Shire of Perenjori
MINUTES
Special Council Meeting
31st July 2017

Held in the Shire of Perenjori Council Chambers, Fowler Street, Perenjori on 31st July 2017, commenced at 5.00 pm.

Table of Contents

17071.1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS........2
17071.2 OPENING PRAYER ........................................................................2
17071.3 DISCLAIMER READING .................................................................2
17071.4 RECORD OF ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE ....2
17071.5 NOTATIONS OF INTEREST ................................................................2
17072 GOVERNANCE ..............................................................................3
17072.1 RATES AND DIFFERENTIAL RATES REVIEW AND ADOPTION ..........3
17072.2 BANK SIGNATORIES ....................................................................10
17073 OTHER BUSINESS ........................................................................11
17073.1 MOTIONS OF WHICH DUE NOTICE HAS BEEN GIVEN .................11
17073.2 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN .. 11
17073.3 URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY.... 11
17073.4 DATE OF NEXT MEETING / MEETINGS .........................................12
17073.5 CLOSURE....................................................................................12
17071.1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS
Cr L Butler declared the meeting open at 5.03 pm.

17071.2 OPENING PRAYER
Cr L Butler led the opening prayer.

17071.3 DISCLAIMER READING

17071.4 RECORD OF ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE
Cr L Butler – Presiding Member
Cr L Smith
Cr J Cunningham
Cr R Spencer
Cr R Desmond
Cr J Hirsch
Cr P Waterhouse
Cr G Reid
Ali Mills – CEO
Rose Jones – SFO
Ken Markham – MIS

Apologies;
Cr K Pohl

17071.5 NOTATIONS OF INTEREST
- Financial Interest – Local Government Act s 5.60A
- Proximity Interest – Local Government Act s 5.60B
- Interest Affecting Impartiality – Local Government - Code of Conduct.
17072 GOVERNANCE

17072.1 RATES AND DIFFERENTIAL RATES REVIEW AND ADOPTION

APPLICANT: SHIRE OF PERENJORI
FILE: ADM 0086
DISCLOSURE OF INTEREST: NIL
AUTHOR: ALI MILLS - CEO
RESPONSIBLE OFFICER: ALI MILLS - CEO
REPORT DATE: 31ST JULY 2017
ATTACHMENTS REASONS AND OBJECTIVES

Executive Summary

This Item seeks Council approval for proposed differential rates and ordinary rates for 2017/2018; and recommends that Council seeks Ministerial approval for the imposition of differential rates in accordance with s6.33(s) of the Local Government Act.

Background

The use of differential rates (Section 6.36(1) of the Act), requires that these be advertised and if a rate in a category is more than twice that of another in the category then Ministerial approval is required before the rate can be imposed. Because of the vast difference between the UV rural rate and the UV mining rate Ministerial approval is required to levy these rates.

Council adopted the following differential and ordinary rates at the Ordinary meeting held on the 20th April 2017:

That Council:

1. In accordance with s6.36(1) advertises its intentions to impose differential rates for UV Rural and UV Mining for the 2017/2018 financial year.
2. Makes available for public information the document detailing the reasons for and the objectives of the differential rate.
3. Advertises locally the proposed differential rate for a minimum period of 21 days.
4. Reviews any objections to the proposed differential rates and makes a formal decision on any such objections.
5. Following the consideration of any objections, seeks Ministerial approval under Section 6.33(3) of the Local Government Act to impose a differential rate on the unimproved value of mining tenements that is more than twice the lowest unimproved value rate on rural lands within the shire.
6. Approves the annual rates with a 5% increase above 2016/2017 as follows:

7. UV Rural = 2.1025 cents in the dollar
8. UV Mining = 36.0268 cents in the dollar
9. GRV Townsites = 8.370 cents in the dollar
10. GRV Mining = 8.370 cents in the dollar
11. Minimum rates
12. UV Rural = $335
13. UV Mining = $335
14. GRV Townsites = $335
15. GRV Mining = $335

Advertising through public notice, both locally and regionally occurred between the dates of the 5th May 2017 and the 27th May 2017.

Council considered a submission objecting to the rates at the ordinary council meeting held on 20th June 2017, and recommended to proceed with the application to the Minister for Local Government as per the above recommendation.

The Financial Management Regulations (23) specify the requirements of imposing differential rates and to satisfy this regulation a justification document is provided at the end of this item.

Valuations

The GRV rate valuations for the 2017/2018 financial year are subject to the general property revaluation and this has been carried out by the Valuer General and applied from July 1st 2017.

UV property revaluations occur annually.

In the new valuations the following points have been noted:
- The GRV Mining valuation has decreased $1.176 million;
- UV Rural valuation increase of $7,924,700 (9% average)
- UV mining valuation increase of $40,882 (2% average)
- GRV town sites valuations increase of $148128 (13% average)

Department of Local Government (DLG) Communications: - Application was made to the DLG on the 30th May 2017, for the approval of differential rates.

The following has been required to be provided to the DLG in its consideration:
- Evidence of consideration of Council to reduce expenditure
- A copy of the proposed budget 2017/18

Telephone communications involving the CEO and SFO provided clarity around the DLG concerns for reasonable benefit and equity across all rate categories. An analysis ensures no category of rate payer will be receiving a larger portion of the rate burden unfairly. The loss in GRV mining valuations is impacting directly on the rate income, however this only involves one rate payer, and it would not be seen as being fair to seek a re-coup of the decrease through a significant increase to this rate payer. It was made clear that the increase in valuations needed to be considered in the final rates being imposed. The DLG had suggested a reviewing of Council’s intention for a 5% increase to include the increase in valuations to ensure rate payers were not being imposed with both increases.

The DLG has advised the following order of events would be as follows:

1. The Shire’s Council reconsiders its 2017/18 rating strategy, including the rates in the dollar and valuations changes, and make a formal resolution;
2. The Shire forwards a copy of the resolution to the Department (to me) to accompany its application, which has already been received and is being assessed;
3. Should Ministerial approval of the differential rates be granted, the Department will send formal notification to the Shire by letter and email; and then
4. The Shire can formally adopt its 2017/18 budget, including the approved differential rates, and notes the rates adopted differ from those advertised and the reasons why.

Rate Comparisons

For further information, rate comparisons are provided below of neighbouring Shires and some similar Shire with mining interests;

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>UV Rural</td>
<td>2.0024</td>
<td>2.2570</td>
<td>6.6960</td>
<td>1.6233</td>
<td>1.4104</td>
<td>8.22</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(Pastoral?)</td>
</tr>
<tr>
<td>UV Mining</td>
<td>34.3112</td>
<td>28.968</td>
<td>31.2859</td>
<td>11.9152</td>
<td>N/A</td>
<td>31.32</td>
</tr>
<tr>
<td>GRV Townsites</td>
<td>7.9114</td>
<td>7.4150</td>
<td>10.1143</td>
<td>11.6129</td>
<td>13.5884</td>
<td>10.36</td>
</tr>
<tr>
<td>GRV Mining</td>
<td>7.9114</td>
<td>0</td>
<td>23.2258</td>
<td>N/A</td>
<td></td>
<td>No Rate</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MinRates</th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>UV Rural</td>
<td>319</td>
<td>279</td>
<td>413</td>
<td>440</td>
<td>1,000</td>
<td>440.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(Pastoral?)</td>
</tr>
<tr>
<td>UV Mining</td>
<td>319</td>
<td>656</td>
<td>468</td>
<td>440</td>
<td>N/A</td>
<td>440.00</td>
</tr>
<tr>
<td>GRV Townsites</td>
<td>319</td>
<td>279</td>
<td>413</td>
<td>440</td>
<td>655</td>
<td>440.00</td>
</tr>
<tr>
<td>GRV Mining</td>
<td>319</td>
<td>0</td>
<td>6.6960</td>
<td>440</td>
<td>N/A</td>
<td>No Rate</td>
</tr>
</tbody>
</table>

Conclusions

For the 2017/2018 financial year it was recommended that the Council adopts a rate increase of 5% to cover the loss of mining incomes and to keep some alignment with the Long term Financial Plan. However it is clear the DLG will not approve this rate increase on top of valuation increases. This has required a re-modelling by staff to include the valuation increases with consideration of Council’ intention to achieve a 5% increase overall. The table below provides the detail comparing 2016/17 and 2017/18 with a final result demonstrating the decrease from the original proposed rate income budget amount of $3,005,011 to this total proposed amount of $2,814,352, presenting a decrease of $190,659 in total rate income. A 5% increase across all areas has been targeted including considerations of the increases in valuations.

The finishing of the previous financial year resulted in a less than expected brought forward figure, which is now sitting at $1,008,781 as opposed to the previous $1,159,332. In order to address this decrease in the budget rate income, it is proposed to delay the replacement of the UD Nissan Tipper which would provide a saving of $160,000 along with using $15,000 of plant reserve funds (currently
sitting with $237,583) to assist with the purchase of other plant and to address the remaining short fall.
Projected rate incomes with varying % increases on 2016/2017 valuations

<table>
<thead>
<tr>
<th>Differential Rates</th>
<th>General Rates</th>
<th>Rate in $ 2016/17</th>
<th>Valuations 2016-17</th>
<th>Actual Income 2016/17</th>
<th>Rate in $ 2017/18</th>
<th>Valuations 2017-18</th>
<th>Proposed</th>
<th>Proposed % increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>UV Rural</td>
<td>2.0024</td>
<td>$ 85,773,600</td>
<td>$1,710,610</td>
<td>1.9169</td>
<td>$ 93,698,300</td>
<td>$1,796,103</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>UV Mining</td>
<td>34.3112</td>
<td>$ 1,813,669</td>
<td>$615,952</td>
<td>34.8736</td>
<td>$ 1,854,551</td>
<td>$ 646,749</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>GRV Townsites</td>
<td>7.9114</td>
<td>$ 1,119,528</td>
<td>$88,264</td>
<td>7.95</td>
<td>$ 1,267,656</td>
<td>$ 100,447</td>
<td>13.8%</td>
<td></td>
</tr>
<tr>
<td>GRV Mining</td>
<td>7.9114</td>
<td>$ 4,320,000</td>
<td>$341,772</td>
<td>7.95</td>
<td>$ 3,144,000</td>
<td>$ 249,948</td>
<td>-26%</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$93,026,797</strong></td>
<td><strong>$2,756,598</strong></td>
<td></td>
<td><strong>$411,220,507</strong></td>
<td><strong>$2,793,247</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Minimum Rates

<table>
<thead>
<tr>
<th>Differential Rates</th>
<th>General Rates</th>
<th>Rate in $ 2016/17</th>
<th>Valuations 2016-17</th>
<th>Actual Income 2016/17</th>
<th>Rate in $ 2017/18</th>
<th>Valuations 2017-18</th>
<th>Proposed</th>
<th>Proposed % increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>UV Rural</td>
<td>319</td>
<td>$ 74,100</td>
<td>3509</td>
<td>335</td>
<td>$ 69,100</td>
<td>$ 3,350</td>
<td>-4.5%</td>
<td></td>
</tr>
<tr>
<td>UV Mining</td>
<td>319</td>
<td>$ 14,345</td>
<td>9251</td>
<td>335</td>
<td>$ 11,973</td>
<td>$ 7,035</td>
<td>-24%</td>
<td></td>
</tr>
<tr>
<td>GRV Townsites</td>
<td>319</td>
<td>$ 34,388</td>
<td>11,484</td>
<td>335</td>
<td>$ 23,881</td>
<td>$ 10,385</td>
<td>-9.5%</td>
<td></td>
</tr>
<tr>
<td>GRV Mining</td>
<td>319</td>
<td>$ 20</td>
<td>$319</td>
<td>335</td>
<td>$ 20</td>
<td>$ 335</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td></td>
<td><strong>$93,149,650</strong></td>
<td><strong>$2,781,161</strong></td>
<td></td>
<td><strong>$411,325,481</strong></td>
<td><strong>$2,814,352</strong></td>
<td>1.2%</td>
<td></td>
</tr>
</tbody>
</table>

Discounts are approximately $200,000 - $220,000 per annum – based on the previous year’s amounts.
Statutory Environment
Section 6.36 Local Government Act 1995. Subsection (1)
Financial Management Regulations (23)

Policy Implications
Nil

Financial Implications
The re-modelling to include the valuation increases has resulted in a decrease of approximately $190,000 of income. Reduced expenditure will need to be considered to address this budget deficit.

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.

Risk Management

<table>
<thead>
<tr>
<th>Risk Statement</th>
<th>Level of Risk</th>
<th>Risk Mitigation Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>The preparation for applying differential rates and acquiring Ministerial approval is a time limited process. Council needs to determine its differential rates in April to enable advertising to commence in May. Early advertising may ensure the rates will be issued in July. There is a risk that a higher than usual rate increase will be rejected by the Minister for differential rates.</td>
<td>Medium</td>
<td>Depending on the level of rate increase in the differential rate, the Minister may or may not approve a proposed increase. Careful consideration of the increase, ensuring a sound argument for an increase and a sound budget process will contribute to approval.</td>
</tr>
</tbody>
</table>

Consultation
Department of Treasury Website
WALGA Local Government Economic Briefing
Other local governments in the area
CEO
Accountant
Mechanic

Comment
The Shire’s mechanic has confirmed the delay in the replacement of the UD Tipper would not be of concern. It was felt waiting for one further year would not impact on the plant or work effectiveness. The consideration of the valuations in Council’s deliberation of setting rate amounts is critical and may require waiting for these to be released in the future before making application to the Department.

**Voting Requirements – Simple Majority**

<table>
<thead>
<tr>
<th>Officers Recommendation – Item 17072.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>That Council:</td>
</tr>
<tr>
<td>1. Approves the annual rates for 2017/18 as follows:</td>
</tr>
<tr>
<td>a. UV Rural = 1.9169 cents in the dollar</td>
</tr>
<tr>
<td>b. UV Mining = 34.8736 cents in the dollar</td>
</tr>
<tr>
<td>c. GRV Townsites = 7.95 cents in the dollar</td>
</tr>
<tr>
<td>d. GRV Mining = 7.95 cents in the dollar</td>
</tr>
<tr>
<td>Minimum rates</td>
</tr>
<tr>
<td>e. UV Rural = $335</td>
</tr>
<tr>
<td>f. UV Mining = $335</td>
</tr>
<tr>
<td>g. GRV Townsites = $335</td>
</tr>
<tr>
<td>h. GRV Mining = $335</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Council Resolution – Item 17072.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moved: Cr L Smith</td>
</tr>
<tr>
<td>That Council:</td>
</tr>
<tr>
<td>1. Approves the annual rates for 2017/18 as follows:</td>
</tr>
<tr>
<td>a. UV Rural = 1.9169 cents in the dollar</td>
</tr>
<tr>
<td>b. UV Mining = 34.8736 cents in the dollar</td>
</tr>
<tr>
<td>c. GRV Townsites = 7.95 cents in the dollar</td>
</tr>
<tr>
<td>d. GRV Mining = 7.95 cents in the dollar</td>
</tr>
<tr>
<td>Minimum rates</td>
</tr>
</tbody>
</table>
Executive Summary
This item asks Council endorsement to add the new Senior Finance Officer (SFO) and the Manager of Infrastructure Services (MIS) as signatories whilst removing the previous SFO incumbent.

Background
It is a requirement for Council to endorse any alterations to the Bank signatories, with the minutes provided to Bankwest verifying such approvals. Two signatures are required on all bank transactions to ensure adequate securities are in place. The current signatures are:

- CEO – Ali Mills
- MCDS – Peter Money
- SFO – Debbie Barndon
- President – Laurie Butler

The following changes are proposed to reflect the current employee situation:

- CEO – Ali Mills
- MCDS – Peter Money
- SFO – Rose Jones
- President – Laurie Butler
- MIS – Ken Markham

Statutory Environment
Local Government (Financial) Regulations 1996

Policy Implications
Nil

Financial Implications
Nil

**Strategic Implications**

Area 5: Investing in Councils Capacity – Our Leadership

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

**Risk Management**

<table>
<thead>
<tr>
<th>Risk Statement</th>
<th>Level of Risk</th>
<th>Risk Mitigation Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don’t have sufficient choices in signatories to accommodate people being away.</td>
<td>Medium (Likelihood: likely, Consequence: Moderate)</td>
<td>Ensure signatories are changed asap to accommodate changes in staffing.</td>
</tr>
</tbody>
</table>

**Consultation**

BankWest

**Comment**

Nil

**Voting Requirements – Simple Majority**

**Officers Recommendation – Item 17072.2**

That Council approves the removal of the previous Senior Finance Officer – Deborah Barndon as a Bankwest signatory and adds the current Senior Finance Officer – Rose Jones and Manager of Infrastructure Services – Ken Markham.

**Council Resolution – Item 17072.2**

Moved: Cr J Hirsch  
Seconded: Cr P Waterhouse

That Council approves the removal of the previous Senior Finance Officer – Deborah Barndon as a Bankwest signatory and adds the current Senior Finance Officer – Rose Jones and Manager of Infrastructure Services – Ken Markham.

Carried: 8/0

**17073 OTHER BUSINESS**

**17073.1 MOTIONS OF WHICH DUE NOTICE HAS BEEN GIVEN**

**17073.2 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

**17073.3 URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION**
Cr L Butler declared the meeting closed at 5.46 pm.
Attachments

Special Council Meeting
31st July 2017
Attachment 17072.1

Rates & Objectives

Special Council Meeting
31st July 2017
Introduction

The purpose of levying rates is to meet Council’s budget requirements in each year in order to deliver services and community and infrastructure in a manner that is deemed to be fair and equitable for Shire ratepayers.

Property valuations provided by Landgate Property Valuation Services (Valuer General) are used as the basis for the calculation of rates each year. However it is recognised that valuations alone do not always produce equitable results in all communities and therefore the Local Government Act 1995 (the Act) provides the ability to differentially rate properties based on zoning and/or land use to assist in achieving equitable rating outcomes.

The Act specifies that where land is used predominately for rural purposes the rates levied shall be based on its unimproved value (UV) and where land is predominately used for non-rural purposes the rates levied shall be on its gross rental value (GRV).

In accordance with the Act the Shire of Perenjori uses a combination of GRV and UV in its calculation of annual rates. Currently properties assigned as UV are revalued every year and properties assigned GRV are revalued every five years. All valuations are carried out by the Valuer General.

Interim valuations are provided to the Shire on a monthly basis by Landgate for properties where changes have occurred as a result of subdivisions, building construction / additions and property rezoning.

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 local governments to base differential rating for properties on the planning Scheme but other criteria such as land use may be used.

The Shire of Perenjori aims to ensure that rate revenue is collected on an equitable basis from all properties. For this reason Council will adopt a differential rate for the 2017/2018 financial year in accordance with section 6.33 of the Act as follows:

(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.

In accordance with Section 6.36 of the Act 1995 the Shire is required to publish its Objects and Reasons for implement Differential Rates.

OVERALL OBJECTIVE

The Shire of Perenjori provides services to a diverse region consisting of residential, commercial, industrial, pastoral, mining and workforce accommodation. All sectors benefit from the services provided by the Shire, though it is inevitable that some sectors, and some individuals in any sector, may benefit more or less, from any particular service. Persons operating within all sectors have the right to use all of the services provided by the Shire.

The Shire of Perenjori imposes differential general rates on properties within the Shire based on the existing land use.

Gross Rental Value

The object of the GRV rates is to require a fair contribution to the revenue requirements of the Shire, while not risking additional financial pressure on the users in those areas that affect their long term viability.

The reasons for the level of rates set for Gross Rental Values is that this allows for a fair contribution to the revenue requirements of the Shire at the highest sustainable level.

The minimum payment proposed for the GRV category reflects the present financial vulnerability of ratepayers in the category.

The Shire applies the GRV rate equitably in both townsites and mining and does not seek a differential rate in this category.

The Shire also applies minimum rates equitably to townsites, mining and rural properties and does not seek a differential rate in this category.
Differential Rates on Unimproved Value

The Shire seeks to impose a differential rate on Unimproved Value properties in the Rural and Mining categories with UV Mining being more than twice that proposed for UV Rural.

UV Rural properties are the most significant contributors to the Shire’s rate income and this has been the case throughout the history of the Shire. Hence the UV Rural sector has made a significant contribution to the infrastructure and services provided by the Shire.

By comparison the UV Mining sector is relatively new and has paid a lesser contribution though they use the Shire’s infrastructure extensively and in particular the road network. The proposed rate for UV Mining is consistent with the rate imposed in previous years except 2015/2016 when UV Mining rates were frozen.

UV Rural

The object of the UV Rural rate is to require a fair contribution to the revenue requirements of the Shire, while not risking additional financial pressure on the uses in those areas that affect their long term viability.

The reasons for the level of rates set for UV Rural is that this allows for a fair contribution to the revenue requirements of the Shire at the highest sustainable level. The minimum payment proposed for the UV Rural category reflects the present financial vulnerability of ratepayers in the category.

The UV rural rate applies generally to broad acre farming which is vulnerable to factors such as adverse weather, bushfires, drought, world demand for the product and fluctuations in export prices.

Importantly the rural areas cover vast tracts of land that is often marginal and input costs are far more extensive to gain a smaller return than mining for example.

The UV rural areas of the Shire are the most significant contributors in rate income for the Shire and for example in 2016/2017 the projected rate income was $1.718 million compared to UV mining with a projected income of $0.608 million.

The UV rural areas of the broad acre farming industry also contribute more through local employment and economic benefits and through purchasing locally than the mining sector. Council cannot control the vulnerabilities to external forces on the rural sector and they try to ensure that the industry is not adversely affected by excessive rates.
The *Applicable valuations* chart below shows that there is a significant 9.2% increase in UV Rural valuations and this will continue to provide equitable income from this rating category.

**UV Mining**

The object of the UV Mining rate is to permit the imposition of rates on mining land to the extent that it is reasonably proportional to the financial resources available to the industry which do not have to be nurtured nor are they affected by the same vulnerabilities as broad acre farming. Whilst mining is not affected by the same vulnerabilities as the rural industries, there are external forces such as decreasing commodity prices. Council being aware of this chose to freeze UV Mining rates in the 2015/2016 budget.

However the Council seeks to attain equity among those who will bear the burden of the rates, and striking a reasonable balance between the capacity to pay, the inputs into production of the rate income and the fairness of the expenditures by the Shire on this particular industry.

The objective of the differential rate on UV Mining properties is to ensure that mining contributes to the maintenance of the Shire’s assets and services to the extent that the mining operators and their connections use them. While every effort is made to establish rates and minimum payments at the fairest possible levels, it is considered that the mining sector has the capacity to pay the proposed rates at the levels estimated. Importantly it consumes the income from rates at a level comparable to the income raised.

In dealing with the object of the rate, it should be remembered that operators in the mining industry when they come to the district have the advantage of utilising established Shire services and facilities which often have been provided by the rates contributed in the long term by ratepayers in other sectors, who will continue in the long term future to contribute in the same way. The maintenance of Shire assets and services for the benefit of all users, long term and short term, is a burden which to a significant extent falls upon the long term ratepayers.

Such assets are the many sporting and recreation facilities provided by the community, tourist facilities, relatively inexpensive accommodation, the extensive and high quality road network and the general services provided by the Shire and private organisations in the town that provide such services at low or no cost.

This Shire has also contributed significant sums of its own funds to the upgrading of roads used predominantly by the mining industry and though the industry contributes to the maintenance of the roads, the initial upgrades were funded significantly by the Shire.
It is not uncommon for operators in the mining sector to be present in the district for a short period with a prospect of withdrawing very substantial profits in that time exploiting the mineral resources of the district. That statement simply recognises the often transitory nature of mining enterprises.

However the mining sector stands to be a beneficiary of the existence and maintenance of the Shire’s assets and services to the extent that the mining operators and their connections use them.

The reason for the differential UV Mining Rate is to assist the Shire to make up the deficiency in its revenue at a level which is fair in all of the circumstances.

The **Applicable valuations** chart below shows that there is a small 2.11% increase in UV Mining valuations which is far less than that in the UV Rural category supports the justification of an increase in rate in the dollar for both Rural and Mining.

**Differential Rating Category**

The Shire proposes a differential rate that affects only two categories which are as follows:

**UV Mining**

This category will include any property with use of mining land use. A maximum rate in the dollar of 34.8736 cents on Unimproved Values with a minimum of $335 is proposed.

**UV Rural**

This category will include any property used for primary industries other than mining, such as broad acre farming. A maximum rate in the dollar of 1.9169 cents on Unimproved Values with a minimum of $335 is proposed.

**Applicable valuations:**

<table>
<thead>
<tr>
<th></th>
<th>2016/17</th>
<th>2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TOTAL VALUATIONS</td>
<td>16/17</td>
</tr>
<tr>
<td>UV RURAL</td>
<td>85773600</td>
<td>74100</td>
</tr>
<tr>
<td>UV MINING</td>
<td>1813669</td>
<td>14345</td>
</tr>
<tr>
<td>GRV TOWNSITES</td>
<td>1119528</td>
<td>34388</td>
</tr>
<tr>
<td>GRV MINING</td>
<td>4320000</td>
<td>20</td>
</tr>
<tr>
<td>NON RATEABLE</td>
<td>68850</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>93,095,647</td>
<td>122,853</td>
</tr>
</tbody>
</table>
Proposed rate and differential rate for 2017/2018:

<table>
<thead>
<tr>
<th>Rate category</th>
<th>2016/2017 rate in $</th>
<th>Number of properties</th>
<th>Proposed 2017/2018 rate in $</th>
<th>Number of properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>UV General</td>
<td>2.0024¢</td>
<td>265</td>
<td>1.9169¢</td>
<td>278</td>
</tr>
<tr>
<td>GRV General</td>
<td>7.9114¢</td>
<td>102</td>
<td>7.95¢</td>
<td>103</td>
</tr>
<tr>
<td>UV Minimum</td>
<td>319</td>
<td>11</td>
<td>335</td>
<td>10</td>
</tr>
<tr>
<td>GRV Minimum</td>
<td>319</td>
<td>36</td>
<td>335</td>
<td>36</td>
</tr>
<tr>
<td>GRV Mining</td>
<td>7.9114¢</td>
<td>2</td>
<td>7.95¢</td>
<td>1</td>
</tr>
<tr>
<td>UV Mining</td>
<td>34.3112¢</td>
<td>61</td>
<td>34.8736¢</td>
<td>62</td>
</tr>
<tr>
<td>UV Mining Minimum</td>
<td>319</td>
<td>34</td>
<td>335</td>
<td>20</td>
</tr>
<tr>
<td>GRV Mining Minimum</td>
<td>319</td>
<td>0</td>
<td>335</td>
<td>1</td>
</tr>
</tbody>
</table>

END OF DOCUMENT