



Shire of
Perenjori
Embrace Opportunity

Shire of Perenjori – Special Meeting of Council

AGENDA

30th June 2022

Shire of Perenjori Council Chambers,
56 Fowler Street, Perenjori WA, 6620



NOTICE OF A SPECIAL MEETING OF COUNCIL

Dear Council Member

Pursuant to *Section 5.25(1)(g) of the Local Government Act 1995* and *Regulation 12(3) of the Local Government (Administration) Regulations 1996*, Public Notice is hereby given that:

A Special Meeting of Council will be held on the 30th June 2022 at 5.00pm in the Shire of Perenjori Council Chambers, 56 Fowler Street Perenjori.

The purpose of the meeting is:

1. 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.
2. To consider the submissions received in response to the public notice given on 26 May 2022 inviting comment on Councils differential rating intentions, as part of the annual budget process.

A handwritten signature in black ink, appearing to read 'Paul Anderson', is positioned above the printed name.

Paul Anderson

CHIEF EXECUTIVE OFFICER

Date: 21st June 2022

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Council Roles

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

Agenda for the Shire of Perenjori Special Meeting of Council held on Thursday 30th June 2022, at the Shire of Perenjori Council Chambers, 56 Fowler Street, Perenjori WA 6620 - commencing at 5.00pm.

1. Declaration of Opening/Announcement Of Visitors:

The Shire President to declare the meeting open and welcome 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:

The Shire President to read.

3. Disclaimer Reading:

As printed.

4. Record of Attendance/Apologies/Leave of Absence:

4.1 Attendance:

Members:

Staff:

Distinguished Visitors:

Members of The Public:

Leave of Absence:

Apologies:

5. Public Question Time:

5.1 Response to Questions Taken on Notice:

Insert Response

5.2 Questions Without Notice:

Insert Question

6. 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.”

7. Reports:

7.1 DIFFERENTIAL RATING – CONSIDERATION OF SUBMISSIONS

Applicant:	Shire of Perenjori
File:	ADM0793
Date:	21 st June 2022
Disclosure of Interest:	Nil
Voting Requirements:	Simple Majority
Author:	Paul Anderson – Chief Executive Officer
Responsible Officer:	Paul Anderson - Chief Executive Officer
Attachments:	(a) – Submissions received

Executive Summary

The purpose of this report is to allow Council to consider the submissions received in response to the public notice given on 26 May 2022 inviting comment on Councils differential rating intentions as part of the annual budget process.

Background

The Council at the meeting held on 19 May 2022 considered the long-term financial plan and the current levels of inflation which saw councillors express a to maintain the strategy of an increased rating effort by some elements of the rate base.

At the Council meeting on May 2022 Council resolved to advertise an increase of 5% in the yield from rates while maintaining the strategy of differential rating as in past years. This approach has seen a 5% yield from all rates category's whilst taking into consideration the significant increase in Rural Valuations.

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.

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.

Policy Implications

Nil.

Financial 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

Local Public Notice in Accordance with the Local Government act 1995.

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 has been previously distributed for councils' information.

The notices were published on the Council Website, the Public Notice Boards at Perenjori and Latham on 25 May 2022 and in the West Australian newspaper on 26 May 2022 with a closing date of 17 June 2022.

Council must consider the submissions made in response to the public notice as part of the process prior to seeking approval from the Minister.

Submissions Received

One submission has been received prior to the closing date of 17 June 2022 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 5% increase proposed by Council.

It is assumed this increase is taking into consideration a valuation increase that has been applied by the valuer general, this is not apparent at this point and may be addressed when any revised valuations are applied by a separate concession being considered by council to achieve the rates yield to achieve the income council is budgeting for.

The submission also highlights the significant higher rents increases of 10% imposed in July 2021 by the Department of Mines, industry regulation and safety on prospecting and minerals licenses.

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 decision is based upon the yield from each category and in line with the councils anticipated budget requirements taking into consideration inflationary factors and council strategic plan objectives.

Council has factored into its budget the opportunity for ratepayers to receive an early payment discount of 10%, which would offset the rate shift identified in the submission if taken up.

Voting Requirements

Simple Majority

Change to Officer Recommendation

No Change. OR:

As per Local Government (Administration) Regulations 1996 11(da) Council records the following reasons for amending the Officer Recommended Resolution:

DIFFERENTIAL RATING – CONSIDERATION OF SUBMISSIONS

OFFICER RECOMMENDATION

Council Resolution Number:

Moved:

Seconded:

THAT Council –

1. Note the report and endorse the following objects and reasons for the Differential Rating in 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.

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 fall 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.

2. Note the submission from McMahon Mining Title Services

Advise McMahon Mining Title Services that the financial impact of the 5% increase in yield and rate-in-the-dollar shift in the differential rates is required to meet the Strategic long term financial objectives and expenditure requirements of the Shire in the 2022/23 Budget.

Motion put and carried / lost

Attachment A.

7.1 DIFFERENTIAL RATING – CONSIDERATION OF SUBMISSIONS

14 June 2022

Mr Paul Anderson
Chief Executive Officer
Shire of Perenjori
PO Box 22
PERENJORI WA 6220

By email: ea@perenjori.wa.gov.au

SUBMISSION - DIFFERENTIAL RATING 2022-2023

Thank you for the opportunity to make a submission regarding the proposed rates for 2022-23.

We note that valuations provided by the Valuer General are used in calculating mining tenement rates, and these valuations are based on the rent imposed by the Department of Mines, Industry Regulation and Safety. Any increases in the rent therefore result in an increase in valuations and in turn an automatic increase in rates.

Effective from 1 July 2021, the Department increased the rent rate for exploration licences by 3.54% prospecting licences by 10% and mining leases by 10%. With the Shire proposing an increase in the rates in the dollar for 2022-23 from 0.349401 to 0.3668711, a significant increase in the actual rates levied will occur as illustrated in the table below.

		2021/22 RID	0.349401	2022/23 Proposed RID	0.3668711
	2021 Rates	2022 Rates - no change in RID	Percentage increase in rates - no change in RID	2022 Rates - proposed increase to RID	Percentage increase in rates - proposed increase to RID
P (200Ha)	\$1,048.20	\$1,153.02	10%	\$1,210.67	15.5%
E (10sbk)	\$1,231.64	\$1,275.31	4%	\$1,339.08	8.7%
M (100Ha)	\$3,494.01	\$3,843.41	10%	\$4,035.58	15.5%

The exploration and mining industry is one of the most significant contributors to the State's economy. It has played an integral role in the development and enduring strength of this State, creating jobs and opportunities across the State but particularly in remote and regional parts of Australia. The industry is undoubtedly critical to the continued economic recovery of the State and country which has been severely impacted by the COVID-19 crisis. While the resources sector is slowly recovering, it continues to be constrained by the ongoing labour, supply and capital shortages stemming from the pandemic and recent world events.

To support the continued contributions made by the resources sector to the State economy it is critical that all government fees are set so as to reduce the cost of doing business in the State in the face of ever increasing international competition wherever possible, and increase and incentivise investment in local exploration to discover vital new resources which benefit the whole of the State.

I would be happy to discuss this matter further on (08) 6467 7997.

Yours faithfully,



Shannon McMahon
Director
McMahon Mining Title Services

7.2 DIFFERENTIAL RATING – MINISTERIAL SUBMISSION

Applicant:	Shire of Perenjori
File:	ADM0793
Date:	21 st June 2022
Disclosure of Interest:	Nil
Voting Requirements:	Simple Majority
Author:	Paul Anderson – Chief Executive Officer
Responsible Officer:	Paul Anderson - Chief Executive Officer
Attachments:	Nil

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 22/23 year at 0.01697178 cents*)
- UV Mining (*proposed 22/23 year at 0.3668711 cents*)
- UV Exploration (*proposed 22/23 year at 0.273105 cents*)
- GRV Townsites (Perenjori, Latham, Other) (*proposed 22/23 year at 0.0885843 cents*)
- GRV Mining (*proposed 22/23 year at 0.0885843 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 resolved to increase the rates yield by 5% and subsequently adjusted the rate-in-the-dollar applicable across all rate categories to achieve this objective. Public notice has been given inviting public submissions on the differentials on this basis.

One submission was received and has been considered with in a separate agenda item.

Statutory Environment

Local Government Act (1995) and associated regulations.

Policy Implications

Nil.

Financial 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

Rates Officer, Councillors, Department of LG, 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.

Officer Comment

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 Long term Financial Plan and Councils forward expenditure estimates t 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 5 % increase in rate yield treats all properties equally, fairly and consistently.

The proposed level of rate increase is in line 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 -

Coorow	5.00% increase on Rate revenue
Mingenew	5-6% proposed increase on Rate revenue
Three Springs	3.8\$ proposed increase on Rate Revenue
Carnamah	5.7% proposed increase on 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 after 1 May in the relevant year.
 - The notices were published on the Council Website, the Public Notice Boards at Perenjori and Latham on 25 May 2022 and in the West Australian newspaper on 26 May 2022 with a closing date of 17 June 2022.
- 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 ratepayer and public submissions
 - resolved to make the application provided the Minister with the minutes and agenda papers relevant to these matters.

Voting Requirements:

Simple Majority

Change to Officer Recommendation

No Change. OR:

As per Local Government (Administration) Regulations 1996 11(da) Council records the following reasons for amending the Officer Recommended Resolution:

090821.3 DIFFERENTIAL RATING MINISTERIAL SUBMISSION

OFFICER RECOMMENDATION

Council Resolution Number:

Moved:

Seconded:

THAT the report be noted, and an application lodged with the Minister for Local Government seeking approval to levy differential rates for the 2022/23 financial year.

Motion put and carried / lost

8. Closure of Meeting:

The Presiding member to declare the meeting closed and thank those in attendance.