



Shire of
Perenjori
Embrace Opportunity

**MINUTES
SPECIAL MEETING
OF COUNCIL**

9 AUGUST 2021

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Advocacy	When Council advocates on its own behalf or on behalf of its community to another level of government /body /agency.
Executive/Strategic	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.
Review	When Council reviews decisions made by Officers.
Quasi-Judicial	When Council determines an application/matter that directly affects a person's rights and interests. 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 licences, applications for other permits/licences (e.g.: under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.

DISCLAIMER

“Any statement, comment or decision made at a Council or Committee meeting regarding any application for an approval, consent or licence, including a resolution of approval, is not effective as an approval of any application and must not be relied upon as such.

Any person or entity that has an application before the Shire must obtain, and should only rely on, written notice of the Shire's decision and any conditions attaching to the decision and cannot treat as an approval anything said or done at a Council or Committee meeting.

Any advice provided by an employee of the Shire on the operation of a written law, or the performance of a function by the Shire, is provided in the capacity of an employee, and to the best of that person's knowledge and ability. It does not constitute, and should not be relied upon, as a legal advice or representation by the Shire. Any advice on a matter of law, or anything sought to be relied upon as a representation by the Shire should be sought in writing and should make clear the purpose of the request.”

SHIRE OF PERENJORI

Minutes of the Shire of Perenjori Special Meeting of Council held on Monday 9 August 2021, at the Shire of Perenjori Council Chambers, 56 Fowler Street, Perenjori WA 6620 commencing at 3:05 pm.

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS:

The Presiding Member declared the meeting open and welcomed those in attendance.

Welcome to Country:

As per the Shire of Perenjori Policy (N^o 1021) we wish to acknowledge the traditional owners of the land upon which the Shire of Perenjori is situated and to demonstrate respect for the original custodians.

Therefore, I respectfully acknowledge the past and present custodians of the land on which we are meeting, the Badymia people.

I also acknowledge the pioneers who settled this country, developed the land and turned it into the productive country that we know today, allowing us to enjoy the lifestyle to which we have become accustomed.

2. OPENING PRAYER:

As read.

3. DISCLAIMER READING:

As printed.

4. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE:

4.1 ATTENDANCE:

MEMBERS:

Cr Chris King (*Shire President*)
Cr Jude Sutherland (*Deputy Shire President*)
Cr Brian Baxter
Cr Dan Bradford
Cr Colin Bryant
Cr Les Hepworth

STAFF:

Mario Romeo (*Chief Executive Officer*)
Nola Comerford-Smith (*Manager Corporate & Community Services*)
Wayne Scheggia (*Executive Advisor*)

APOLOGIES:

Cr Phil Logue
Ken Markham (*Manager Infrastructure Services*)

4.2 COMMENCEMENT

3.05 pm.

4.3 ORDER OF BUSINESS

Item 11 was heard as the first item of business.

5. PUBLIC QUESTION TIME:

Nil.

6. ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION:

Nil.

7. PETITIONS/DEPUTATIONS/PRESENTATIONS:

Nil.

8. ANNOUNCEMENTS OF MATTERS FOR WHICH MEETING MAY BE CLOSED:

Matters Behind Closed Doors

In accordance with Section 5.23(2) of the Local Government Act 1995, the meeting is closed to the members of the public for this item as the following sub-section applied:

A matter affecting an employee or employees

The personal affairs of any person;

A matter that if disclosed, would reveal –

A trade secret; or

Information that has a commercial value to a person; or

Information about the business, professional, commercial or financial affairs of a person.

9. DECLARATION OF INTEREST:

“Members should fill in Disclosure of Interest forms for items in which they have a financial, proximity or impartiality interest and forward these to the Presiding Member before the meeting commences.”

COUNCIL DECISION

Council Decision No. 090821.2

Moved: Cr L Hepworth

Seconded: Cr Bradford

Suspension of Standing Orders

That Standing orders be suspended for the consideration of this item.

CARRIED (6/0)

COUNCIL DECISION

Council Decision No. 090821.3

Moved: Cr Hepworth

Seconded: Cr Bradford

That the Budget maintain the early payment discount at 10%, and the CEO investigate options to fund the expenditure.

CARRIED (5/1)

Applicant:	Shire of Perenjori
File:	ADM0339
Report Date:	9 August 2021
Disclosure of Interest:	Nil
Voting Requirements:	Absolute Majority
Author:	Debby Barndon - Accountant
Responsible Officer:	Mario Romeo - Chief Executive Officer
Attachments:	10 (a) – 2021-22 Statutory Budget 10 (b) – Budget Schedule Format 2021-22

Executive Summary:

Council is asked to consider the draft budget for the 2021/22 financial year.

Annual budgets are historically prepared to reflect decisions taken by Council, in fulfilling strategic priorities, administering the Shires responsibilities and ensuring the efficient and effective management of Shire assets.

The Budget cannot be finally adopted until the Minister has determined our application for Differential Rates Approval, which should occur by 31st August 2021.

Background:

The budget document enables Council to consider its likely revenue and expenditure scenario based on input from the Council Budget Forum and associated discussions, previous Council decisions and the publicly expressed directions and funding decisions of both State and Federal governments.

Efficiency Measures

The efficiency of Council's administrative and works practices are constantly monitored to achieve best value outcomes, noting that many aspects of administrative cost, such as wages and salaries, conditions of employment, employee allowances, etc, are governed by instruments such as common law contracts or the Enterprise Agreement.

Continuing cost efficiency is pursued through the utilisation of cost saving minimum purchase pricing and modern purchasing practices, including WALGA Preferred Supply Arrangements and State Common Use Agreements

Resource sharing negotiations are pursued with neighbouring Councils to maximise services and minimize cost, such as the Maintenance of the Community Services Emergency Manager (CESM) position, which proved to be a critical resource during Cyclone Seroja. Significant impacts on Council's works and services planning have occurred as a result of Cyclone Seroja and this "once-in-100-years" event will have ongoing implications for Councils strategic planning reviews and future budgets.

The pursuit and desirability of austerity and efficiency measures has been countered to some extent by State and Federal desires for Councils to maintain or expand expenditure to maintain employment and drive economic stimulus in response to the continuing COVID19 Pandemic.

Expected Budget Surplus:

The 2021/22 budget estimate is a balanced budget and is calculated as follows

Current Assets	
Unrestricted cash	\$426,110
Restricted Cash	\$2,260,893
Receivables	\$113,020
Inventory	\$12,021
Total	\$3,160,134
Current Liabilities	
Payables + Provisions	\$762,472
Net Current Assets	\$2,397,662
Less total adjustment to net current assets	
Less total adjustments to net current assets	(\$2,397,662)
Estimated Surplus/(Deficiency C/Fwd	\$0.00

The budget has been developed by the administration to reflect the Shires strategic priorities and ensuring the efficient and effective management of the Shires Assets.

The Shire is proposing a 2% rate increase from 2020-21 for 2021/22.

Differential General Rates	Rate in \$	Minimum Rates	Levy
UV General (Rural)	1.93800	UV General (Rural)	356.00
UV Mining	34.94010	UV Mining	356.00
GRV General (Townsites)	8.43660	GRV General (Townsites)	356.00
GRV Mining	8.43660	GRV Mining	356.00
UV Exploration Mining	26.0100	UV Exploration Mining	356.00

Projected Rate Income:

Category	2020/21 - Actual income	2021/22 - Projected Income
UV Rural General Rates	\$1,962,652	\$2,051,671
GRV General Rates	\$94,380	\$97,691
UV Rural Minimum Rates	\$3,490	\$3,916
GRV Minimum Rates	\$12,564	\$11,392
GRV Mining Rates	\$260,047	\$265,247
GRV Mining Minimum Rates	\$1,745	\$2,492
UV Mining Rates	\$708,573	\$732,884
UV Mining Minimum Rates	\$349	\$356
Exploration	\$16,847	\$53,168
Exploration Minimum	\$5,235	\$6,408

Total (Before Discount)	\$3,065,882	\$3,225,225
Expected Rates Revenue After Projected Discount	\$2,829,167	\$3,113,225

Rates Discounts

A 5% discount is offered to all rate payers who pay their rates in a lump sum by the first instalment date which will allow the Shire to deliver on proposed capital expenditure. The discount has been reduced from the prior year of 10% down to the proposed 5% for this financial year.

Financial Assistance Grants (FAGS) – General Purpose

FAGS grants are Federal Grants delivered to Local Government via a State based Local Government Grants Commission. Funding is distributed in two components, the first of which is General Purpose funding. General Purpose funding is delivered by a complex series of calculations based around “horizontal equalisation” to ensure that small local governments retain the capacity to deliver services.

	2018-19	2019-20	2020-21	2021-22
FAGS Grant	\$1,058,885	\$1,844,468	\$1,072,067	\$1,218,232*
Total	\$1,058,885	\$1,844,468	\$1,072,067	\$1,238,232

*Advance payment received \$609,116 this being 50% of allocation. Remainder of 2021/22 will be received in instalments throughout the 2021-22 financial year.

Financial Assistance Grants (FAGS) – Untied Road Grant

Untied Road Grants are provided based on the asset preservation model. The information provided by Local Governments to Main Roads through the ROMAN Road Database is collated by the Grants Commission. The funding is required to maintain the asset base and is calculated to ensure Local Governments receive a share based on their proportion of the asset base.

	2018-19	2019-20	2020-21	2020-21
Untied Road Grant	\$871,517	\$1,472,374	\$831,110	\$921,442*
Total	\$871,517	\$1,472,372	\$831,110	\$921,442

* Advance payment received of \$460,721.00 being 50% of allocation prior to June 2021. Remainder of 2021/22 allocation to be received in instalments throughout 2021-22 financial year

Significant Capital Projects in 2021-22 Include:

Funding Proposals for Projects

Account	Reserve	Council	Other funds income	Total Expend
Administration IT equipment (Server, computers, upgrade to internet)	\$0.00	\$150,000	\$0.00	\$150,000
New Dwelling – 2 x1 or 2 x 2	\$0.00	\$350,000	\$0.00	\$350,000
Underground Power – Fowler St	\$0.00	\$150,000	\$0.00	\$150,000
Perenjori Pavilion – Renovations to wet areas and generator	\$0.00	\$390,000	\$0.00	\$390,000
Caravan Park – New chalets and generator	\$0.00	\$102,500	\$500,000	\$602,500

Business Incubator – Records Storage	\$0.00	\$50,000	\$0.00	\$50,000
Shopping Centre Development	\$600,000	\$200,000	\$0.00	\$800,000

Roads Program

The roads program for 21/22 has been developed at a cost of \$3,373,357 and includes:

- Direct Grant of \$233,843
- Regional Road Group Funding of \$707,667
- Roads to Recovery Funding of \$534,940
- Council Funds of \$975,465
- Untied Roads Fund \$921,442

Plant Replacement Program

Plant replacement is in accordance with the 10-year plan and includes:

PLANT	ASSET NAME	YEAR	COST	EXPECTED TRADE
1PJ	CEO- Vehicle Trailblazer	21/22	\$75,000	\$27,000
1503PJ	Volvo Grader	21/22	\$350,000	\$70,000
PJ1566	Nissan UD 2 Way Tipper	21/22	\$250,000	\$70,000
PJ1569	FUSO Tipper	21/22	\$65,000	\$22,000
	Forklift	21/22	\$20,000	\$0.00
	HAKO Road Sweeper	21/22	\$20,000	\$0.00
	Trailer mounted EWP	21/22	\$50,000	\$0.00
	Kubota Ride on Mower	21/22	\$15,453	\$2,000

Debentures

The budget is proposing one new loan for \$500,000.00 to support the purchase of 3 new chalets which will be situated at the caravan park, this will increase the caravan parks capacity to offer a more varied scope of accommodation, also included in the proposal is a generator for the caravan park to assist the community should another natural disaster occur in the future.

Operational Expenses

Overall operational costs have been maintained at a similar level to 2020/21 as there is no significant change in the operating parameters of the shire, with improvements in cost management practices and purchasing efficiencies being undertaken.

Staffing

There is no increase to permanent staffing levels at present and an estimated increase of 1.8% in salaries is accounted for across staffing positions to cover for agreed increases annually in the Enterprise Agreement conditional to satisfactory performance. An additional 4% has been added to the budget for staff retention and to attract a qualified engineer to assist with future programs and commitments throughout the Shire

Elected Members Fees and Allowances

The Salary and Allowances Tribunal released Local Government Chief Executive Officers and Elected Members Determination No 1 on the 8th April 2021. – see link for details.

[Local Government Chief Executive Officers and Elected Members Determination No 1 of 2021 \(www.wa.gov.au\)](http://www.wa.gov.au)

Schedule 1: LOCAL GOVERNMENT BAND ALLOCATIONS

The following table shows the band that the Shire of Perenjori sits under.

Perenjori Shire	Band 4
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6.2 COUNCIL MEETING ATTENDANCE FEES – PER MEETING

(1) The ranges of fees in Table 4 and Table 5 apply where a local government or regional local government decides by an absolute majority to pay a council member a fee referred to in section 5.98(1)(b) of the LG Act for attendance at a council meeting.

Table 4: Council meeting fees per meeting – local governments.

For a council member other than the mayor or president			For a council member who holds the office of mayor or president	
Band	Minimum	Maximum	Minimum	Maximum
4	\$91	\$238	\$91	\$490

Table 5: Council meeting fees per meeting – regional local governments.

For a council member other than the chair			For a council member who holds the office of chair	
All regional local governments	Minimum	Maximum	Minimum	Maximum
	\$91	\$238	\$91	\$490

6.3 COMMITTEE MEETING AND PRESCRIBED MEETING ATTENDANCE FEES – PER MEETING

- (1) The ranges of fees in Table 6 and Table 7 apply where a local government or regional local government decides to pay a council member a fee referred to in –
- (a) section 5.98(1)(b) of the LG Act for attendance at a committee meeting; or
 - (b) section 5.98(2A)(b) of the LG Act for attendance at a meeting of a type prescribed in regulation 30(3A) of the LG Regulations.

Table 6: Committee meeting and prescribed meeting fees per meeting – local governments.

For a council member (including the mayor or president)		
Band	Minimum	Maximum
4	\$46	\$119

Table 7: Committee meeting and prescribed meeting fees per meeting – regional local governments.

For a council member (including the chair)		
All regional local governments	Minimum	Maximum
	\$46	\$119

7.2 ANNUAL ALLOWANCE FOR A MAYOR, PRESIDENT OR CHAIR

- (1) The ranges of allowances in Table 10 apply where a local government sets the amount of the annual local government allowance to which a mayor or president is entitled under section 5.98(5) of the LG Act.

- (2) The range of allowances in Table 11 apply where a regional local Government sets the amount of the annual local government allowance to which a chair is entitled under section 5.98(5) of the LG Act.

Table 10: Annual allowance for a mayor or president of a local government.

For a mayor or president		
Band	Minimum	Maximum
4	\$513	\$20,063

Table 11: Annual allowance for a chair of a regional local government.

For a chair		
All regional local governments	Minimum	Maximum
	\$513	\$20,063

The adopted Meeting Fees and Allowances for 2019/20 and the proposed for 2020/21 are shown in the following tables:

1) Council Meeting Attendance Fees – Per Meeting:

RECIPIENT	2021/22	Proposed
President	\$410	\$420
Councillor (other than President)	\$210	\$220

2) Committee Meeting and Prescribed Meeting Attendance Fees – Per Meeting:

RECIPIENT	2021/22	Proposed
Council member including President	\$119	\$119

3) Annual Allowance for a President:

RECIPIENT	2021/22	Proposed
President	\$20,063	\$20,063

4) Annual Allowance for a Deputy President.

RECIPIENT	Current
Deputy President	25 per cent of President Rate. Totalling: \$5,016

5) Expenses to be Reimbursed:

Travel costs to be calculated at the same rate applicable to the reimbursement of travel costs in the same or similar circumstances of *Schedule F* of the Public Service Award 1992 issued by the Western Australian Industrial Relations Commission as at the date of this determination.

Statutory Environment:

Local Government Act 1995 S6.2 sets out the requirement for an annual budget as follows:

6.2. Local government to prepare Annual Budget

- (1) During the period from 1 June in a financial year to 31 August in the next financial year, or such extended time as the Minister allows, each local government is to prepare and adopt*, in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the 30 June next following that 31 August.

** Absolute majority required.*

- (2) In the preparation of the annual budget the local government is to have regard to the contents of the Community Strategic Plan made in accordance with section 5.56 and to prepare a detailed estimate for the current year of —
 - (a) the expenditure by the local Government.
 - (b) the revenue and income, independent of general rates, of the local government; and
 - (c) the amount required to make up the deficiency, if any, shown by comparing the estimated expenditure with the estimated revenue and income.
- (3) For the purposes of subsections (2)(a) and (b) all expenditure, revenue and income of the local Government is to be taken into account unless otherwise prescribed.
- (4) The annual budget is to incorporate —
 - (a) particulars of the estimated expenditure proposed to be incurred by the local Government.
 - (b) detailed information relating to the rates and service charges which will apply to land within the district including —
 - (i) the amount it is estimated will be yielded by the general rate; and
 - (ii) the rate of interest (if any) to be charged by the local government on unpaid rates and service charges.
 - (c) the fees and charges proposed to be imposed by the local Government.
 - (d) the particulars of borrowings and other financial accommodation proposed to be entered into by the local Government.
 - (e) details of the amounts to be set aside in, or used from, reserve accounts and of the purpose for which they are to be set aside or used.
 - (f) particulars of proposed land transactions and trading undertakings (as those terms are defined in and for the purpose of section 3.59) of the local government; and
 - (g) such other matters as are prescribed.
- (5) Regulations may provide for —
 - (a) the form of the annual budget.
 - (b) the contents of the annual budget; and
 - (c) the information to be contained in or to accompany the annual budget.

Policy Implications:

Nil.

Financial Implications:

Specific financial implications are as outlined in the detail section of this report and as itemised in the draft 2021/2022 budget attached for consideration for the future and strategic planning documents adopted by Council.

Strategic Implications:

The draft 2021/22 budget has been developed based on the Community Strategic Plan.

Risk Management:

Risk Statement	Level of Risk	Risk Mitigation Strategy
By not adopting the 2021/22 Annual Financial Budget by the 31 st August 2021 the Shire of Perenjori would be non-compliant with section S6.2 of the <i>Local Government Act 1995</i> .	High.	Adoption of the 2021/22 Draft Budget by the 31 st August 2021.
Not adopting the 2021/22 Rates renders the Shire of Perenjori non-compliant and without income for 2021/22.	High.	Adoption of 2021/22 Rates.

Consultation:

Consultation with Western Australian Local Government Association, the Department of Local Government and Local Governments in the Region have informed the formation of the budget.

Precedents:

Nil.

Strategic Community Plan:

Area 2: Industry and Business Development – Our Economy

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

Area 3: People and place – Our Community

Goal: Demonstrating a high quality of life for all, offering relevant activities, facilities, and services to enable people to meet their needs and achieve or exceed their potential.

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.

CEO Comment:

Efforts from all staff have assisted with getting the budget to a balanced point which required a great deal of communication and consultation from all.

The Budget Motion below is listed for indicative purposes at this stage, pending the Minister's consideration of Council's differential rating application.

Once this is approved the motion will be formally presented for Council decision.

(Indicative Motion)

THAT:

Part A – Municipal Fund Proposed Budget for 2021/2022

Pursuant to the provisions of section 6.2 of the Local Government Act 1995 and Part 3 of the Local Government (Financial Management) Regulations 1996, the council consider the municipal fund budget as contained in Attachment 10.1 of this agenda for the Shire of Perenjori for the 2021/22 financial year which includes the following:

- ***Statement of Comprehensive Income by Nature and Type***
- ***Statement of Comprehensive Income by Program***
- ***Statement of Cash Flows***
- ***Rate Setting Statement***
- ***Notes to and Forming Part of the Budget***
- ***Budget Program Schedules***
- ***Transfers to/from Reserve Accounts***

Voting Requirements - Absolute Majority

Moved:

Motion put and Carried

Part B – General and Minimum Rates, Instalment Payment Arrangements

- 1) For the purpose of yielding the deficiency disclosed by the Municipal Fund Budget considered at Part A above, council pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the Local Government Act 1995 impose the following differential general rates and minimum payments on Gross Rental and Unimproved Values.

1.1 Differential General rates:

Differential General Rates	Cents in the \$
Rural (UV)	1.93800
Mining (UV)	34.94010
Mining (GRV)	8.43660
Townsite (GRV)	8.43660
Exploration	26.01000

1.2 Minimum Rates:

Minimum Rates	Per Assessment
Rural (UV)	356.00
Mining (UV)	356.00
Townsite (GRV)	356.00
Exploration	356.00

- 2) Pursuant to sections 6.45 and 6.50 of the Local Government Act 1995 and regulation 64(2)(3) of the Local Government (Financial Management) Regulations 1996, Council nominates the following due dates for the payment in full by instalments:

Full Payment and First Instalment Due Date	Monday	11 th October 2021
Second Quarterly Instalment Due Date	Monday	13 th December 2021
Third Quarterly Instalment Due Date	Monday	14 th February 2022
Fourth Quarterly Instalment Due Date	Tuesday	19 th April 2022

- 3) Pursuant to Section 6.46 of the Local Government Act 1995, the Council offers a discount of 5% to ratepayers who have paid their rates in full, including, waste and service charges and any arrears, on or before 11th October 2021.
- 4) Pursuant to section 6.45 of the Local Government Act 1995 and regulation 67 of the Local Government (Financial Management) Regulations 1996, council considers an instalment administration charge where the owner has elected to pay rates (and service charges) through an instalment option of \$10 for each instalment after the initial instalment is paid.
- 5) Pursuant to section 6.45 of the Local Government Act 1995 and regulation 68 of the Local Government (Financial Management) Regulations 1996, the Council considers an interest rate of 5.5% where the owner has elected to pay rates and service charges through an instalment option and the payments are overdue.

- 6) Pursuant to section 6.51(1) and subject to section 6.51(4) of the Local Government Act 1995 and regulation 70 of the Local Government (Financial Management) Regulations 1996, the Council considers an interest rate of 7% for rates (and service charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable.

Voting Requirements - Absolute Majority

Moved: Motion put and carried

Part D – Material Variance Reporting for 2021/22

In accordance with regulation 34(5) of the Local Government (Financial Management) Regulations 1996, and AASB 1031 Materiality, the level to be used in statements of financial activity in 2021/2022 for reporting material variances shall be 10% or \$10,000 whichever is the greater.

CONSIDERATION OF 2021/22 STATUTORY BUDGET

OFFICER RECOMMENDATION / COUNCIL DECISION

Council Decision No. 090821.4

Moved: Cr Hepworth Seconded: Cr Bryant

1. That the report be noted.
2. That Council notes the efficiency measures undertaken by the CEO including –
 - continual review of staff performance
 - monitoring of staff employment instruments
 - utilisation of cost efficiency purchasing practices, including WALGA Preferred Supply and State Common Use Agreements
 - resource sharing negotiations with neighbouring Councils

Motion put and **CARRIED (5/0)**

It was determined that the following additional items should be incorporated within the budget without impacting the requirement for rate revenue -

- Fencing upgrades, including the cemetery
- \$100,000 insurance excess
- Town Centre Development Plan
- Swimming Pool Replacement Reserve

NOTE: Cr Baxter left the meeting at 4.55pm and Standing Orders were resumed.

11. DIFFERENTIAL RATING – CONSIDERATION OF SUBMISSIONS

Applicant:	Shire of Perenjori
File:	ADM0793
Report Date:	9 August 2021
Disclosure of Interest:	Nil
Voting Requirement:	Simple Majority
Author:	Wayne Scheggia – Executive Advisor
Responsible Officer:	Mario Romeo - Chief Executive Officer
Attachments:	11 (a) – Objects and Reasons Document 11 (b) – Submissions Received

(NOTE: This was heard as the first item of business.)

Executive Summary:

The purpose of this report is to allow Council to consider the submissions received in response to the public notice given on July 16th inviting comment on Councils differential rating intentions as part of the annual budget process.

Background:

The Budget Forum on July 8th saw councillors express a desire to consider an increased rating effort by some elements of the rate base as part of the determination of the overall shift in rate income.

At the Council meeting on July 15th Council stepped back from that approach, opting instead for a modest 2% increase in the rate-in-the-dollar across the rate base and to maintain the existing relativities between the differential rates.

Rather than seek an extension of time to complete the budget process, Council adopted a timing schedule to achieve completion of the budget process by the end of August.

Statutory Environment:

Local Government Act (1995) and associated regulations.

6.33. Differential general rates

- (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.
- (2) Regulations may:
 - (a) specify the characteristics under subsection (1) which a local government is to use; or
 - (b) limit the characteristics under subsection (1) which a local government is permitted to use.
- (3) **In imposing a differential general rate, a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.**

- (4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.
- (5) A differential general rate that a local government purported to impose under this Act before the *Local Government Amendment Act 2009* section 39(1)(a) came into operation is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.

6.36. Local government to give notice of certain rates

- (1) Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to **give local public notice** of its intention to do so.
- (2) A local government is required to ensure that **a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).** (*Budget adoption by 31st August*)
- (3) A notice referred to in subsection (1) —
 - (a) **may be published within the period of 2 months preceding the commencement of the financial year** to which the proposed rates are to apply on the basis of the local government's estimate of the budget deficiency; and
 - (b) is to contain —
 - (i) details of each rate or minimum payment the local government intends to impose; and
 - (ii) **an invitation for submissions to be made** by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters **within 21 days** (or such longer period as is specified in the notice) of the notice; and
 - (iii) any further information in relation to the matters specified in subparagraphs (i) and (ii) which may be prescribed;and
 - (c) is to advise electors and ratepayers that the document referred to in subsection (3A) —
 - (i) may be inspected at a time and place specified in the notice; and
 - (ii) is published on the local government's official website.
- (3A) The local government is **required to prepare a document describing the objects of, and reasons for, each proposed rate and minimum payment and to publish the document on the local government's official website.**
- (4) The local government is required to **consider any submissions received before imposing the proposed** rate or minimum payment with or without modification.
- (5) Where a local government —
 - (a) in an emergency, proposes to impose a supplementary general rate or specified area rate under section 6.32(3)(a); or
 - (b) proposes to modify the proposed rates or minimum payments after considering any submissions under subsection (4),

it is not required to give local public notice of that proposed supplementary general rate, specified area rate, modified rate or minimum payment.

[Section 6.36 amended: No. 16 of 2019 s. 62.]

Policy Implications:

Nil.

Budget Implications:

No immediate implications exist, however the rate in the dollar applied to any differential rate will impact the revenue raised by that aspect of the budget.

Risk Management:

Risk Statement	Level of Risk	Risk Mitigation Strategy
Differential rates that exceed twice the lowest rate require Ministerial approval. The government may resist increases outside of this metric.	Medium	Develop budget settings that meet the requirements of the legislation and expectations of government.

Consultation:

CEO, Rates Officer, Councillors, Department of LG, WALGA, neighbouring LGs.

Strategic Community Plan:

Area 5: Investing in Council’s 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.

Comment:

Before imposing any differential general rates or a minimum payment applying to a differential rate category a local government is to give 21 days’ local public notice of its intention to do so and must produce a document detailing the proposals and the rationale for them for the public to inspect and respond to.

Perenjori has an existing “Objects and Reasons” document that has successfully underpinned previous differential rating requests, and this was updated by staff and utilised for the current process. A copy of the updated document is attached.

Public notice was given by publication of a notice -

- on Council’s website on July 16th
- on Council’s facebook page on July 16th
- on Council’s community public notice boards in both Perenjori and Latham townships on July 16th, and
- in the West Australian newspaper on July 29th

Council must consider the public submissions made in response to the public notice as part of the process of determining whether it wishes to proceed with the application to the Minister.

Submissions Received

One submission has been received as at the date of writing from McMahon Mining Title Services, (copy attached), which is a mining title services company supporting mining and exploration companies.

The submission seeks to highlight the impact of the shift in exploration license fees on the calculation of UV exploration rates and compares the rates payable on three unidentified properties based on a zero rate increase and the 2% increase proposed by Council.

Officer Comment:

It is acknowledged that shifts in the valuation base will inevitably impact on the rates that individual ratepayers are liable for. In the case of the submission, the cause of the shift is the change in rents charged by the Department of Mines. However, the shift in the valuations does not impact Council's determination of the expenditure it needs to make to fulfill its obligations. Council's budget preparations begin with its expenditure requirements, from which non-rate revenue is deducted to arrive at the amount of rate revenue that is required. The valuation determines how this "rate burden" is distributed.

Council has factored into its budget the opportunity for ratepayers to receive an early payment discount of 5%, which would offset the rate shift identified in the submission if taken up.

DIFFERENTIAL RATING – CONSIDERATION OF SUBMISSIONS

OFFICER RECOMMENDATION / COUNCIL DECISION

Council Decision No. 090821.1

Moved: Cr Sutherland

Seconded: Cr Hepworth

THAT Council -

1. Note the report

2. Note and endorse the revised "Objects and Reasons" document and specifically endorses the

following objects and reasons for the UV category-

UV Rural

The object of the UV Rural rate is to obtain a fair contribution to the revenue requirements of the Shire, while not risking additional financial pressure on ratepayers in those areas and impact 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 a sustainable level. Whilst Council cannot control the rural sector's vulnerability to external forces, it attempts to ensure that the industry is not adversely affected by excessive rates.

The minimum payment proposed for the UV Rural category reflects the present financial vulnerability of ratepayers in the category due to factors such as adverse weather, cyclones, bushfires, drought, world demand for product and fluctuations in export prices.

UV Mining

The object of the UV Mining rate is to ensure that mining contributes reasonably to the maintenance of the Shire's assets and services. Every effort is made to establish rates and minimum payments at the fairest possible levels, acknowledging that the industry does not need to be specifically nurtured, nor is it affected by the same vulnerabilities as broad acre farming. In reaching its rating decisions, Council has considered that there are external forces, such as fluctuating commodity prices, which impact on resource projects and is sensitive to these issues. For example, Council chose to freeze UV Mining rates in 2020/2021 to provide for impacts caused by the COVID19 Pandemic.

The reasons for the level of rates set for the UV Mining rate by the Council is to attain equity amongst those who will bear the burden of the rates and obtain a reasonable contribution from the mining sector for the general level of infrastructure and services provided by the Council. Striking a reasonable balance between all ratepayers in the production of the rate revenue is important in achieving equity, whilst at the same time the fairness of the expenditures by the Shire on the mining sector is also considered.

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, justifying a differential contribution from the mining sector. The minimum payment proposed for the UV Mining category reflects a reasonable cost for a base level of service.

UV Exploration

The object of the UV Exploration rate is to ensure the reasonable contribution of these ratepayers to Council's expenditure profile.

The reasons for the level of rates set for the UV Exploration rate by the Council is to attain equity amongst those who will bear the burden of the rates and obtain a reasonable contribution from the Exploration sector for the general level of infrastructure, services and tenement administration provided by the Council.

Exploration and prospecting ratepayers require a higher level of governance for licensing, clearance permits, etc, and impose greater environmental damage to the environment through activities such as clearing, drilling and associated undertakings.

Striking a reasonable balance between all in the production of the rate income is important in achieving balance and equity between ratepayers, whilst at the same time the fairness of the expenditures by the Shire on the Exploration sector is also considered.

The minimum payment proposed for the UV Exploration category reflects a reasonable cost for a base level of service.

3. Note the submission from McMahon Mining Title Services

4. Advise McMahon Mining Title Services that the financial impact of the 2% rate-in-the-dollar shift in the differential rates can be offset by utilisation of the early payment discount.

Motion put and CARRIED (5/0)

12. DIFFERENTIAL RATING – MINISTERIAL SUBMISSION

Applicant:	Shire of Perenjori
File:	ADM0793
Report Date:	9 August 2021
Disclosure of Interest:	Nil
Voting Requirements:	Simple Majority
Author:	Wayne Scheggia – Executive Advisor
Responsible Officer:	Mario Romeo - Chief Executive Officer
Attachments:	12 (a) – Submission to the Minister

Executive Summary:

The purpose of this report is to consider a submission to the Minister for approval of differential rates which are more than twice the lowest differential rate as part of the annual budget process.

Background:

Council currently levies rates in the following categories -

- UV Rural (*proposed at 0.01938 cents*)
- UV Mining (*proposed at 0.349401 cents*)
- UV Exploration (*proposed at 0.2601 cents*)
- GRV Townsites (Perenjori, Latham, Other) (*proposed at 0.084366 cents*)
- GRV Mining (*proposed at 0.084366 cents*)

These categories have been in place for several years and are required to be approved annually by the Minister where any differential exceeds twice the lowest rate within their respective GRV or UV classification.

The GRV categories are proposed at the same rate-in-the-dollar and therefore no differential approval is necessary for GRV.

The UV Mining and UV Exploration categories are proposed at more than twice the UV Rural rate and therefore Ministerial approval is required for them before the budget can be adopted and the rate notices issued.

Council's draft budget is based on a rate-in-the-dollar increase of 2% across all rate categories and public notice has been given inviting public submissions on the differentials on this basis. The submissions received are dealt with in a separate agenda item.

Statutory Environment:

Local Government Act (1995) and associated regulations.

6.33. Differential general rates

- (1) A local government may impose differential general rates according to any, or a combination, of the following characteristics:
- (e) 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
 - (f) a purpose for which the land is held or used as determined by the local government; or
 - (g) whether or not the land is vacant land; or
 - (h) any other characteristic or combination of characteristics prescribed.
- (2) Regulations may:

- (c) specify the characteristics under subsection (1) which a local government is to use; or
 - (d) limit the characteristics under subsection (1) which a local government is permitted to use.
- (3) **In imposing a differential general rate, a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.**
- (4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.
- (5) A differential general rate that a local government purported to impose under this Act before the *Local Government Amendment Act 2009* section 39(1)(a) came into operation is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.

6.36. Local government to give notice of certain rates

- (1) Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to **give local public notice** of its intention to do so.
- (2) A local government is required to ensure that **a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).** (*Budget preparation by 31st August*)
- (3) A notice referred to in subsection (1) —
 - (a) **may be published within the period of 2 months preceding the commencement of the financial year** to which the proposed rates are to apply on the basis of the local government's estimate of the budget deficiency; and
 - (b) is to contain —
 - (i) details of each rate or minimum payment the local government intends to impose; and
 - (ii) **an invitation for submissions to be made** by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters **within 21 days** (or such longer period as is specified in the notice) of the notice; and
 - (iii) any further information in relation to the matters specified in subparagraphs (i) and (ii) which may be prescribed;and
 - (c) is to advise electors and ratepayers that the document referred to in subsection (3A) —
 - (i) may be inspected at a time and place specified in the notice; and
 - (ii) is published on the local government's official website.
- (3A) The local government is **required to prepare a document describing the objects of, and reasons for, each proposed rate and minimum payment and to publish the document on the local government's official website.**

- (4) The local government is required to **consider any submissions received before imposing the proposed** rate or minimum payment with or without modification.
- (5) Where a local government —
 - (a) in an emergency, proposes to impose a supplementary general rate or specified area rate under section 6.32(3)(a); or
 - (b) proposes to modify the proposed rates or minimum payments after considering any submissions under subsection (4),

it is not required to give local public notice of that proposed supplementary general rate, specified area rate, modified rate or minimum payment.

[Section 6.36 amended: No. 16 of 2019 s. 62.]

Policy Implications:

Nil.

Budget Implications:

Making a successful submission to the Minister for permission to continue levying differential rates on the existing basis of relativity between rating categories will enable the maintenance of an equitable and consistent rating regime and the achievement of Council’s expenditure requirements within the budget.

Risk Management:

Risk Statement	Level of Risk	Risk Mitigation Strategy
Differential rates that exceed twice the lowest rate require Ministerial approval. The government may resist increases outside of this metric.	Medium	Develop budget settings that meet the requirements of the legislation and expectations of government.

Consultation:

CEO, Rates Officer, Councillors, Department of LG, WALGA, neighbouring LGs.

Strategic Community Plan:

Area 5: Investing in Council’s 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.

Comment *(responding comment listed in red)*

In considering Council’s request for a differential rate in excess of the legislated parameters (*i.e., greater than twice the level of the lowest rate*), the Minister will have regard to;

Objectivity

Essentially, assessing whether the application is within the scope of the legislation.

- **The Local Government Act and Regulations have been complied with in preparing the proposals for differential rates.**
- **The draft budget has been prepared and identifies the required rate revenue.**

Fairness and Equity

- That the Council of the local government has reviewed its expenditure and considered efficiency measures as part of its budget deliberations. This is to be reflected in the council minutes when it adopts the budget strategy and endorses objects and reasons for each differential rating category and each minimum payment.

- The **objects of imposing differential rates and reasons for each proposed differential general rate are set out** by the local government in a publicly available document.
- These objects and reasons **clearly explain why** each differential general rate is proposed to be imposed.
- The objects and reasons clearly explain **why it is proposed** to set the differential general rate **at that particular rate.**
- **If a category of ratepayer is significantly contributing to the local government’s revenue through fees, charges and other payments,** the local government has not used these same costs as the justification for the difference in differential general rate.
- If there are **fewer than thirty ratepayers** who will be subject to the differential general rate, each affected ratepayer has been **informed in writing** by the local government of:
 - the terms of the government’s policy (*through the **provision of a copy of the policy document***)
 - **the local government’s objects of and reasons** for proposing to impose the differential general rates
 - **the differential general rate that will apply** to the ratepayer’s property; and
 - the differential general **rate that applied in the previous year for comparison,** and
 - was **given at least 21 days to make submissions** to the local government on the proposal.
- The ratepayers’ **submissions**, if any, **and** the local government’s **response** to each ratepayer’s submission (*as recorded in the minutes of the Council meeting at which the response was adopted*) **have been provided to the Minister.**
- **Objects and Reasons for differential rates have been reviewed, published on the Council’s website and listed for endorsement separately.**
- **Objects and Reasons have been available for inspection at the Council Office since public notice was given.**
- **The Objects and Reasons are refined and based on those used in past successful differential rating submissions to the Minister.**
- **The draft budget is to be reviewed for efficiency in a separate agenda item.**

Consistency

- The local government has rated **similar properties** that are used for the **same purpose in the same way.**
- The proposed **differential rates align with the rating strategy in the corporate business plan and long-term financial plan** or the council of the local government has detailed **its reasons for deviating** from that rating strategy.
- The local government has **reviewed and considered rates** proposed **in neighbouring or similar local government districts** in the rating strategy.
- **The differential rates proposed are consistent with those applied for and approved by the Minister in the past.**
- **The categories applied for have not been varied and treat all properties consistently with Councils historic rating practices.**
- **The proposed 2 % increase treats all properties equally, fairly and consistently.**
- **The proposed level of rate increase is inconsistent with Council’s Long Term Financial Plan insofar as the Long-Term Financial Plan proposed rate increases of 3.5% for the five financial years until 2022/23. The dissolution of the Council in 2019 and the subsequent appointment of a Commissioner saw the imposition of financial restraint and the minimization of rating pressure on the community. This was followed by COVID19 restriction in the 2020/21 financial year which resulted in a “zero increase” rating strategy at the State Government’s request. The Council will**

revisit its key strategic and business planning documents in the second half of this year to reconsider its rating strategy and other business plan objectives.

- Indicative Neighbouring Councils comparison -
 - Three Springs 3.00% increase on Total Rate Revenue
 - Chapman Valley 5.00% increase on Total Rate Revenue
 - Carnamah 3.00% increase on Total Rate Revenue
 - Morawa 4.00% increase on Total Rate Revenue
 - Irwin 5.00% increase on Total Rate Revenue
 - Perenjori 5.55% increase on Total Rate Revenue

Transparency & Administrative Efficiency

- The local government has:
 - prepared and **made publicly available** a document clearly describing **the object of and reason** for each differential general rate;
 - given public notice
 - published the notices after 1 May in the relevant year.
- The public notice published by the local government contained:
 - **details of each differential** general rate that the local government intends to impose
 - an **invitation for submissions** to be made by an elector or ratepayer
 - a **closing date** for submissions which is at least twenty one days after the day on which the notice is published
 - advice on the **time and place where** a document containing the objects of and reasons for the differential general rates **can be inspected**.
- The council of the local government has:
 - **considered** each ratepayer submission (if any)
 - **resolved to make the application** provided the Minister with the minutes and agenda papers relevant to these matters.
 - Public Notice was published on the Council Website on July 16th; the Public Notice Boards at Perenjori and Latham on July 16th; on Council’s Facebook page on July 16th, in the West Australian newspaper on July 29th and in the “Bush Telegraph” on August 4th.
 - The Public Notices included all the required information.
 - Public submissions are considered under a separate item in the agenda.in the agenda.

DIFFERENTIAL RATING MINISTERIAL SUBMISSION

OFFICER RECOMMENDATION / COUNCIL DECISION

Council Decision No. 090821.5

Moved Cr Bradford

Seconded: Cr Sutherland

THAT the report be noted, and an application lodged with the Minister for Local Government seeking approval to levy differential rates for the 2021/22 financial year.

Motion put and **CARRIED (5/0)**

13. CONFIDENTIAL REPORTS

14. REPORTS OF COMMITTEES AND MEMBERS

15. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

16. NOTICE OF MOTIONS

(for consideration at the following meeting, if given during the meeting).

17. NEW BUSINESS OF AN URGENT NATURE ADMITTED BY COUNCIL

18. CLOSURE OF MEETING

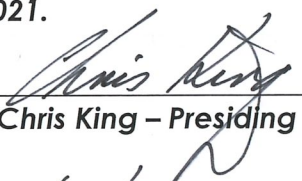
The President declared the meeting closed at 5.17pm.

19. NEXT MEETING:

The next Ordinary Meeting of Council will be held on 19 August 2021, commencing at 3:00 pm at the Shire of Perenjori Council Chambers 56 Fowler Street, Perenjori WA 6620.

13. **CONFIDENTIAL REPORTS**
14. **REPORTS OF COMMITTEES AND MEMBERS**
15. **MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**
16. **NOTICE OF MOTIONS**
(for consideration at the following meeting, if given during the meeting).
17. **NEW BUSINESS OF AN URGENT NATURE ADMITTED BY COUNCIL**
18. **CLOSURE OF MEETING**
The President declared the meeting closed at 5.17pm.
19. **NEXT MEETING:**
The next Ordinary Meeting of Council will be held on 19 August 2021, commencing at 3:00 pm at the Shire of Perenjori Council Chambers 56 Fowler Street, Perenjori WA 6620.

I certify that this copy of the Minutes is a true and correct record of the meeting held on 9 August 2021.

Signed: 
Cr Chris King – Presiding Officer

Date: 19/08/2021