



**MINUTES**

**FOR THE**

**SPECIAL MEETING**  
**OF COUNCIL**

**HELD ON**

**MONDAY, 5 AUGUST 2013**

**PLEASE READ THE FOLLOWING DISCLAIMER BEFORE PROCEEDING**

Members of the public are cautioned against taking any action on Council decisions, on items in these Minutes in which they may have an interest, until such time as they have been advised in writing by Council staff.

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I certify that this copy of the Minutes is a true and correct record of the meeting held on  
5 August 2013

Signed: .....  
Presiding Elected Member

Date:.....



**MINUTES OF THE SPECIAL COUNCIL MEETING  
HELD IN THE OCEAN ROOM, IRWIN REC ON  
MONDAY, 5 AUGUST 2013  
COMMENCING AT 5.00PM**

<b>PRESENT:</b>	President	Cr S C Chandler (Presiding Member)
	Councillors	Cr K J Hepworth (Deputy President) Cr J B Fitzhardinge arrived 5:23pm Cr R T McClurg Cr R J Porteus Cr B C Scott Cr M T Smith Cr I F West
	Staff	Mr D J Simmons - Chief Executive Officer (CEO) Mr G M Peddie – Director Corporate and Community Mr G F Coaker – A/Director Planning and Infrastructure Mrs H M Sternick – Manager Corporate Services Ms E Greaves – Executive Assistant

**APOLOGIES:** -

**LEAVE OF ABSENCE:** -

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- 1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**
  - 2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE**
  - 3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**
  - 4. PUBLIC QUESTION TIME**
  - 5. APPLICATIONS FOR LEAVE OF ABSENCE**
  - 6. PETITIONS**
  - 7. CONFIRMATION OF MINUTES**
  - 8. ANNOUNCEMENTS BY THE PERSON PRESIDING WITHOUT DISCUSSION**

**9. REPORTS**

**CORPORATE AND COMMUNITY**

**CC01 – 08/13S**

**Subject:** Differential Rates – 2013/14  
**Reporting Officer:** Manager Corporate Services  
**Date of Report:** 1 August 2013  
**File Reference:** RV.RT.3  
**Voting Requirements:** Simple Majority

**Report Purpose:**

- To consider the adoption of rates in the dollar for differential rating for Ministerial approval prior to the adoption of the 2013/14 Budget.
- Apply for an extension to adopt the 2013/14 budget up to the end of September 2013.
- Cancel the Special Meeting of Council to be held on Tuesday 13<sup>th</sup> August 2013 for the purpose of considering the 2013/14 Budget.

**COUNCIL DECISION 010713S:**

**MOVED: Cr Hepworth**

**SECONDED: Cr McClurg**

**That Council suspend Standing Orders at 5:01pm**

**VOTING DETAILS:**

**CARRIED 7/0**

**COUNCIL DECISION 020713S:**

**MOVED: Cr Hepworth**

**SECONDED: Cr Porteus**

**That Council reinstate Standing Orders at 5:31pm**

**VOTING DETAILS:**

**CARRIED 8/0**

**OFFICERS RECOMMENDATION AND COUNCIL DECISION 030713S:**

**MOVED: Cr West**

**SECONDED: Cr Porteus**

**That Council adopts the following differential rates and minimum payments for each of the following rating categories in the 2013/14 financial year.**

<u>Rate Category</u>	<u>Rate in Cents in the Dollar</u>	<u>Minimum Rates</u>
<b><u>Gross Rental Valuations</u></b>		
Residential	9.481	\$820
Commercial	9.481	\$820
Light & General Industry	9.481	\$820
Special & General Industry	9.481	\$820
Undeveloped	9.481	\$820
<b><u>Unimproved Valuations</u></b>		
Mining	15.00	\$820
Rural	0.9081	\$820

**That the Manager Corporate Services make application to the Minister for Local Government seeking approval under Section 6.33 (3) of the Local Government Act 1995 to impose a differential rate for UV Mining Tenement properties at more than twice the rate of UV Rural properties.**

**That Council applies to the Minister for Local Government for an extension to allow adoption of the 2013/14 budget up to the 30 September 2013.**

**That Council cancels the Special Meeting to be held on Tuesday 13 August 2013 for the purpose of considering the 2013/14 Budget.**

**VOTING DETAILS:**

**CARRIED 8/0**

**Background:**

The Local Government Act provides (S 6.36) that before imposing 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. Where a local government proposes to modify the proposed rate or minimum payment after considering any submissions received during the advertising period it is not required to give local public notice of the modified rate or minimum payment, however it is necessary to provide an explanation with the rates notice when it is issued.

On Tuesday 25<sup>th</sup> June 2013 Council adopted the following differential rates and minimum payments for each of the following rating categories and for the Manager Corporate Services to make application to the Minister for Local Government to seek approval under Section 6.35 (3) of the Local Government Act 1995 to impose these differential rates for the 2013/14 financial year.

<u>Rate Category</u>	<u>Rate in Cents in the Dollar</u>	<u>Minimum Rates</u>
<u>Gross Rental Valuations</u>		
Residential	9.481	\$820
Commercial	9.481	\$820
Light & General Industry	9.481	\$820
Special & General Industry	9.481	\$820
Undeveloped	9.481	\$820
<u>Unimproved Valuations</u>		
Mining – Improved	20.00	\$820
Mining – Undeveloped	19.95	\$820
Policy Area A	0.9081	\$820
Policy Area B	0.9081	\$820
Policy Area C	0.9081	\$820
Policy Area D	0.9081	\$820
Policy Area E	0.9081	\$820
Policy Area F	0.9081	\$820
Policy Area G	0.9081	\$820

That the Manager Corporate Services make application to the Minister for Local Government seeking approval under Section 633 (3) of the Local Government Act 1995 to impose a differential rate for UV Mining Tenement properties at more than twice the rate of UV properties in Policy Areas A to G.

Application for Ministerial approval for differential rating was send on Wednesday 3<sup>rd</sup> July 2013.

**Officer's Comment:**

Council staff have received correspondence from the Minister's office on Wednesday 31<sup>st</sup> July (letter attached) advising the Minister has decided not to approve the Shire's application to impose differential general rates for UV Mining Developed and UV Mining Undeveloped categories which are more than twice the lowest rate proposed in the UV category.

The Minister was not satisfied with the reasons provided in justifying the proposed UV Mining Developed and UV Mining Undeveloped rates, especially since the rate in the dollar increased significantly in 2012/13 and a further approximately 33 per cent increase was proposed for 2013/14.

In discussions with the Department it is clear that the Minister is seeking additional justification for adopting a UV rate in the dollar of more than twice the lowest. He is requesting that Council show just cause why it is that the mining sector should contribute a higher rate than other UV sectors, possibly using factors such as the sector's impact on the requirement to provide additional facilities and infrastructure or maintenance and operation of those assets or services. To progress forward it is suggested that Council seek approval from the Minister for continuation of the imposition of 15 cents rate in the dollar for the mining sector. It is also suggested that the two current rates in the dollar for Mining Improved and Undeveloped (15.00 cents and 14.95 cents) be amalgamated into one rate of 15.00 cents as there are no longer more than 50% of the properties on minimum rate. The Department has also recommended that the Shire adopts one UV Rural description rather than using the Policy Areas A to G description, to eliminate the perception that Council may be setting rates based on location.

Adopting a 15 cents rate in the dollar for mining will reduce the rate income in the draft budget by approximately \$126,000, which can be offset by reducing the amount being transferred into the building reserve.

Council is required by the Local Government Act Section 6.2 (1) 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. Due to the differential rate not being approved by the Minister and such approval not anticipated to be approved by the 13<sup>th</sup> August 2013 it is suggested that Council applies to the Minister for Local Government for an extension of time for the adoption of the budget up to the end of September.

Council resolved at its last Council Meeting CEO01-07/13 on 23<sup>rd</sup> July 2013, to hold a Special Meeting on Tuesday 13<sup>th</sup> August 2013 for the purpose of considering the 2013/14 Budget. Since Ministerial approval has not been received the 2013/14 Budget cannot be adopted by Council at the Special Meeting and therefore is no longer required.

**Financial Implications:**

The proposed rates in the dollar will be used to raise rates based on valuations against individual properties to raise rate revenue in the 2013/14 financial year. As noted the reduction in rate income in the 2013/14 Budget from mining properties will be countered by a reduction in transfer of funds to Building Reserve.

**Statutory Environment:**

*A local government may impose differential general rates according to any, or a combination, of the following characteristics -*

- *the purpose for which the land is zoned under a town planning scheme in force under the Town Planning and Development Act 1928;*
- *the predominant purpose for which the land is held or used as determined by the local government;*
- *whether or not the land is vacant land; or*
- *any other characteristic or combination of characteristics prescribed.*

*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.*

In recent years Council has adopted a UV differential rate to be applied to mining properties which is more than twice the lowest UV differential rate.

This situation has been created by increasing UV values being imposed on rural properties whilst mining tenements, which are valued using a different method, have remained steady. The differential rate on rural properties, therefore, has decreased whilst the rate on mining has increased in recent years towards the level of other Councils in the region. The lower UV rate has remained below 50% of the mining rate and needs the Minister's approval before being imposed.

**Policy Implications:**

Nil.

**Strategic Implications:**

SCP Outcome 4.2.1 Ensure compliance whilst embracing innovation and best practice principles.  
SCP Outcome 4.3.3 Adopt best practice processes to achieve a high standard of governance and accountability.

**10. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil.

**11. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

Nil

**12. URGENT BUSINESS APPROVED BY PERSON PRESIDING OR BY DECISION**

**COUNCIL DECISION 040713S:**

**MOVED: Cr West**

**SECONDED: Cr Fitzhardinge**

**That Council requests the Chief Executive Officer to undertake a review of the methods for valuation applying to land within the Shire and report back his findings and recommendations for Council consideration.**

**VOTING DETAILS:**

**CARRIED 8/0**

**13. MATTERS BEHIND CLOSED DOORS**

Nil

**14. CLOSURE**

There being no further business, the Presiding Member declared the meeting closed at 5:34pm.

I certify that this copy of the Minutes is a true and correct record of the meeting held on  
5 August 2013

Signed: .....  
Presiding Elected Member

Date:.....