating Policy in March 2016 giving guidance on Legislation (the Act S 6.33 and Financial Regulations 52A), the five key principles and the steps involved in submitting an Application to the Minister, if an application is / was required.

Financial Implications

The proposed Differential Rates will raise rate revenue of \$34,408,479 before proposed concessions of \$272,147 are granted. Total amount raised from General Rates for 2017/18 will be \$34,136,332. The Long Term Financial Plan (LTFP) rate revenue level is \$29,874,277.

The difference between the total amount raised from General Rates and the LTFP rate revenue level is proposed to be transferred to the Financial Risk Reserve in accordance with the Rating Strategy recommendations. This is complemented by the fact that there exists a single large ratepayer that is currently appealing last years UV valuation that, if successful could significantly reduce rate income this year and indeed require back rates to be refunded. The result of this appeal to the State's' State Administrative Tribunal, is not expected to be finalised until

approximately November 2017. Thus, the Financial Risk Reserve will create a buffer to shield the Council's income from the effects of a potentially large single valuation reduction, which would have a significant impact on forecast revenues, and severely undermine a balanced Budget approach and pose an extreme financial risk under Council's risk matrix.

Strategic Implications

Shire of Ashburton 10 year Strategic Community Plan 2017-2027 Goal 5 – Inspiring Governance Objective 1 – Effective Planning for the Future

Risk Management

This item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "High". As a high risk item the Director Corporate Services is monitoring the issue closely.

Policy Implications

There are no policy implications.

Voting Requirement

Simple Majority Required

Officers Recommendation

That with respect to the proposed 2017/18 Differential Rates, Council:

- 1. Note no submissions were received for the officer to report to Council; and
- Consider during 2017/18 Budget deliberations adopting the 2017/18 Differential Rates with a 1.75% increase on 2016/17 rates in the dollar levels for GRV category and on increase on the same rate in the dollar on 2016/17 for the UV category as follows;

Rate Code Description	16/17 Rate in the \$	17/18 Rate in the \$	Change YOY	General Minimum	Lesser Minimum
GRV Residential/Community	0.050961	0.051853	1.75%	830.00	622.50
GRV	0.051060	0.051954	1.75%	1037.50	NA
Commercial/Industrial/Tourism					
UV Pastoral	0.060154	0.060154	0%	1037.50	NA
UV Tourism	0.162445	0.162445	0%	1037.50	NA
UV Mining/Industrial	0.382467	0.382467	0%	1037.50	NA

- 3. Acknowledge the Budget efficiency and savings measures as reported to the Special Council Meeting of 28 July 2017; and
- 4. Acknowledge the reason why the rates in the dollar were revised was due to Department of Local Government, Sport and Cultural Industries request to do so; and
- 5. Acknowledge the proposed Differential Rates aligns with the principles of the advertised 2017 Property Rating Strategy and the advertised 2017-32 Long Term Financial Plan; and
- 6. Authorise the submission of a differential rates application to the Minister for Local Government, Sport and Cultural Industries for approval based on the above; and
- 7. Note that the Special Meeting of Council, scheduled for the 30 August 2017 to consider adoption of the 2017/18 Budget, assumes that the Council will have received the approval of the Minster for Local Government, Sport and Cultural Industries before that date and time.

8. NEXT MEETING

The next Special Meeting of Council will be held on Wednesday 30 August 2017 at the Council Chambers, Onslow Shire Complex, Second Avenue Onslow, commencing at 7.15 pm.

9. CLOSURE OF MEETING

The Presiding Person closed the meeting at _____ pm.



Department of Local Government, Sport and Cultural Industries Our ref A Enquiries S Phone (I Email s

AB5-1#03 E1732922 Sheryl Siekierka (08) 6552 1569 sheryl.siekierka@dlgsc.wa.gov.au

Cr Kerry White President Shire of Ashburton PO Box 567 TOM PRICE WA 6751

Dear Cr White

SHIRE OF ASHBURTON - PROPOSED ADOPTION OF 2017/18 ANNUAL BUDGET

I note from the Agenda for the Special Council Meeting to be held on 28 July 2017 that the Shire of Ashburton is intending to adopt its 2017/18 Annual Budget at that meeting.

On 13 July 2017 the Department sent an email to you and the Chief Executive Officer raising a number of concerns with the Shire's rating strategy and advising that the Shire was in contravention of provisions of the *Local Government Act* 1995. A copy of this email is attached.

It is the Department's opinion that the Shire's decision to provide significant concessions to ratepayers in the Unimproved Value (UV) 'UV General' category, on the advertised rate in the dollar of 19.89 cents, is to circumvent the requirements of section 6.33 of the *Local Government Act 1995* which requires a local government seek Ministerial approval for differential rates that are more than twice the lowest rate in a category.

I am writing to advise you that it is the department's position that adoption of 2017/18 budget as outlined in the Agenda will place the Shire in contravention of the Act. Where rates have been found to have been set in contravention of the Act under section 6.82 it is open for the State Administrative Tribunal to quash the rates.

I request that this letter, including the earlier email, is tabled at the Special Meeting of Council to be held on 28 July 2017.

Gordon Stephenson House, 140 William Street PO Box 8349 Perth Business Centre, WA 6849 Telephone (08) 6552 7300 Email info@dlgsc.wa.gov.au Web www.dlgsc.wa.gov.au Should you have any questions in regard to this matter, please contact Ms Sheryl Siekierka, Manager Legislation via phone: (08) 6552 1569 or via email: <u>sheryl.siekierka@dlgsc.wa.gov.au</u>.

Yours sincerely

Michael Conpolly Deputy Director General

July 2017

att

Cc. Mr Dale Stewart, A/Chief Executive Officer, Shire of Ashburton

From:	Sheryl Siekierka
Sent:	Thursday, 13 July 2017 5:40 PM
To:	'kerry.white@ashburton.wa.gov.au'; 'soa@ashburton.wa.gov.au'
Cc:	Darrelle Merritt
Subject:	Ashburton's rating strategy for 2017/18
То:	'kerry.white@ashburton.wa.gov.au'; 'soa@ashburton.wa.gov.au'

Good afternoon Kerry and Dale,

I have examined the Shire of Ashburton's Notice of Intention to Levy Differential Rates 2017/18 and it causes me some serious concern.

It appears that Ashburton has combined the UV Pastoral and Tourism categories used in 2016/17 and advertised this as UV General with a rate in the dollar of 0.198959. In 2016/17 these categories were rated at 0.060154 and 0.162445 respectively.

The Supporting Statement of Rating Information 2017/18 states that "Council also proposes to introduce a concession for UV General Pastoral properties (the concession to be equivalent to the difference payable between an increase of 2% on 2016/17 rate yields and the proposed 2017/18 rate yields)."

This is problematic on a number of fronts:

- There is in fact no longer a defined rating category of UV General Pastoral.
- The intended rate to be levied on these properties appears to be 0.061357, not 0.198959.
- Section 6.32(2)(a) of the *Local Government Act 1995* requires that the rate set must be expressed as a *rate in the dollar* of the gross rental value.
- Section 6.36(3)(b)(i) states that the public notice of differential rates that is required to be given under s
 6.36(1) must contain details of *each rate* or minimum payment that the local government intends to impose.
- It is the Department's view that by increasing the rate in the dollar for the UV General Pastoral category from 0.061357 in 2016/17 to 0.198959 in 2017/18 and then providing a discount such that the ratepayers pay 2% more than they did in 2016/17, the Shire is attempting to circumvent the intent of the requirement in section 6.33(3) for Ministerial approval for certain differential rates

The Shire is thus in contravention of the *Local Government Act 1995* on a number of matters. Rates imposed in this way would be subject to an application to the State Administrative Tribunal for quashing.

I recommend that the Council

- reconsiders its rating strategy;
- readvertises its proposed rates in accordance with the Act; and
- applies to the Minister for approval as required.

The Department remains willing to work with the Shire to assist in this.

Yours sincerely

Sheryl

Sheryl Siekierka

Manager Local Government Legislation – Local Government

Department of Local Government, Sport and Cultural Industries 140 William Street, Perth WA 6000 GPO Box R1250, Perth WA 6844

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Dale Stewart Enquiries: Our Ref: 1773814

28 July 2017

Michael Connolly **Deputy Director General** Department of Local Government, Sport and Cultural Industries PO Box 8349 PERTH BUSINESS CENTRE WA 6849

Attention: sheryl.siekierka@dlgsc.wa.gov.au

Shire of Ashburton Administration Centre 246 Poinciana Street PO Box 567, Tom Price, WA, 6751 E soa@ashburton.wa.gov.au T (08) 9188 4444 F (08) 9189 2252

ashburton.wa.gov.au

Dear Mr Connolly

SHIRE OF ASHBURTON 2017/18 RATING STRATEGY & BUDGET ADOPTION

Thank for your letter dated 27 July 2017.

Your Department's advice is that it has the view that the Shire's potential decision to seek to apply a differential rates strategy to provide concessions to Pastoral and Tourism landowners in the Unimproved (UV) General rate category is *potentially* in contravention of the Local Government Act 1995 and *potentially* liable for someone to appeal to the State Administrative Tribunal (SAT) with the result that the outcome could be that the Tribunal subsequently squashes the rate(s) which forces re levying of the rates.

It is our considered view is that such a decision would not be in contravention of the Act, and these hypothetical situations may indeed not occur.

That aside, and notwithstanding that the Shire did not receive any objection about the Strategy, and only rate objection from one property owner about their rates being too high and not receiving adequate services for those rates, the Council will receive an alternate officer recommendation tonight to;

- Defer Budget adoption to another Special Meeting called for the purpose; and
- Authorise re-advertising of the rates with a differential rate for UV, in structure very similar to last year (a 1.75% increase across the board and proposed to close at 12 noon on 21 August), that will as a result of this, require Ministerial approval due to the provisions of S6.33 (3) of the Act (again the same as last year), as per the Department's wishes; and
- Approve an application being made to the Minister for the rates proposed and endorsed • at the meeting, if no further submissions are received.

Should the Council resolve accordingly, the Council would ask that expeditious assessment of the Council's subsequent differential rates application be undertaken, to enable Budget adoption at soon as practical after the 21 August. Indicatively to be submitted to the Department on or about the 22 August 2017 after consideration of those submissions.

I will advise of the outcome of the Council decision following the Special Council meeting tonight.

Should you require further information or clarification with respect to the above, then please contact the undersigned on dale.stewart@ashburton.wa.gov.au or telephone 9188 4457.

Regards

Dale Stewart Acting Chief Executive Officer

Cc Cr Kerry White, Shire President



ABN 45 503 070 070



NOTICE OF INTENTION OF LEVY DIFFERENTIAL RATES 2017/18

INCLUDING STATEMENT OF RATING INFORMATION

JULY 2017

In accordance with section 6.36 of the Local Government Act 1995, the Shire of Ashburton hereby gives notice of its intention to impose the following differential rates and minimum payment.

Rate Code Description	Rate in the \$	General Minimum Payment \$	Lesser* Minimum Payment \$
GRV Commercial/Industrial/Tourism	0.052081	1037.50	622.50
GRV Residential/Community	0.051980	830.00	
UV Mining/Industrial	0.390116	1037.50	
UV Pastoral	0.061207	1037.50	
UV Tourism	0.165288	1037.50	

The figures shown above are estimates and may change as part of Council deliberations after consideration of any submission.

Submissions are invited from electors and ratepayers in respect of the proposed rates, minimum payment and any related matters by 12:00pm Monday 21 August 2017.

Submissions are to be addressed to the Chief Executive Officer, PO Box 567, Tom Price WA 6751 or via email soa@ashburton.wa.gov.au.

Electors and ratepayers may view a document describing the objects and reasons for each proposed rate and the minimum payment at the Shire of Ashburton offices and libraries during normal working hours or at www.ashburton.com.au/the-shire/rates

Dale Stewart A/Chief Executive Officer

SUPPORTING STATEMENT OF RATING INFORMATION 2017/18

(Including Objects and Reasons for the Rating Structure)

This Statement is published by the Shire of Ashburton in accordance with Section 6.36 of the Local Government Act 1995 to advise the public of its objectives and reasons for implementing differential rates.

The purpose of levying of property rates is to meet Council's budget requirements in each financial year and in future periods, to deliver services, facilities and community infrastructure to the district as a whole. Property valuations provided by the Valuer General (Landgate) are used as the basis for the calculation of rates each year.

Section 6.36 of the Local Government Act provides the ability to differentially rate properties based on certain characteristics. The application of differential rating maintains equity in the rating of properties across the Shire, enabling the Council to provide facilities, services and infrastructure to the entire community and visitors to the area.

Powers to Rate Property

There are two property valuation methods available under Section 6.28 of the Act, Gross Rental Value (GRV) and Unimproved Value (UV).

GRV is 'the gross annual rental that the land might reasonably be expected to realise if let on a tenancy from year to year upon condition that the landlord is liable for all rates, taxes and other charges thereon and the insurance and other outgoings necessary to maintain the value of the land'.¹

UV land is 'valued as if it has had no improvements (as though) it remains in its original, natural state, any land degradation is taken into account'.¹

As a default, a local government sets a single general rate in the dollar for each valuation type (GRV and UV). This is termed a uniform general rate in the valuation dollar and applied to all properties within a valuation type regardless of their land use.

Rather than adopting a single uniform general rate, a local government may apply different rates in the dollar within either valuation category (GRV or UV). A differential rate can be applied using the following characteristics, or combination thereof:

- The zoning of the land;
- The predominant use (as determined by the local government);
- If the land is vacant or not.

Location can only be used as a characteristic in setting a differential rate in very limited circumstances (namely a Lesser minimum rate). Unfortunately, in Ashburton with its geography, this can present some challenges when properties with the same land use or zoning and as a consequence the same rate in the valuation dollar, may have vastly different levels of access to services.

¹ Landgate, Rating and Taxing Valuations Publication, April 2008

Powers to Rate Property (continued)

The Local Government Act provides for rural use properties used for mining, exploration or prospecting purposes are assigned an Unimproved Value as supplied by the Valuer General. It refers to all land for which a mining tenement has been issued by the Department of Mines and Petroleum (DMP), and valued as such by the Valuer General's Office.

The valuation determined by the Valuer General for mining tenements is calculated by multiplying the following factors.

- Rental cost of the tenement type (mining lease, prospecting lease, exploration license, petroleum producing licence etc);
- UV basis as determined by the DMP, and
- Tenement/license area

The valuation of mining tenements is not reviewed each year, as occurs with other UV properties and changes when the tenement rental is amended.

Objections and Appeals to a Valuation

Objections to valuations must be lodged with the Valuer General's Office within 60 days after issue of the rates notice. Rates are still required to be paid before the due date if an objection is lodged with a refund paid if the objection is successful. Forms are available from the Shire Office or on the Shire website.

Under the provisions of the Local Government Act 1995, a property owner is able to lodge an objection to rates imposed by a Council on the following grounds:

- There is an error on the rate assessment, either in respect to the owners or property details; or
- The characteristics of the land differ from that used in the differential rating system.

The objection is to be received within 60 days of the issue of the rate notice. Please contact Shire staff if you would like to discuss this matter further.

Pensioner's Discount

Eligible Pensioners are entitled to receive a discount on their rates. The Shire will determine the nature and extent of entitlement from details as at 1 July, in relation to ownership and occupation. Also a pro-rata rebate amount will be paid if a person becomes the holder of an eligible card type during the financial year which is effective from the date of registration. A deferral arrangement is also possible.

If the circumstances of a Pensioner, who is already claiming the rebate, have changed during the previous year, they will need to update their details (i.e. card number, etc.) with the Shire.

Please contact Shire staff if you believe you may be eligible for the rebate.

Exemptions, Instalments, Concessions and Waivers

The Shire requires organisations seeking exemption from rates in accordance with section 6.26 of the Act to make application to the Council for determination.

The Shire will provide concessions to Pensioners in accordance with the requirements of the Rates and Charges (Rebates and Deferments) Act 1992.

Council proposes the retention of the Concession for GRV Residential/Community properties (the concession is the equivalent to the difference payable between 2014/15 valuations and 2015/16 GRV Residential/Community properties rate in the dollar). The reason is to ameliorate the significant increase and variation between GRV valuations resulting from the 2014/15 General Revaluation.

Council will offer three rate payment options as follows:

- Payment in full 35 days after the date of service appearing on the rate notice;
- Two instalments; and
- Four Instalments.

Interest on overdue rates not paid in accordance with the three payment options will be subject to an overdue interest rate set by the Council at the time of adoption the annual budget.

Ratepayers with unpaid and overdue rates may be offered a scheme of arrangement for payment subject to the approval of the Chief Executive Officer.

Rating Structure

The Local Government Act 1995, provides that properties of a non-rural purpose be rated using the Gross Rental Valuation (GRV) as the basis for the calculation of annual rates. Property values are independently assessed for all GRV properties every three years.

The base GRV valuation is effective from 1 July 2017. Interim valuations are provided to the Shire regularly by the Valuer General if changes, such as subdivisions or strata title of property, amalgamations, building constructions, demolition, additions and/or property rezoning occur during the year. In such instances, the Shire amends the valuation on record and recalculates the rates for the affected properties for the purpose of issuing an interim rate notice.

The next full revaluation of GRV properties is scheduled to be applicable from 1 July 2018.

Differential Rates – Gross Rental Value (GRV)

The Council intends to adopt differential rating principles for GRV category properties based upon the land use as follows:

DIFFERENTIAL RATE	RATE IN THE \$	GENERAL MINIMUM PAYMENT \$	LESSER MINIMUM PAYMENT \$
GRV Commercial/Industrial	0.052081	1,037.50	N/A

GRV Commercial/Industrial

Differential Rates – Gross Rental Value (GRV) (continued)

This rate is applicable to properties that have a predominant land use of commercial or industrial, including Hotels, Shops, Restaurants and Offices and land is used for providing tourism service, including Roadhouses, Tourist Centres, Caravan Parks, Workers Accommodation, and Holiday Accommodation.

The reason a higher rate has been applied to the GRV Commercial/Industrial category land is to reflect the additional financial impact these activities have on Shire infrastructure and services.

The objective is to raise additional revenue to contribute toward higher costs associated including, but not limited to, rubbish collection in relevant areas, higher town planning control costs, health inspections and administration costs, added complexity in building control, higher traffic volumes and vehicle mass due to commercial and industrial activity, parking facilities, traffic management, pedestrian access, commercial and industrial signage, visitor servicing and street furniture.

GRV Residential/Community

DIFFERENTIAL RATE	RATE IN THE \$	GENERAL MINIMUM PAYMENT \$	LESSER MINIMUM PAYMENT \$
GRV Residential/Community	0.051980	830.00	622.50

This differential rate is applicable to properties that have a predominant land use of residential, or used by organisations involved in activities for community benefit including Arts and Craft facilities, Youth Centres, Day Care Centres, Sporting Grounds/Clubs (that do not run a commercial business/kitchen) and health & emergency service facilities.

The reason the GRV Residential/Community rate has been applied at a lower rate than GRV Commercial/Industrial rate is to reflect the additional financial impact commercial and industrial activities have on the Shire's infrastructure and services (as set out above) and to further the Shire's strategic goals to encourage and support residential development in the town sites and organisations that contribute toward a safe, healthy, cohesive and vibrant community.

Differential Rates – Unimproved Values (UV)

The Council intends to adopt differential rating principles for UV category properties based upon the land use of each property as follows:

UV Mining/Industrial

DIFFERENTIAL RATE	RATE IN THE \$	GENERAL MINIMUM PAYMENT \$	LESSER MINIMUM PAYMENT \$		
UV Mining/Industrial 0.390116		1,037.50	N/A		

This rate is applicable to properties with a land use associated with mining tenements (including Exploration Licences, General Purpose Leases, Mineral Leases, Mining Leases,

UV Mining/Industrial (continued)

Petroleum Exploration Permits, Petroleum Production Licences) and for Industrial properties with a mining purpose/mining infrastructure predominate use (including crown leases).

The reason a higher rate has been applied to the UV Mining/Industrial category land is to reflect the additional financial impact mining and related industries have on Shire infrastructure and services relevant to other land use types.

The objective is to raise a higher level of rate revenue from mining and related infrastructure properties than from other UV General category properties to contribute toward current and future costs associated with the provision of civil infrastructure for services and facilities including, but not limited to, transport, recreation, community and leisure facilities, waste management and planning and development costs.

UV Pastoral

DIFFERENTIAL RATE	RATE IN THE \$	GENERAL MINIMUM PAYMENT \$	LESSER MINIMUM PAYMENT \$
UV Pastoral	0.061207	1,037.50	N/A

This rate is applicable to properties issued with pastoral leases granted by the State Government.

Objects and Reasons - UV Pastoral Differential Rate

The reason for the lower rate applied to the UV Pastoral category is to:

- Recognise the impact of fluctuations in climatic conditions have on the financial capacity to pay;
- The lower level of impact pastoral activities generally have on infrastructure and facilities such as road infrastructure and recreation facilities; and
- The permanent nature of the business activity relevant to mining and related industries.

Recently Council considered a Rating Strategy for the Shire and decided to phase in rating of Pastoral properties to bring them closer to the average for the overall Pilbara/Kimberley regions.

Minimum Payments

Applying a minimum payment seeks to ensure all ratepayers contribute a minimum amount to basic services and facilities. The Council has determined two levels of General minimums and one Lesser minimum.

The objective is to recognise the above matters and raise less rate revenue from properties used for Pastoral activities than other UV category properties.

UV Tourism

DIFFERENTIAL RATE	RATE IN THE \$	GENERAL MINIMUM PAYMENT \$	LESSER MINIMUM PAYMENT \$		
UV Tourism	0.165288	1,037.50	N/A		

This rate is applicable to tourism ventures located within the Shire issued with an unimproved valuation. The land is predominately used for providing a tourism service, including Caravan Parks and Holiday Accommodation.

Objects and Reasons - UV Pastoral Differential Rate

The reason for a lower rate applied to the UV Tourism category, as compared to UV Mining/Industrial, is to reflect the lower level of impact these activities have on general infrastructure and facilities including road infrastructure, recreation facilities and the permanent nature of the business activity relevant to mining and related industry.

The reason for a higher rate applied to the UV Tourism category as compared to UV Pastoral is to achieve an average rate yield more comparable to other Tourism properties with a GRV valuation. The objective is to raise less revenue from UV Tourism properties than Mining/Industrial properties but more than UV Pastoral properties.

Minimum Payments

Applying a minimum payment seeks to ensure all ratepayers contribute a minimum amount to basic services and facilities. The Council has determined two levels of General minimums and one Lesser minimum.

The objective is to recognise the above matters and raise less rate revenue from properties used for Pastoral activities than other UV category properties.

General Minimum Payments

A General minimum of \$1037.50 has been applied to properties in the following differential rate categories:

- GRV Commercial/Industrial;
- UV Mining/Industrial;
- UV Pastoral; and
- UV Tourism areas.

Another General minimum of \$830.00 has been set for GRV Residential/Community.

Lesser Minimum Payment

A Lesser minimum of \$622.50 has been set for Wittenoom properties to reflect the special circumstances attributable to Wittenoom properties in relation to the status of the townsite (i.e. degazetteal). This is set at a 25% discount to GRV Residential/Community minimum payment level.



SHIRE OF ASHBURTON

NOTICE OF INTENTION TO LEVY

DIFFERENTIAL RATES 2017/18

In accordance with section 6.36 of the Local Government Act 1995, the Shire of Ashburton hereby gives notice of its intention to impose the following differential rates and minimum payment.

Rate Code Description	Rate in the \$	General Minimum Payment \$	Lesser* Minimum Payment \$			
GRV Commercial/Industrial/Tourism	0.052081	1037.50	622.50			
GRV Residential/Community	0.051980	830.00				
UV Mining/Industrial	0.390116	1037.50				
UV Pastoral	0.061207	1037.50				
UV Tourism	0.165288	1037.50				

The figures shown above are estimates and may change as part of Council deliberations after consideration of any submission.

Submissions are invited from electors and ratepayers in respect of the proposed rates, minimum payment and any related matters by 12.00pm Monday 21 August 2017.

Submissions are to be addressed to the Chief Executive Officer, PO Box 567, Tom Price WA 6751 or via email soa@ashburton.wa.gov.au

Electors and ratepayers may view a document describing the objects and reasons for each proposed rate and the minimum payment at the Shire of Ashburton offices and libraries during normal working hours or at www.ashburton.com.au/the-shire/rates

Dale Stewart Acting Chief Executive Officer





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Rating Model 2017/18

Rate Category	Total Props	Unimproved Value (UV)	Gross Rental Value (GRV)	General Minimum	Lesser Minimum	Rate in the Dollar (RiD)	2016/17 Din	RiD diff		ulated ites	Props on Min	Concession	Actual Rates to Raise	
GRV - Residential/Community	2619		85,438,414	830.00	622.50	\$ 0.051853	\$ 0.050961	1.75%	\$ 4	1,430,237	120	7%	\$	4,494,142
GRV - Commercial/Industrial/Tourism	187		20,548,404	1,037.50		\$ 0.051954	\$ 0.051060	1.75%	\$ 1	,067,572	48		\$	1,092,642
Non Rateable	297		1,773,650											
UV - Pastoral	41	6,650,147		1,037.50		\$ 0.060154	\$ 0.060154	0.00%	\$	400,033	7		\$	404,808
UV - Mining	985	73,482,703		1,037.50		\$ 0.382467	\$ 0.382467	0.00%	\$ 28	3,104,709	417		\$	28,360,843
UV - Tourism	4	345,000		1,037.50		\$ 0.162445	\$ 0.162445	0.00%	\$	56,044			\$	56,044
	4133													34,408,479