Shire of Perenjori

AGENDA

Special Council Meeting

To be held in the Shire of Perenjori Council Chambers, Fowler Street, Perenjori on Monday 4th July 2016 to commence at 1.30 pm.

Table of Contents

16071 PRELIMINARIES .................................................................................................................................. 2
  16071.1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS ......................................... 2
  16071.2 OPENING PRAYER .......................................................................................................................... 2
  16071.3 DISCLAIMER READING .................................................................................................................. 2
  16071.4 RECORD OF ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE ........................................ 2
  16071.5 PUBLIC QUESTION TIME ................................................................................................................. 2
  16071.6 DEPUTATIONS / PRESENTATIONS ................................................................................................. 2
  16071.7 NOTATIONS OF INTEREST ............................................................................................................. 2
  16071.8 ANNOUNCEMENTS BY PERSON PRESIDING WITHOUT DISCUSSION ........................................ 3
  16071.9 MATTERS FOR WHICH MEETING MAY GO BEHIND CLOSED DOORS ......................................... 3

16072 PURPOSE OF SPECIAL MEETING ........................................................................................................ 3
  16072.1 ADOPTION OF THE 2015/16 PROPERTY RATES & DISCOUNTS ................................................... 3

16073 OTHER BUSINESS ............................................................................................................................... 6
  16073.1 MOTIONS OF WHICH DUE NOTICE HAVE BEEN GIVEN ..................................................................... 7
  16073.2 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN ...................................... 7
  16073.3 URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION .................... 7
  16073.4 MATTERS BEHIND CLOSED DOORS ............................................................................................. 7
  16074.4.1 CONFIDENTIAL ITEM – NEW HOUSING OPPORTUNITY ............................................................. 7
  16073.5 DATE OF NEXT MEETING / MEETINGS ........................................................................................ 8
  16073.6 CLOSURE ........................................................................................................................................... 8
Shire of Perenjori

MINUTES

4TH JULY 2016

16071 PRELIMINARIES

16071.1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

President L Butler declared the meeting open at 2:11 pm.

16071.2 OPENING PRAYER

16071.3 DISCLAIMER READING

16071.4 RECORD OF ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE

Cr L Butler – Presiding Member
Cr J Hirsch
Cr L Smith
Cr J Cunningham
Cr R Desmond
Cr P Waterhouse
Cr R Spencer
Cr G Reid
Cr K Pohl Apology
Ali Mills – CEO
Peter Money – MCDS
Debby Barndon – SFO
Ken Markham - MIS

16071.5 PUBLIC QUESTION TIME

Nil.

16071.6 DEPUTATIONS / PRESENTATIONS

16071.7 NOTATIONS OF INTEREST

Financial Interest – Local Government Act s 5.60A

Proximity Interest – Local Government Act s 5.60B
Interest Affecting Impartiality – Shire of Perenjori Code of Conduct.

16071.8 ANNOUNCEMENTS BY PERSON PRESIDING WITHOUT DISCUSSION
Nil.

16071.9 MATTERS FOR WHICH MEETING MAY GO BEHIND CLOSED DOORS

16072 PURPOSE OF SPECIAL MEETING

To discuss a new housing opportunity and to review the differential rates.

16072.1 ADOPTION OF THE 2015/16 PROPERTY RATES & DISCOUNTS

APPLICANT: SHIRE OF PERENJORI
FILE: ADM 0085
DISCLOSURE OF INTEREST: NIL
AUTHOR: PETER MONEY - MCDS
RESPONSIBLE OFFICER: ALI MILLS - CEO
REPORT DATE: 4TH JULY 2016
ATTACHMENTS RATE SPREADSHEET

Executive Summary
This item recommends the Council adopts its rates which are to be used in the formation of the 2016/2017 budget and considers any discounts that are to apply for early payment of rates.

Background
In April of 2016 the Council agreed to consider the application of a 5% across the board rate increase. This was agreed in order to allow advertising to proceed for the Shire’s differential rates; the advertising is required by the Local Government Act.

All differential rates require advertising and when one rate in any category is more than double one or more rates in the same category Ministerial approval is required before those differential rates can be applied (s6.33(3)). The application for this approval was forwarded to the Minister in accordance with the Act.

It is common practice to decide on a possible high rate increase prior to advertising as it allows Councils time to ascertain their financial position for the coming financial year. On this basis advertising proceeded and as there were no objections of submissions to the proposed rates, a submission was made to the Minister.

The Minister, through the Department of Local Government has declined the submission enforcing Section 6.36(3) of the Act which states that “the advertised rates are to apply based on an estimate of the budget deficiency.” This means that a Council is required to set its rate structure and rate income after the budget position is known and the rate income accounts for the projected deficit provided the rates raised comply with s6.34 of the Act (rate income not to exceed 110% of the deficit or be less than 90% of the deficit).

With the DLG enforcing s6.36(3) of the Act, local governments will have to revise what has been common practice and adopt rates earlier in the year. Generally local governments have some idea of what rate increases they need to apply in any given year but prefer to wait until they have a more
clear picture of the end-of-year financial position, even after taking into account the Strategic Plan and Long Term Financial Plan.

Therefore if a local government wishes to advertise its differential rates from 1st May each year, it needs to determine its financial position and its rate structure in March / April so that any differential rates can be advertised from 1st May. That assumes the Council wants the budget adopted in July and rates issued shortly thereafter.

It has also been made clear by the DLG that the common practice of advertising differential rates at a high level and later adopting a rate lower than that advertised is not acceptable. This is seen to conflict with s6.32(1)(a) of the Act which states that “When adopting the annual budget, a local government

(a) in order to make up the budget deficiency, is to impose* a general rate on rateable land within its district, which rate may be imposed either — (i) uniformly; or
(ii) differentially”

The Perenjori Council (like most others) advertises differential rates early due to the 21 day advertising period and to allow for any further period of delay due to the requirement to consider objections or submissions. Any lengthy delay can result in rates not being issued until very late July or even August which creates the possibility of a cash shortfall at the start of each financial year. As stated above the DLG is recommending Councils now adopt their rates in March / April if they wish to commence early May advertising of differential rates.

For these reasons the DLG has asked the Shire to resubmit its application to the Minister for differential rates approval having resolved what the differential rates will be and what the rate in the dollar will be for the 2016/2017 financial year.

The rates that are adopted from this item are the rates that will be submitted to the DLG and should this require amendment at a later date, a new process of advertising and Ministerial approval will be required – for the differential rates.

On the positive side in consideration of this application, the DLG will consider the Shire’s loss of income due to decreased mining lease valuations, leases disposed of and the freeze on mining rates the Council applied in 2015/2016.

As required by the Act a budget has been prepared on the basis of a 3% increase across all categories except for Minimum Rates UV Mining being reduced from $406 to $325, in line with all other minimum rates.

DISCOUNTS

3% OVERALL INCREASE

<table>
<thead>
<tr>
<th>Line Code</th>
<th>Total Props</th>
<th>UV Value</th>
<th>GRV Value</th>
<th>Min Amts</th>
<th>UV %</th>
<th>GRV %</th>
<th>Calculated Rates</th>
<th>Props on Min</th>
<th>Actual Rates to Raise</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 00</td>
<td>75</td>
<td>$ -</td>
<td>$ 68,900</td>
<td></td>
<td></td>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>2 01</td>
<td>276</td>
<td>$ 85,847,700</td>
<td>$ -</td>
<td>319.00</td>
<td>2.0024</td>
<td></td>
<td>$ 1,719,014</td>
<td>11</td>
<td>$ 1,721,040</td>
</tr>
<tr>
<td>3 03</td>
<td>15</td>
<td>$ -</td>
<td>$ 96,876</td>
<td>319.00</td>
<td>7.9114</td>
<td></td>
<td>$ 7,664</td>
<td>3</td>
<td>$ 7,844</td>
</tr>
<tr>
<td>4 04</td>
<td>95</td>
<td>$ 1,789,741</td>
<td>$ -</td>
<td>319.00</td>
<td>34.3112</td>
<td></td>
<td>$ 614,082</td>
<td>34</td>
<td>$ 621,820</td>
</tr>
<tr>
<td>5 05</td>
<td>2</td>
<td>$ -</td>
<td>$ 10,920</td>
<td>319.00</td>
<td>7.9114</td>
<td></td>
<td>$ 864</td>
<td>$ 864</td>
<td>$ 8479</td>
</tr>
<tr>
<td>6 06</td>
<td>102</td>
<td>$ -</td>
<td>$ 1,032,028</td>
<td>319.00</td>
<td>7.9114</td>
<td></td>
<td>$ 81,648</td>
<td>14</td>
<td>$ 84,479</td>
</tr>
<tr>
<td>7 07</td>
<td>2</td>
<td>$ -</td>
<td>$ 4,320,020</td>
<td>319.00</td>
<td>7.9114</td>
<td></td>
<td>$ 341,774</td>
<td>$ 341,774</td>
<td>$ 341,774</td>
</tr>
<tr>
<td>8 08</td>
<td>10</td>
<td>$ -</td>
<td>$ 3,250</td>
<td>319.00</td>
<td>7.9114</td>
<td></td>
<td>$ 257</td>
<td>10</td>
<td>$ 3,190</td>
</tr>
<tr>
<td>9 09</td>
<td>9</td>
<td>$ -</td>
<td>$ 650</td>
<td>319.00</td>
<td>7.9114</td>
<td></td>
<td>$ 51</td>
<td>9</td>
<td>$ 2,871</td>
</tr>
<tr>
<td>10 99</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 2,765,355</td>
<td>$ 2,783,882</td>
<td></td>
</tr>
</tbody>
</table>
This item also seeks a Council decision on what discounts will apply in the 2016/2017 financial year as will affect the budget bottom line and could have some positive influence on the Council’s differential rating application.

The budget has been prepared based on informal Council discussion on what discounts may be applied. Those changes are the discarding of the 5% second discount and the existing 10% discount being reduced from 10% to 7%.

The draft budget has been prepared on these bases with these amendments to the existing discounts but does not commit the Council to adopting these recommended amendments as this remains a decision of the Council.

**Statutory Environment**
Local Government Act
6.32(1)(a)
6.33(3)
6.34
6.36(3)

**Policy Implications**
Policy 4003 – Rates Collection, Payments & Discounts

**Financial Implications**
This item will determine the Shire’s rate income for the 2016/2017 financial year if the differential rates are approved by the Minister

**Strategic Implications**
Area 2: Industry and Business Development – Our Economy

*Goal*: *Fostering and maximising growth across the economy, embracing opportunities for diversifying and strengthening our economic base.*

Area 5: Investing in Councils Capacity – Our Leadership

*Goal*: *Strengthen the Shire’s position as an innovative, independent local Government providing excellence in all areas of governance, management and leadership.*

**Risk Management**
The rate income projected from the outcome of this item will determine the sound financial management of the Shire for the next 12 months. The risk of under rating is the reduced ability to carry out the projected works.

If the outcome is considered carefully the Council limits the risk of financial instability and uncertainty.

Applying any excessive increases in rates could cause community discontent or complaints from the community.

**Consultation**
DLG
CEO
SFO
FO

**Comment**
I am assured that if the Council adopts its rates at the Special Meeting and provided all other provisions are compliant, our application for the differential rates will be evaluated quite quickly.

By determining the rates in this item the administration has more time to prepare the statutory budget for adoption by the Council at its July Ordinary Meeting.

**Voting Requirements – Absolute Majority**

<table>
<thead>
<tr>
<th>Officers Recommendation – Item 16072.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. That in accordance with the projected outcomes of the draft 2016/2017 budget the Council adopts the following rates a 3% increase except UV Minimum mining:</td>
</tr>
<tr>
<td>UV General (Rural) = 2.0024 cents in the dollar</td>
</tr>
<tr>
<td>UV Mining = 34.3112</td>
</tr>
<tr>
<td>GRV General = 7.9114</td>
</tr>
<tr>
<td>GRV Mining = 7.9114</td>
</tr>
<tr>
<td>UV Minimum General = $319</td>
</tr>
<tr>
<td>UV Minimum Mining = $319</td>
</tr>
<tr>
<td>GRV Minimum = $319</td>
</tr>
<tr>
<td>GRV Minimum Mining = $319</td>
</tr>
</tbody>
</table>

2. That the Council authorises the CEO to apply to the Minister for Local Government for the approval of the differential rates for UV General (Rural) and UV Mining as above.

3. That the Council in accordance with s6.46 of the Local Government Act 1995 authorises the CEO to apply a discount of 7% to ratepayers who have paid their rates in full, including, waste and service charges and any arrears by the due date on the rate notice.

<table>
<thead>
<tr>
<th>Officers Recommendation – Item 16072.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moved: Cr G Reid Seconded: Cr R Desmond</td>
</tr>
<tr>
<td>1. That in accordance with the projected outcomes of the draft 2016/2017 budget the Council adopts the following rates at a 3% increase except GRV mining:</td>
</tr>
<tr>
<td>UV General (Rural) = 2.0024 cents in the dollar</td>
</tr>
<tr>
<td>UV Mining = 34.3112</td>
</tr>
<tr>
<td>GRV General = 7.9114</td>
</tr>
<tr>
<td>GRV Mining = 7.9114</td>
</tr>
<tr>
<td>UV Minimum General = $319</td>
</tr>
<tr>
<td>UV Minimum Mining = $319</td>
</tr>
<tr>
<td>GRV Minimum = $319</td>
</tr>
<tr>
<td>GRV Minimum Mining = $319</td>
</tr>
</tbody>
</table>
2. That the Council authorises the CEO to apply to the Minister for Local Government for the approval of the differential rates for UV General (Rural) and UV Mining as above.

3. That the Council in accordance with s6.46 of the Local Government Act 1995 authorises the CEO to apply a discount of 10% to ratepayers who have paid their rates in full, including, waste and service charges and any arrears by the due date on the rate notice.

Carried: 6/2 By absolute majority

NOTE: The Council amended the Officers recommendation as it considered the rate increase already above CPI, disposing of the 5% discount and reducing the 10% discount to 7% all in the one year was not the best option. It preferred to reconsider the reduction in the 10% during the next year’s budget considerations.

16073 OTHER BUSINESS

16073.1 MOTIONS OF WHICH DUE NOTICE HAVE BEEN GIVEN

16073.2 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

16073.3 URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION

16073.4 MATTERS BEHIND CLOSED DOORS

Motion 16073.4
Moved: Cr R Desmond  
Seconded: Cr J Cunningham
That Council move behind closed doors to discuss confidential item 16074.4.1
Carried: 8/0

16074.4.1 CONFIDENTIAL ITEM – NEW HOUSING OPPORTUNITY

APPLICANT: SHIRE OF PERENJORI
FILE: ADM 0335
DISCLOSURE OF INTEREST: NIL
AUTHOR: CEO – ALI MILLS
RESPONSIBLE OFFICER: CEO – ALI MILLS
Shire of Perenjori Special Meeting

MINUTES 4TH JULY 2016

REPORT DATE: 4TH JULY 2016
ATTACHMENTS PICTURES OF UNITS

Voting Requirements – Absolute Majority

<table>
<thead>
<tr>
<th>Officers Recommendation – Item 16074.4.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>That Council offer to purchase the three units from StratX eggrock Australia Pty Ltd, (exclusive of all costs associated with bringing to site, furniture and sewerage connections) for a total of $150,000 utilising funds within the Staff Housing Reserve account.</td>
</tr>
</tbody>
</table>

Motion 16073.4
Moved: Cr G Reid  Seconded: Cr P Waterhouse
That Council return to open meeting.
Carried: 8/0

Officers Recommendation – Item 16074.4.1

Moved: Cr L Smith  Seconded: Cr R Desmond
That Council offer to purchase the three units from StratX eggrock Australia Pty Ltd, (exclusive of all costs associated with bringing to site, furniture and sewerage connections) for a total of $150,000 utilising funds within the Staff Housing Reserve account.
That a reference check be carried out on the
Carried: 8/0

16073.5  DATE OF NEXT MEETING / MEETINGS
To be advised.

16073.6  CLOSURE
President L Butler declared the meeting closed at 2:52 pm.