



MISSION AND VALUES OF COUNCIL

"A Sustainable Community that is inclusive, attractive, healthy and pleasant to live in, that uses our land so as to preserve our history and environment, respects the rights and equality of our citizens and manages our future growth wisely."

CONFIRMED MINUTES

OF THE

SPECIAL MEETING OF COUNCIL

23 JULY 2015

OUR VISION

"A thriving and friendly community that recognises our history and embraces cultural diversity and economic opportunity, whilst nurturing our unique natural and built environment."

OUR MISSION

"To deliver affordable and quality Local Government services."

CORE VALUES OF THE SHIRE

The core values that underpin the achievement of the mission will be based on a strong customer service focus and a positive attitude:

Communication

Integrity

Respect

Innovation

Transparency

Courtesy

DISCLAIMER

The purpose of Council Meetings is to discuss, and where possible, make resolutions about items appearing on the agenda. Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on the basis of such decision or on any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting.

Persons should be aware that the provisions of the Local Government Act 1995 (Section 5.25 (e)) establish procedures for revocation or rescission of a Council decision. No person should rely on the decisions made by Council until formal advice of the Council decision is received by that person. The Shire of Broome expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any resolution of Council, or any advice or information provided by a Member or Officer, or the content of any discussion occurring, during the course of the Council meeting.

Chairman: Date:

SHIRE OF BROOME
SPECIAL MEETING OF COUNCIL
THURSDAY 23 JULY 2015
INDEX – MINUTES

1. OFFICIAL OPENING5

2. ATTENDANCE AND APOLOGIES 5

3. DECLARATIONS OF FINANCIAL INTEREST / IMPARTIALITY 6

4. PUBLIC QUESTION TIME 6

5. MATTERS FOR WHICH THE MEETING MAY BE CLOSED 9

6. REPORTS OF OFFICERS 10

 6.1 OUR PEOPLE 11

 NIL

 6.2 OUR PLACE 13

 NIL

 6.3 OUR PROSPERITY 15

 NIL

 6.4 OUR ORGANISATION 17

 6.4.1 COUNCIL CONSIDERATION OF PUBLIC SUBMISSIONS ON
 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS FOR
 THE 2015/2016 ANNUAL BUDGET 18

7. REPORTS OF COMMITTEE 38

 NIL

8. MATTERS BEHIND CLOSED DOORS 39

9. MEETING CLOSURE 39

NOTICE OF MEETING

Dear Council Member,

The next Special Meeting of the Shire of Broome will be held on Thursday, 23 July 2015 in the Council Chambers, Corner Weld and Haas Streets, Broome, commencing at 5.00 for the purpose of considering:

- COUNCIL CONSIDERATION OF PUBLIC SUBMISSIONS ON PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS FOR THE 2015/2016 ANNUAL BUDGET

Regards



K R DONOHOE
Chief Executive Officer

23/07/2015

Chairman: Date:

**MINUTES OF THE SPECIAL MEETING OF COUNCIL OF THE SHIRE OF BROOME,
HELD IN THE COUNCIL CHAMBERS, CORNER WELD AND HAAS STREETS, BROOME,
ON THURSDAY 23 JULY 2015, COMMENCING AT 5.00.**

1. OFFICIAL OPENING

The Chairman welcomed Councillors, Officers and members of the public and declared the meeting open at 5.05pm.

2. ATTENDANCE AND APOLOGIES

Attendance:	Cr G Campbell Cr Mena Lewis Cr D Male Cr C Mitchell Cr P Matsumoto	Shire President
Leave of Absence:	Cr M Manado	(as granted at OMC 25 June 2015)
Apologies:	Cr H Tracey Cr A Poelina	Deputy Shire President
Officers:	Kenn Donohoe Paul Martin Sam Mastrolembo Andre Schonfeldt Michael Dale Theresa Bengtson Erin Harding Brodie Green Simon Penn	Chief Executive Officer Deputy Chief Executive Officer Director Corporate Services Director Development Services Director Engineering Services Manager Financial Services Senior Administration and Governance Officer Customer Service Officer Media and Promotions Officer
Public Gallery:	Stefanie Wallis Gaye Wotherspoon Brenda Slate Jan Hodgson Don Hodgson Gillian Jeater Eric Wallis Trevor Fish Dean Kemp Natacha Guex Maree Stewart Chaitanya Oak Kirra Haselby Ben Turner Lisa Dann Rosa Stiualetta Andy McGaw April Booth Gavin Booth Todd Barker	Shire of Broome Shire of Broome Shire of Broome Shire of Broome Shire of Broome Ratepayer Ratepayer Ratepayer Ratepayer Ratepayer

Chairman: Date:

David Galwey	Shamrock Gardens
Ed Carroll	Ratepayer
Damien Slate	Ratepayer
Patrick Ahamaru	Ratepayer
Donna Foy	
Megan Kershaw	

3. DECLARATIONS OF FINANCIAL INTEREST / IMPARTIALITY

FINANCIAL INTEREST			
Councillor	Item No	Item	Nature of Interest
Nil			

IMPARTIALITY			
Councillor	Item No	Item	Nature of Interest
Nil			

4. PUBLIC QUESTION TIME

The following question was received prior to the meeting from Eric Wallis:

The Shire has stated several times that the ratepayers at Coconut Well don't pay enough rates to cover the cost of road maintenance out here. McGuigan, Lawrence and Denham Roads are all public roads. Denham Road is the only gazetted beach access road north of the Cable Beach access ramp. The roads can be used by all ratepayers and inhabitants of the district.

So if this is the only reason, my rates are going from \$3,500 to approximately \$7,000 the Shire needs to have a rethink because this will create further financial stress and hardship for our ability to pay these increases. Road maintenance is the only service we receive at Coconut Well, so I feel the ratepayers at Coconut Well pay their fair share.

How are the ratepayers of Broome townsite subsidising my concession at Coconut Well since 2012?

Answer provided by Director Corporate Services: *The rates that would have been raised should there not have been a concession in place (approx \$166,000 in 2014/15) from Coconut Well, 12 Mile and properties with a horticultural land use were raised from other rating categories collectively.*

The Shire provides a range of services to all ratepayers of the district and the proposed phase out of the concessions is intended to achieve a more fair and equitable rate model.

The Shire provides many services above and beyond road maintenance including library, recreation, parks and gardens and tourism, etc.

Chairman: Date:

The following questions were received prior to the meeting from Trevor Fish:

Question One: What was the zoning of each of Coconut Well, 12-Mile and Skuthorpe under Town Planning Scheme No. 4 as opposed to No. 6.

Answer provided by Director Corporate Services: Under Town Planning Scheme No 4 the properties were zoned as follows:

Coconut Well	Rural Living
12 Mile	Rural Agriculture
Skuthorpe	Rural Agriculture

Under Local Planning Scheme No 6 the properties are zoned as follows:

Coconut Well	Rural Residential
12 Mile	Rural Residential
Skuthorpe	Rural Smallholding

Question Two: My understanding is that Differential Rates can only be applied to different zonings, not different localities or districts. If TPS No. 6 had not changed the zoning of 12-Mile from "Rural Agriculture" to "Rural Residential" would this have satisfied the criteria for retaining differential rates as there would still be 3 different zonings?

Answer provided by Director Corporate Services: The three localities were in two different zones under both Town Planning Scheme No 4 and Local Planning Scheme No 6, albeit Coconut Well and 12 Mile are in the same zone under Local Planning Scheme No 6, whereas 12 Mile and Skuthorpe were in the same zone under Town Planning Scheme No 4.

In recent times Council has adopted a more 'land use' based rating philosophy rather than 'zoning'.

The following questions were received prior to the meeting from Jan Hodgson:

Question One: Would the Shire please provide the evidence that Coconut Well and 12 Mile are predominately Rural?

Answer Provided by Director Corporate Services: The Shire of Broome has historically rated Coconut Well and 12 Mile as 'UV' or 'predominantly Rural'. A study was completed in 2007/08 and subsequently Council adopted a Rural Rating Policy on this matter. It has been acknowledged that some properties in this area may be 'predominantly non rural' and this is subject to an independent land use survey and potential spot rating.

Question Two: The Shire has stated that they engaged Whelans Town Planning consultants to investigate various properties in Twelve Mile so as to ascertain whether they are predominately Rural or Residential. Will the Shire make Whelans finding's public?

Answer Provided by Director Corporate Services: The report contained individual property and ownership details and has hence remained confidential. The report could be made public if property owners details were removed from the report. Individual property owners have been advised of the findings and feedback sought. If Council were to progress a new independent survey, property ownership details could be excluded moving forward.

The following questions were received prior to the meeting from Gaye Wotherspoon:

Why does the Broome Shire rate the communities of Coconut Well and Twelve Mile, as Rural when the predominant use is overwhelmingly residential? Coconut Well residents supply their own water and power.

Answer provided by Director Corporate Services: *The Shire of Broome has traditionally rated these areas as 'UV' or 'predominantly Rural', Council's rating policy does support spot rating on a case by case basis for properties that may be 'predominantly non-rural'. An independent land use survey was conducted in 2014 and it is noted that the Chief Executive Officer has recommended a further independent assessment be carried out.*

The following question were received prior to the meeting from Don Hodgson:

Question One: *The Chief Executive Officer has recommended replacing recommendation 4 with the following:*

Resolve to apply the concessions to those affected properties to the same value as was applied in the 2014/15 financial year with an increase of 3.97%.

Furthermore the CEO to appoint an independent consultant to review the concessional properties in relation to GRV and UV and report to Council by December 2015 with recommendations for consideration.

Will this be a consultative review and include effected ratepayer input throughout the process?

Answer provided by Chairperson: *If the recommendation, or a similar recommendation is adopted then the answer to your question would be yes and yes.*

A further question was asked at the meeting:

Question Two: *My understanding is that the Councillors will be asked to vote on various recommendation with Recommendation number 4 maintaining the Status Quo and keeping concessions in line with 2014/15 financial year, whilst instituting an independent review in relation to GRV and UV valuations to the effected properties. I have to say that would seem the fairest option. Who will oversee this independent review?*

Answer provided by the Chief Executive Officer: *This is for Council to determine. Council could appoint an independent person who will still report to the Chief Executive Officer.*

Answer provided by Chairperson: The normal practice is the decision comes back to Council after a consultation process.

Chairman: Date:

The Following question was asked at the meeting by Gillian Jeater:

Does the Shire understand that my little two roomed house in Coconut Well will be slugged with a rates bill in excess of \$6,000 which I simply do not have the ability to pay, regardless of any concessions phase-out time?

Answer provided by Chairperson: *Council is aware of the effect rates have on people everywhere and recognise the imposition an increase would be. Council will make a decision in relation to this tonight.*

5. MATTERS FOR WHICH THE MEETING MAY BE CLOSED

Under section 5.23 (2)(d) of the *Local Government Act 1995* Council may resolve to move the meeting behind closed doors.

6.

**REPORTS
OF
OFFICERS**

Chairman: Date:

6.1

OUR PEOPLE



PRIORITY STATEMENT

Embracing our cultural diversity and the relationship between our unique heritage and people, we aim to work in partnership with the community to provide relevant, quality services and infrastructure that meet the needs and aspirations of our community and those visiting and doing business in our region.

Supporting and contributing to the well-being and safety of our community is paramount, as is our focus on community engagement and participation.

Council aims to build safe, strong and resilient communities with access to services, infrastructure and opportunities that will result in an increase in active civic participation, a reduction in anti-social behaviour and improved social cohesion.

There are no reports in this section.

6.2

OUR PLACE



PRIORITY STATEMENT

The Shire of Broome has an abundance of unique natural features, coastal attractions, significant streetscapes, historic precincts and a mix of old and new urban developments.

Our aim is for all communities and settled areas, including the Broom Township, to be a place where the natural environment, on which life depends, is maintained, whilst at the same time the built environment contributes to the economy and a quality lifestyle for all.

Preserving the Shire's natural environment is a critical community outcome. Council will put into place strategies that nurture and improve the Shire's unique environment and biodiversity.

The Shire will work in partnership with the community and other agencies to ensure responsible and accountable management of both the natural and build environments is achieved in the short term and for future generations.

Chairman: Date:

There are no reports in this section.

Chairman: Date:

6.3

OUR PROSPERITY



PRIORITY STATEMENT

Our region has grown significantly over the past years in terms of population, economy and industry – this will continue! Balancing ecological sustainability with economic growth and retaining the ‘look and feel’ of Broome and its environs are an ongoing challenge for the region. Encouraging appropriate investment and business development opportunities to ensure a strong, diverse economic base is essential for community prosperity and the success of our future generations.

Focusing on developing clear pathways linking education with employment for our youth and the community at large is essential as we aim to retain our local people and continue to build a skilled and highly motivated workforce.

Business and Industry partnerships must be fostered to ensure sustainable economic growth is achieved, along with the provision of affordable and equitable services and infrastructure. Ensuring development meets community needs and legislative requirements whilst creating close community relationships and enhancing our understanding of local heritage and cultural issues will continue to be a major focus. The built environment must contribute to the economy, long term viability of the region and provide a quality lifestyle for all.

Chairman: Date:

There are no reports in this section.

OUR ORGANISATION



PRIORITY STATEMENT

Council will strive to create an environment where local governance is delivered in an open and accountable manner; where we provide leadership to the region in such areas as planning and financial management; where the community has the opportunity to contribute to the Council's decision making thereby fostering ownership of strategies and initiatives.

In delivering open, accountable and inclusive governance, we will be ever mindful that we operate within a highly regulated environment that requires a high level of compliance.

Council will strive to be the conduit between the other spheres of government and the community, translating State and Federal law, policy and practice into customer focussed, on ground service delivery that support's Broome's unique lifestyle.

The Region is experiencing significant change with Council dedicated to sound governance, effective leadership and innovation, and high quality services. Building organisational capacity is a priority with a commitment to delivering services to the community in a sustainable, effective and accountable way.

Chairman: Date:

6.4.1 COUNCIL CONSIDERATION OF PUBLIC SUBMISSIONS ON PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS FOR THE 2015/2016 ANNUAL BUDGET

LOCATION/ADDRESS: Nil
APPLICANT: Nil
FILE: ARA01; ARA12
AUTHOR: Manager Financial Services
CONTRIBUTOR/S: Director Corporate Services
 Chief Executive Officer
RESPONSIBLE OFFICER: Director Corporate Services
DISCLOSURE OF INTEREST: Nil
DATE OF REPORT: 14 July 2015

SUMMARY: A local government is required to consider any public submissions received on the proposed differential rates and minimum payment under Section 6.36(4) of the *Local Government Act 1995 (LGA)*. The proposed differential rates and minimum payments have been advertised for local public notice seeking public comment for not less than 21 days which ended 13 July 2015.

The purpose of this report is to present Council with details of the submissions received for consideration, following the statutory local public notice period and prior to adoption of the 2015/2016 Annual Budget.

BACKGROUND

Previous Considerations

OMC 8 May 2008	Item 9.4.5
OMC 17 December 2008	Item 9.4.3
OMC 2 September 2009	Item 9.4.5
OMC 14 April 2011	Item 9.2.1
SMC 13 July 2011	Item 9.3.1 & 9.3.2
OMC 19 April 2012	Item 9.4.4
SMC 24 July 2013	Item 9.4.1
SMC 28 August 2013	Item 9.4.3
SMC 27 June 2014	Item 9.4.3
OMC 18 December 2014	Item 9.3.1
SMC 16 June 2015	Item 6.3.1

Intention to Impose 2015/2016 Differential Rates

As part of the annual budget process, and in order to make up the budget deficiency, Council is required to impose a general rate on rateable land within its district. It was identified that \$20.9M in rates revenue was required to achieve a balanced budget.

At the Special Meeting of Council (SMC) held 16 June 2015, Council resolved the following:

That Council:

Chairman: Date:

1. In accordance with Section 6.36 of the Local Government Act 1995 endorses the following proposed differential general rates and minimum payments for advertising seeking public submissions for a period not less than 21 days:

DIFFERENTIAL RATE CATEGORY	RATE IN THE DOLLAR (cents)	MINIMUM PAYMENT
Residential (GRV)	9.3990	\$1,224
Residential – Vacant (GRV)	15.2200	\$1,224
Commercial (GRV)	10.3800	\$1,224
Tourism (GRV)	14.7150	\$1,224
Mining (UV)	12.2250	\$1,224
Rural (UV)	0.5836	\$1,224
Commercial Rural (UV)	2.9656	\$1,224

2. Adopts the Objects and Reasons for each of the proposed differential general rates and minimum payments in point 1 above as Attached (Option 2).
3. Authorises the Chief Executive Officer to apply to the Minister for Local Government for approval:
- (a) Under Section 6.33 of the Local Government Act 1995 to impose differential rates for those rates that are more than twice the lowest differential rate.
 - (b) Under Section 6.35 of the Local Government Act 1995 to impose a minimum payment of \$1224 on GRV - Residential Vacant properties.
4. Endorses the phasing out of concessions in the locations identified below commencing in the 2015/16 financial year over a 3 year period as follows:

Property Type	Current 2014/15 Concession	Proposed 2015/16 Concession	Proposed 2016/17 Concession	Proposed 2017/18 Concession
Horticultural Land Use	11%	7.33%	3.67%	Nil
12 Mile	27%	18%	9%	Nil
Coconut Well	48%	32%	16%	Nil

In regards to (3.) above, the DLGC advised that the Minister requires evidence of Council consideration of any submissions received. Under Sections 6.33 of the LGA, the proposed UV Mining differential rate is set at more than twice the base UV Rural rate. Under 6.35 of the LGA, there are more than half the number of GRV Residential Vacant properties on the minimum payment. The Minister may grant an exemption on these two categories, but this cannot be progressed until Council has considered any submissions relating to these differential rating categories.

Council resolved its endorsement of a three year phase out of concessions as per (4.) above following the resolution of its intention at the Ordinary Meeting of Council (OMC) held 18 December 2014. Since 2013, Council has been progressing the rates review project which includes the concessions applied to Unimproved Value (UV) Rural properties located in Coconut Well (Waterbank), 12 Mile (Roebuck) and other Horticultural land use properties (various locations). The review was initiated as a response to issues of statutory non-compliance that were raised by the Department of Local Government and Communities (DLGC) in 2013. The DLGC advised that Council could not provide a rating category for Coconut Well or 12 Mile or ANY other specific locality. This advice has highlighted that Council's former rating methodology, which was based on locality, was essentially providing concessions through a Differential Rating category as opposed to a formal "concession" under the provisions of Section 6.47 of the *Local Government Act 1995*. A copy of this advice from the DLGC was provided in the SMC held 16 June 2015 as attached to the report to Council.

Council has for nearly 30 years been providing "concessional rates" through differential rating prior to instruction from the DLGC to remove locality based rating categories. Further research of Council records was conducted with documents revealing that Council at the time initiated this strategy as recorded in the minutes of the Finance & Staff (F&S) Committee meeting held 12 May 1987 [Attachment 2]. Correspondence from the Department of Local Government advised Council that a lower rate in the dollar would "*balance the steep increase in the valuations of land.*" Council's decision at the time was made based on advice from the then Department of Local Government (DLG) in relation to the imposition of a differential rating scheme.

Therefore, different rates in the dollar have historically been applied in these areas in part, to negate the property valuation effect on the rates payable to the Shire. The Shire's rating strategy was initially based on a general rate (single rate in the dollar), which then changed to a strategy based on differential rates (multiple rates in the dollar) for the 1987/1988 financial year. As a result, properties located in Coconut Well were applied a differential rate of 1 cent in the dollar to unimproved values; 12 Mile properties were applied a differential rate of 2 cents in the dollar to unimproved values, with the remaining UV properties being applied a base differential rate of 7 cents in the dollar. This is compared to the general rate in the 1986/1987 budget, the year prior, of 10 cents in the dollar to the entire Dampier Ward. The records confirm that rating categories were established by location and zoning, achieving a lower contribution from these ratepayers than others within the UV rating category. This lower level of rates payable was applied by the Council of the time in recognition of the provision of a lower level of service, either from the Shire or from other State utility service providers, as indicated by subsequent records over the past 30 years.

Recently, the DLGC's advice in 2013 was implemented in the 2013/2014 budget (and as maintained in the 2014/2015 budget) concessions were established, under Section 6.47 of the LGA, across certain properties within the new UV-Rural Rating Category to ensure minimal changes in the rates in the dollar from the previous year. Concessions included: Coconut Well – 48%, 12 Mile – 27%, Horticultural Land Use – 11%. These concessions apply to 129 properties and result in a total concession value of \$166K representing 0.79% of total rates revenue. While this does not represent a significant impact on the Shire's revenue, this provides a discount to individual ratepayers while being subsidised by other ratepayers in the district.

At the time of development of these localities, the level of service provided by the Shire was not equal to that in similar type subdivisions developed around the State. Over time however, the use of these locations has generally transitioned to a higher level of service,

Chairman: Date:

with the Shire investing funds to improve levels of service and amenity in these areas. In recent times, the following key initiatives and projects have been delivered in these areas:

- Local roads – sealed \$286K
- McGuigan Road - sealed, \$1.4M
- Denham Rd - scheduled for construction 2015 \$400K,
- Roads within the 12 Mile area - proposed for reseal in 2015 \$99K

The cost of these initiatives are estimated to be in the order of over \$2M over the last 11 years, compared to annual rates collected in this area of approx \$278k per annum (based on 2014/15 budget rates revenue).

Council's Asset Management Plan and Long Term Financial Plan nominate increased expenditure in these areas over the short and longer term in comparison to historical expenditure. Given the Shire's increased historical expenditure, and proposed further expenditure as laid out in the above documents, it is considered an appropriate time to review whether these concessions are still relevant for the areas of Coconut Well, 12 Mile and for properties with a Horticultural Land Use. It is the recommendation of this report that concessions be phased out to ensure a consistent and fair rating approach is applied to all ratepayers of the district. However, a local government is to have regard to the needs of the inhabitants of the district as a whole and is not to keep separate accounts based on the wards of the district or determine expenditure on the basis of revenue from a ward as per regulation 7 of the *Local Government (Financial Management) Regulations 1996 (FMR)*.

As requested through Council Workshops, although difficult to compare properties in these areas to those in town, research indicates that properties with a similar rental return in town are paying a higher level of rates as compared to these areas. Council's resolution of 18 December 2014 provided intent to phase out concessions to ensure a consistent rating methodology is occurring in the UV – Rural category. Throughout the workshops, Council indicated that a comparative rate to similarly valued properties in town, within the constraints of a different valuation methodology, was preferred. This does not negate the fact that some properties in these areas have been independently assessed for change in rating methodology from UV to GRV (Gross Rental Value) that forms part of a separate review process.

A call for submissions on differential rates was advertised from Saturday 20 June 2015 in the West Australian and Thursday 25 June 2015 in the Broome Advertiser. Public notices were also placed on notice boards located at the Shire Administration Centre and Library, with the submission period closing at 4pm, Monday 13 July 2015. Further consultation and community engagement was conducted through letters to ratepayers of the 80 assessments classified in the UV Rural – Mining differential category and the ratepayers of the 129 assessments classified in the UV Rural areas impacted by the proposed 3-year phasing out of concessions for the areas of Coconut Well, 12 Mile and Horticultural land use, informing them of the opportunity to submit public comment on the proposed differential rates, minimum payment and concessions.

COMMENT

This report presents summarised details of the submissions received for Council's consideration with further details contained in Attachment 1 – Schedule of Public Submissions. A total of 24 submissions were received in response to the published invitation to comment on the proposed differential rates and minimum payment. Of these

Chairman: Date:

submissions, 23 were from ratepayers and electors within the district. One respondent could not be identified as either a ratepayer or an elector. Mr Andy McGaw from 12 Mile in his submission made a claim on behalf of 24 other ratepayers and electors in 12 Mile although without signatures obtained. One respondent, Mr Bernard Maria from 12 Mile made an inquiry in person at the Shire Administration Office and did not take up the invitation to lodge a written submission but requested that his verbal objection to the proposed concession phase out be noted. Council is requested to consider the public submissions detailed in the attached schedule. In summary, all submissions detailed objections to the phasing out of concessions as proposed. The basis of objections reflected a number of common themes which are outlined as follows:

Respondents objected on the basis that properties in the UV-Rural categories receive lower levels of service and infrastructure from Council including footpaths, sealed roads, drainage, rubbish and recycling collection, street lighting, kerbing, sport and recreation facilities, libraries and public open space, security patrols; as well as State supplied services including electricity, water, sewerage, traffic safety signage and policing, and police patrols. Additionally, it was argued that rural ratepayers do not live in town rendering them unable to use these services and if they do, they incur higher costs due to distance in order to access them. Respondents also commented on the infrequency of road maintenance and grading.

In response, Shire supplied infrastructure and services are not provided in rural subdivisions as per State planning guidelines as there are no specific principles for Rural Living or Rural Residential areas. If such infrastructure were to be supplied it would generally only be part of a foreshore/reserve management plan or bridle path network (these are not common for most types of subdivision of this nature). There must be a point of public interest or feature requiring infrastructure to facilitate access by the public. The size, distance between and nature of rural properties result in a greater area to be serviced by infrastructure resulting in a higher cost. Guidelines for infrastructure provision in urban residential areas is contained in Liveable Neighbourhoods (a State Development Control Policy) and the Institute of Public Works Engineering Australasia (IPWEA) Guidelines for Subdivisional and Development Standards. It is not the fact of whether all residents utilise all of the services provided by the Shire, it is a matter of the services being available to all inhabitants of the district, irrespective of those that directly impact on individual properties.

A local government is to have regard to the needs of the inhabitants of the district as a whole and is not to keep separate accounts based on the wards of the district or determine expenditure on the basis of revenue from a ward as per regulation 7 of the *Local Government (Financial Management) Regulations 1996 (FMR)*. Additionally, the general function of a local government is to provide for the good government of persons in its district as per Section 3.1 of the *Local Government Act 1995 (LGA)*.

In conjunction with the above legislative requirements, the DLGC provide a guideline principle being the Benefit Principle. In the context of differential rating, this involves the concept that there should be some relationship between the rates paid and the benefits received, but does not dictate that benefits should equal the amount of rates paid. In using this DLGC guideline to support differential rating strategies, the DLGC provide strict direction that Council must provide strong objects and reasons for redistributing the rate burden across distinct rating categories based on one or a combination of land use, zoning or vacant land as per Section 6.33 of the LGA. If Council cannot justify through specific objectives and reasoning behind the adoption of each differential rating category under the provisions of the LGA and suggested DLGC taxation guidelines, then

Chairman: Date:

the base legislative requirements apply as above in support of a general rating strategy as the only alternative.

In light of the DLGC guideline of the benefit principle, this can be applied in respect to services provided in terms of sealed and unsealed road maintenance. Council records confirm that roads are maintained on a regular maintenance schedule. For example, Denham Road has received regular full maintenance grades previously on, as below with 2014/15 costs of \$14K and 2013/14 costs of \$9K:

- 12 - 17 September 2013
- 28 March – 1 April 2014
- 12 June 2014
- 9 July 2014
- 5 - 20 January 2015
- 3 March 2015
- 16 June 2015

From an infrastructure perspective, Denham road is currently in excellent condition for a formed unsealed road and is scheduled for upgrade in 2015 for an estimated cost of \$400K. In addition, finalised in 2011/12, McGuigan Road was sealed at a cost of \$1.4M which is the main thoroughfare into Coconut Well. In 2014/15 Council spent over \$75K on road maintenance in the Coconut Well area.

In addition, Chi Street has received regular full maintenance grades as below at costs of over \$4K for 14/15 and 13/14 collectively:

- 11 February 2014
- 12 November 2014
- 16 March 2015

From an infrastructure perspective Chi Street is currently in excellent condition for a formed unsealed road. Total road maintenance in the 12 Mile cost \$34K in 2014/15 and \$56K in 2013/14. The works budget takes into account additional costs incurred in delivering labour, plant and equipment, contractors and materials to service areas of greater distance from the general town site. Risk and cost-benefit analyses must be conducted in determining the feasibility of providing infrastructure services across the district to all inhabitants of the Shire of Broome.

The non-provision of State supplied services such as; water, electricity and sewerage is taken into account when the State Government's agency Landgate assesses valuations on all properties. Police patrols are another State Government service. The State Government through its agency Main Roads WA is responsible for providing and maintaining State highways and main roads. Internal access roads and battle-axe driveways are the responsibility of the land owner, being private property. Council does not consider the availability of State services in its budget and rating formulation as this is a matter for the Valuer-General to factor into property valuations.

A local government determines the costs to provide all services to the inhabitants of the district. Frequently the costs outweigh the revenue that a local government can generate within its limited power to do so under legislative restrictions. In the preparation of the annual budget, the local government is to have regard to the contents of the plan for the future of the district and to prepare a detailed estimate for the current year of the expenditure; the revenue and income, independent of general rates; resulting in the amount required to make up the deficiency, if any, shown by comparing the estimated

Chairman: Date:

expenditure with the estimated revenue and income as per Section 6.2(2) of the LGA. Following this, when adopting the annual budget, in order to make up the budget deficiency, a local government is to impose rates either uniformly (general rate) or differentially (differential rates) and may impose minimum payments, service charges or specified area rates as per Section 6.32 of the LGA.

Rates are a contribution each ratepayer makes towards the budget deficiency and cost of providing facilities and services to the community. The services provided by the Shire of Broome include, but are not limited to:

Community promotions and volunteer days
 Community Sponsorship
 Animal Control
 Fire Prevention
 Beach Services
 Health inspection of commercial and food premises
 Cemeteries
 Drainage
 Litter Control
 Public Toilets
 Town Planning
 Waste Management
 Broome Recreation and Aquatic Centre
 Arts, culture, youth and heritage
 Festivals and Community Events
 Community Storage
 Library
 Parks and Ovals
 Broome Civic Centre
 Radio Broadcasting (Triple J)
 Skate Parks
 Sports Club Development
 Weed Control, Footpaths
 Roads and Verges
 Street Lighting
 Building Control
 Protection of the Environment
 Tourism Promotion and Servicing
 Economic Development
 Leased premises such as office buildings, community facilities, Caravan Park, Town Beach and Cable Beach restaurants.

Security patrols are not a Shire supplied service to the general public. Some of these services also benefit other non-ratepayers such as tourism marketing and visitor servicing. Whether or not some services are used by all ratepayers, they are still available for all inhabitants of the district, regardless of any individual circumstances that remain a private consideration.

A number of respondents included references to rubbish and recycling services. Generally, the services that a Local Government may impose a service charge for include television and radio rebroadcasting, volunteer bush fire brigades, underground electricity, property surveillance and security, and water as per FMR regulation 54. It should be noted that Sections 66 and 67 of the *Waste Avoidance and Resource Recovery Act 2007 (WARR)* provides for local governments to set a separate rate or charge for rubbish collection

Chairman: Date:

services. Rubbish collection is currently not provided to any property outside of the Broome town site boundary; however, an Annual Waste Disposal Pass is available to properties not offered a kerbside collection service. The fee for which is based on the recovery of cost for disposal at the Waste Management Facility. In 2008, in response to a motion passed at the Annual Electors Meeting (AEM) held 13 March 2008, Council sought input from ratepayers located in Coconut Well and 12 Mile on the initial proposed quoted contractor cost to provide kerbside rubbish and recycling collection services. As reported to Council at the OMC held 24 July 2008, the responses strongly indicated that a kerbside refuse and recycling service at Twelve Mile and Coconut Well was not supported at the costs proposed.

Further objections were provided on the basis that land sale values have decreased recently due to a softer property market. In response, fluctuations in sale values are taken into consideration by the State Government's Valuer-General when his agency completes its periodic revaluation. This is a valuation methodology process of Landgate. Landgate advises there has been no recent sales evidence in Waterbank and recent Unimproved Value (UV) revaluation data indicates a minor decrease on average, but a majority of property valuations have remained unchanged with some increasing. Movements in valuations whether up or down, are taken into consideration during the rate setting process to uphold the principle of consistency when determining the proposed rates in the dollar.

A number of objections were made on the basis of the different levels of rates levied between UV and GRV properties, where the rates on some UV properties are higher than the rates levied on the average GRV urban residential property in the town site. In response, rates are applied to the valuations assessed by the Valuer-General through the State Government's agency Landgate.

The GRV of properties normally represents the annual equivalent of a fair weekly rental. From the analysis of actual rentals the fair gross rental of each property is established, after making allowances for any special features or detriments. The GRVs are assessed every three years by the Valuer-General.

The UV of land outside a townsite is valued as if it had no improvements. In this case the land is valued as though it remains in its original, natural state. Market-based UVs are determined by reference to the land market at the date of valuation. All sales relevant to the predetermined date of valuation which is June 30 of each year are assessed by the Valuer-General.

Comparing rural UV properties to town site GRV properties is not possible due to the different basis of valuation as defined above. Inherent differentials between properties will be reflected in the valuations from the Valuer-General depending on the valuation methodologies underpinning values of GRV or UV. How much a ratepayer pays depends on the value of the property. The Minister through their agency the DLGC, is to determine the method of valuation of land to be used by a local government as the basis for a rate. In determining the method of valuation of land to be used by a local government the Minister is to have regard to the general principle that the basis for a rate on any land is to be; where the land is used predominantly for rural purposes, the unimproved value of the land; and where the land is used predominantly for non-rural purposes, the gross rental value of the land in accordance with Section 6.28 of the LGA.

If a land owner wishes to object to the GRV and UV recorded on either the rate notice or on the valuation roll, information including details on how to lodge an objection is available from Landgate. The objection must be lodged within 60 days after the issue of

Chairman: Date:

the rate notice as per Section 32(1)(a) of the *Valuation of Land Act 1978*. Objections, which must be in writing, may be on the grounds that a valuation is not fair or is unjust, inequitable or incorrect, whether by itself or in comparison with other valuations in force. It is the responsibility of the Valuer-General to determine the GRV or UV values.

As part of the separate UV to GRV land use review process, it has been identified that there are no definitions in the LGA of the words 'predominant' or 'rural'. In seeking clarification on these terms with the DLGC, inconsistencies in the guidance and treatment from the DLGC of distinctions between rural and non-rural uses across Western Australia local governments has become apparent. As supported by subsequent legal advice, this inconsistency in conjunction with the lack of definitions in the LGA, leaves the determination of what is rural versus non-rural open to the discretion of local governments. An extract from the advice from Herbert Smith Freehills:

"...there is little concrete direction to the Shire as to specifically how the Shire is to assess properties in each case. We agree with your observation that it is up to each local government to decide whether a particular property in a given local government area is predominantly rural or non-rural, according to the legislation, judicial authority and the Department's guidelines... Ultimately, it appears that, legally, rural is construed according to its natural meaning — that is, of or relating to the country, or pastoral or agricultural."

A local government ultimately has discretion in determining the overall rating strategy of the district subject to the specific provisions in the LGA. The decision rests with Council in regards to adopting the basis for valuation methodologies for the district and whether rating differential categories are based on land use, town planning zones, vacant land or a combination of the three as per Section 6.33 of the LGA.

The submissions received refer to biased information provided regarding indicative GRVs as presented to Council and to a report drafted by Dominic Carbonne and Darren Long released in 2011 'Change in Basis of Valuation Methodology Study for Coconut Well and 12 Mile'. In response, GRVs cannot be obtained until Ministerial approval has been given to Council's request to change the basis of rating from UV to GRV and is subject to a separate review. As such, the indicative GRV values provided in the 2011 report should not be relied upon as it is the responsibility of the Valuer-General to provide assessed GRVs and this report is now over 4 years old. Council requested that a comparison be provided and this was conducted with the available information at the time.

Ultimately the differential between properties is evident within the valuations provided as assessed by the Valuer-General. Council's position is that all ratepayers should be paying their fair share of rates as applied to the property valuations, as a contribution to the benefits of Council's services that are available to all inhabitants.

Objections raised based on the financial impact on ratepayers, resulting in hardship imposed and the increased risk of the inability to pay their rates were also stated. In response, the impact on ratepayers is acknowledged and this is reflected in the proposal to reduce the concessions over a three year period. There has to be a strong justification based on land use, zoning, whether the land is vacant, or a combination of the three, as per Section 6.33 of the LGA, in order to support different rates in the dollar between different types of properties.

Additionally, the current economic climate has also been taken into consideration in the modelling of the proposed rating strategy and proposed phasing out of the concessions, evident in the reduced proposed rate revenue yield of an increase of 3.97% to deliver the

Chairman: Date:

priorities and services of Council. This proposed increase is below the indicative figure of 5% included within the Shire's Long Term Financial Plan. It should be noted that concessions in rural areas are subsidised by ratepayers in the town site. The proposed rating methodology is based on a fair and equitable basis of rating for all ratepayers in the Shire of Broome in light of the current economic climate. There is no reasonable justification to maintain differing levels of concessions applicable to only a few localities, including only 129 assessments out of the 6,700+ assessments within the district.

Submissions based on Mr Don Hodgson's submission template, respondents commented on the Shire providing incorrect, misleading and extremely biased information. In response, the information and supporting records provided throughout the rates review and community consultation have been reviewed and confirmed for accuracy. These records were not referred in the correspondence that was sent to Mr Hodgson dated 23 April 2015; therefore, an extract of the advice from the DLGC is provided as follows, supporting the requirement to consolidate the individual locality-based UV rating categories.

Extracts from an email from the DLGC dated 11 April 2013:

"The information provided indicates that the Shire has imposed unlawful UV based rates in 2012/13 and these can be challenged in SAT under s 6.82 of the Act.

As you would be aware, differential general rates can only be imposed on the basis of:

- *Land zoning*
- *Land use*
- *Whether the land is vacant or not or*
- *A combination of the 3 criteria above*

The Dampier Coconut Well and Dampier Twelve Mile categories appear to both have a 'rural living' zone. If there is no 'use' distinction between these then they have to be rated on the same general rate and all properties in the Shire with a 'rural living' zone have to be on the same rate.

The Dampier Skulthorpe [sic] rates may be OK as it has a 'rural agriculture' zoning. However, if there are other properties in the Shire with a 'rural agriculture' zone, then they all have to be rated on the same general rate unless they can be further distinguished by 'use' or 'vacant land' status. You can't differentiate between 'rural agriculture' in Shulthorpe [sic] and 'rural agriculture' in Twelve Mile (for example).

If the Council wishes to make some differentiation among these 3 categories, it should impose the same UV general rate and then use s 6.47 of the Act to grant concessions so that the rates 'objectives' are met through the concessions rather than an 'unlawful' rate differentiation."

In review of the above information, all factors of land use, zoning and vacant land between the four categories were considered and it was determined that the same differential rate category should apply based on land use commonalities within the common UV method of valuation. This was to maintain consistency with the other rating categories in the Shire of Broome's rating strategy, which were also based on land use. To further satisfy the principles of consistency and administrative efficiency, the four UV categories were consolidated into a single UV-Rural category. Therefore the information supplied above, as was published in the minutes of the SMC held 16 June 2015 provides a true and accurate record.

Chairman: Date:

Council's proposal is in support of a consistent, fair and equitable basis of rating. Rates are set to reflect the need for all ratepayers to contribute a fair and equitable amount in order for Council to adequately service the needs of the community in accordance with its good governance provisions under Section 3.1 of the LGA.

While references have been made above to the various generally accepted principles of taxation, it should be noted that the LGA does not make any legislative provisions in regards to these principles which include and are not limited to, fairness and equity, objectivity, consistency, administrative efficiency and transparency. These are merely general and suggested guiding principles for the Minister for Local Government to assess information submitted and adopted by Council which has the ultimate discretion in setting rating strategies for the district.

There also are a number of guiding policies published on the DLGC website in relation to rating practices. These policies are designed for the purposes of assisting the Minister in assessing applications from local governments for certain provisions in the LGA. They neither are endorsed guidelines nor based on legislative requirements, but merely guiding policies on addressing the limited legislative provisions in the LGA relating to rates. These policies are only a guidance framework for an approval process for the Minister.

The following extract is taken from the DLGC website:

Under the Local Government Act 1995, the Minister for Local Government is authorised to approve the following in relation to rates:

The imposition of a differential general rate which is twice the lowest differential general rate imposed by a local government;

A minimum payment on vacant land that does not comply with legislative provisions;

Changes in the method of valuation of land;

Valuation of land - mining; and

Land exempt from rates.

To assist the Minister in assessing applications received on the above matters, the Department of Local Government and Communities has developed policies and application forms to ensure that applicants provide all the necessary information and better understand the requirements.

A local government ultimately has discretion in determining the overall rating strategy of the district subjected to the specific provisions in the LGA and the above guiding policies and principles merely set the process for information gathering requirements to be supplied to the Minister in support of the proposed rating strategy.

There are a number of other contributing factors that have a far greater financial impact on the Shire's rates revenue which Council must take into consideration. These include the current level of rate exemptions that apply to approximately 700+ assessments with an estimated annual revenue loss of at least \$840K based on the minimum payment of \$1,200 per assessment. These assessments are long overdue for a review to ensure Council meets its strategic objective of maximising revenue opportunities. A secondary issue is the non-rateability of Government Business Enterprises such as LandCorp. Rates are not applicable until the land title transfers to the buyer. In the meantime, Council is still required to make available, the same levels of services to these properties and LandCorp. A further issue is the decreasing Financial Assistance Grant Scheme (FAGS) funding levels from the Federal

Chairman: Date:

Government through the Western Australian Local Government Grants Commission (WALGGC).

The Shire of Broome has already lost over \$800K in FAGS funding over a number of years. The recent Federal decision to place a freeze on the indexation rate applied to the overall pool of funding will have a further negative impact directly to the Shire of Broome. Essentially, the indexation generally applied at Federal level will not occur over the next two years, resulting in a stagnation of growth in funding flowing through to the State's for distribution. The indexation freeze already in effect for 2014/2015 and the reduction in State allocations already applied to the Shire of Broome have made significant impacts. Further freezing of the FAGS Federal allocation will worsen this situation. The time that will be required to return to 2011/12 allocation levels will now be further extended. The significant contribution is acknowledged, made by the Commonwealth, through the WALGGC via its FAGS funding in excess of \$2M annually towards the achievement of the district's annual and long term strategic objectives, as well as the goods and services supplied by the Shire that benefit the Broome community and visitors alike. Without this vital funding, either services levels would be significantly lower or rates significantly higher to maintain the same standards and expectations.

With regard to the objections raised in the 23 valid submissions received on the concessions forming part of the 2015/2016 budget, the following recommendation is provided for Council's consideration:

Phase Concessions Out Over 3 Years Commencing 2015/2016

This option involves phasing the concessions out over 3 years as intended in Council's resolution at the SMC 16 June 2015 to mitigate the financial impact on ratepayers:

Property Type	Current 2014/15 Concession	Proposed 2015/16 Concession	Proposed 2016/17 Concession	Proposed 2017/18 Concession
Horticultural Land Use	11%	7.33%	3.67%	Nil
12 Mile	27%	18%	9%	Nil
Coconut Well	48%	32%	16%	Nil

While the objections and reasoning supplied by the respondents are acknowledged, it is the recommendation that Council proceeds the phasing out of concessions for the following reasons:

- Achieves a consistent rating approach (ie. Removes concessions within 3 years)
- Materiality as compared to total rate yield (A \$166K concession value does not greatly impact total rate yield and could be phased out)
- Consistent with Council's existing resolution of 18 December 2014 indicating this intention.
- Individual Ratepayer financial impact gradually introduced over 3 years (For example, a ratepayer in Coconut Well may be impacted by \$3,000 should concessions be phased out completely in one year.)

In regards to Sections 6.33 and 6.35, the application to the Minister requires evidence of Council consideration of any submissions received. Under Sections 6.33 of the LGA, the proposed UV Mining differential rate is set at more than twice the base UV Rural rate. Under 6.35 of the LGA, there are more than half the number of GRV Residential Vacant

properties on the minimum payment. The Minister may grant an exemption on these two categories. No submissions were received regarding these particular differential rating categories.

CHIEF EXECUTIVE OFFICER COMMENT

Concessions and how they are applied is an issue Council has been considering for some time.

Notwithstanding the recommendation from the Officers on this matter Council could determine it would prefer to consider the issue of concessions as part of a review and potential change to the rates model overall.

A new rates model could include a move to a smaller number of rate categories; see properties being assessed under GRV rather than UV; and review concessions in this context to achieve consistency across the community. From the submissions received the community indicated that there is a desire for further consideration in regard to the GRV versus unimproved values.

Council may seek to take these concerns into account and resolve to leave concessions in place for the 2015/16 FY and simply apply a general increase of 3.97% (for concessional properties) to last years rate level while appointing an independent person(s) to undertake further examination of these community concerns.

Investigation of rating models in relation to GRV and UV could be commenced towards the end of the calendar year.

If Council wanted to pursue this option it could determine to continue with the current concessions, apply the 3.97% rate increase to these properties and request the CEO work with Councillors to develop an alternative rates model.

Chief Executive Officer Recommendation

Replace the existing recommendation 4 with the following:

- 4. *Resolves to apply the concessions to those affected properties to the same value as was applied in the 2014/15 financial year as outlined below with an increase of 3.97% only:*

<i>Property Type</i>	<i>Current 2014/15 Concession</i>	<i>2015/16 Concession</i>
<i>Horticultural Land Use</i>	<i>11%</i>	<i>11%</i>
<i>12 Mile</i>	<i>27%</i>	<i>27%</i>
<i>Coconut Well</i>	<i>48%</i>	<i>48%</i>

Insert the following as a new Recommendation:

- 7. *Requests the Chief Executive Officer to appoint an independent consultant to review the concessional properties in relation to GRV and UV and report to Council by December 2015 with recommendations for consideration.*

CONSULTATION

The following consultation has been conducted relating to the proposed differential rates, minimum payment and concession phase out:

Letters were forwarded and enclosed with the issue of Rates Notices on 1 August 2014 advising ratepayers in the areas receiving concessions that a review will be conducted in the full rates review which may affect future concessions.

Letters were accordingly issued 15 January 2015 advising the owners of all of the 129 affected properties of Council's intention to phase out the concessions over a 3 year period and invited them to express any Concerns/Feedback at a Community Information Session held on 5 March 2015.

An information session held on 5 March 2015 presented by the Director of Corporate Services and Manager of Financial Services was attended by 17 ratepayers. The workshop provided background information on rating methodology, differential rating categories and the proposed phasing out of concessions. In summary, the property owners expressed concern regarding the fairness and equity of rates payable upon the removal of concessions. Comment was also made in regards to the benefits of services provided to these areas compared to the rates levied and comparative to other ratepayers in town. Additionally, property owners requested justification for the UV base rate in the dollar that was determined when the rating categories were consolidated.

Local public notice was provided and direct correspondence issued to property owners as outlined above in accordance with Section 6.36 of the LGA resulting in 24 respondents (23 confirmed as ratepayers and electors) lodging submissions during the 21 day statutory period.

Department of Local Government and Communities
Whelans Town Planning Consultants
Herbert Smith Freehills

STATUTORY ENVIRONMENT

S6.28 *Basis of Rates*

- 1). *The Minister is to -*
 - (a) *determine the method of valuation of land to be used by a local government as the basis for a rate; and*
 - (b) *publish a notice of the determination in the government gazette.*
- 2). *In determining the method of valuation of land to be used by a local government the Minister is to have regard to the general principle that the basis for a rate on any land is to be -*
 - (a) *where the land is used predominantly for rural purposes, the unimproved value of the land, and*
 - (b) *where the land is used predominantly for non-rural purposes, the gross rental value of the land.*

6.32. *Rates and service charges*

- (1) *When adopting the annual budget, a local government —*

Chairman: Date:

- (a) in order to make up the budget deficiency, is to impose* a general rate on rateable land within its district, which rate may be imposed either —
 - (i) uniformly; or
 - (ii) differentially;
 and
- (b) may impose* on rateable land within its district —
 - (i) a specified area rate; or
 - (ii) a minimum payment;
 and
- (c) may impose* a service charge on land within its district.

* Absolute majority required.

- (2) Where a local government resolves to impose a rate it is required to —
 - (a) set a rate which is expressed as a rate in the dollar of the gross rental value of rateable land within its district to be rated on gross rental value; and
 - (b) set a rate which is expressed as a rate in the dollar of the unimproved value of rateable land within its district to be rated on unimproved value.
- (3) A local government —
 - (a) may, at any time after the imposition of rates in a financial year, in an emergency, impose* a supplementary general rate or specified area rate for the unexpired portion of the current financial year; and
 - (b) is to, after a court or the State Administrative Tribunal has quashed a general valuation, rate or service charge, impose* a new general rate, specified area rate or service charge.

* Absolute majority required.

- (4) Where a court or the State Administrative Tribunal has quashed a general valuation the quashing does not render invalid a rate imposed on the basis of the quashed valuation in respect of any financial year prior to the financial year in which the proceedings which resulted in that quashing were commenced.

[Section 6.32 amended by No. 55 of 2004 s. 690.]

S6.33 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 under a local planning scheme in force under the Planning and Development Act 2005;
 - (b) the predominant purpose for which the land is held or used as determined by the local government;
 - (c) whether or not the land is vacant land; or

- (d) any other characteristic or combination of characteristics prescribed.

6.35. *Minimum payment*

- (1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.
- (2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.
- (3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —
- (a) 50% of the total number of separately rated properties in the district; or
- (b) 50% of the number of properties in each category referred to in subsection (6),
- on which a minimum payment is imposed.
- (4) A minimum payment is not to be imposed on more than the prescribed percentage of —
- (a) the number of separately rated properties in the district; or
- (b) the number of properties in each category referred to in subsection (6),
- unless the general minimum does not exceed the prescribed amount.
- (5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.
- (6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —
- (a) to land rated on gross rental value; and
- (b) to land rated on unimproved value; and
- (c) to each differential rating category where a differential general rate is imposed.

[Section 6.35 amended by No. 49 of 2004 s. 61.]

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).
- (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 of the time and place where a document describing the objects of, and reasons for, each proposed rate and minimum payment may be inspected.
- (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.

S6.47. Concessions

Subject to the Rates and Charges (Rebates and Deferments) Act 1992, a local government may at the time of imposing a rate or service charge or at a later date resolve to waive* a rate or service charge or resolve to grant other concessions in relation to a rate or service charge.

* Absolute majority required

POLICY IMPLICATIONS

2.1.5 Rural Rating

2.1.6 Tourism Administration Policy

FINANCIAL IMPLICATIONS

In 2014/15 Council provided rates concessions to properties within 12 Mile, Coconut Wells and properties with a Horticultural land use to the value of approximately \$166k. It is proposed to phase this out over a three year period commencing in the 2015/16 Financial Year.

Chairman: Date:

The proposed differential rates and minimum payments for the 2015/2016 financial year will raise an estimated rates revenue of \$20.9M.

RISK

The risks assessment of this item includes:

- Rejection by the DLGC of the proposed differential rates and minimum payment and associated statement of objects and reasons.
- Escalation of objections from affected ratepayers on the proposed phase out of concessions due to financial hardship and resulting inability to pay rates.

These risks are assessed as extreme. The treatment and mitigation of these risks have been identified through controls including analysis and review of the rate setting strategy and proposed three year timeline of phasing out of concessions.

STRATEGIC IMPLICATIONS

Our People Goal – Foster a community environment that is accessible, affordable, inclusive, healthy and safe:

Effective communication

Affordable services and initiatives to satisfy community need

Our Prosperity Goal – Create the means to enable local jobs creation and lifestyle affordability for the current and future population:

Affordable and equitable services and infrastructure

Our Organisation Goal – Continually enhance the Shire’s organisational capacity to service the needs of a growing community:

Responsible resource allocation

Effective community engagement

VOTING REQUIREMENTS

Simple Majority

REPORT RECOMMENDATION:

That Council:

1. *Receives the submissions and notes the objections contained therein.*
2. *In accordance with Section 6.36 of the Local Government Act 1995 endorses the following proposed differential general rates and minimum payments as advertised:*

--	--	--

Chairman: Date:

DIFFERENTIAL RATE CATEGORY	RATE IN THE DOLLAR (cents)	MINIMUM PAYMENT
Residential (GRV)	9.3990	\$1,224
Residential – Vacant (GRV)	15.2200	\$1,224
Commercial (GRV)	10.3800	\$1,224
Tourism (GRV)	14.7150	\$1,224
Mining (UV)	12.2250	\$1,224
Rural (UV)	0.5836	\$1,224
Commercial Rural (UV)	2.9656	\$1,224

- Adopts the Objects and Reasons for each of the proposed differential general rates and minimum payments in point 2 above as Attached.
- Endorses the phasing out of concessions in the locations identified below commencing in the 2015/16 financial year over a 3 year period as follows:

Property Type	Current 2014/15 Concession	Proposed 2015/16 Concession	Proposed 2016/17 Concession	Proposed 2017/18 Concession
Horticultural Land Use	11%	7.33%	3.67%	Nil
12 Mile	27%	18%	9%	Nil
Coconut Well	48%	32%	16%	Nil

- Requests the Chief Executive Officer to review Policy 2.1.5 Rural Rating Policy in consultation with the Department of Local Government and Communities and related property owners.
- Acknowledges the importance of the Commonwealth's Financial Assistance Grants in assisting the Shire of Broome in delivering quality services and infrastructure to its community.

COUNCIL RESOLUTION:

Moved: Cr G Campbell

Seconded: Cr PM Matsumoto

That Council:

- Receives the submissions and notes the objections contained therein.**
- In accordance with Section 6.36 of the Local Government Act 1995 endorses the following proposed differential general rates and minimum payments as advertised:**

DIFFERENTIAL RATE CATEGORY	RATE IN THE	MINIMUM
----------------------------	-------------	---------

	DOLLAR (cents)	PAYMENT
Residential (GRV)	9.3990	\$1,224
Residential – Vacant (GRV)	15.2200	\$1,224
Commercial (GRV)	10.3800	\$1,224
Tourism (GRV)	14.7150	\$1,224
Mining (UV)	12.2250	\$1,224
Rural (UV)	0.5836	\$1,224
Commercial Rural (UV)	2.9656	\$1,224

3. **Adopts the Objects and Reasons for each of the proposed differential general rates and minimum payments in point 2 above as Attached.**
4. **Resolves to apply the concessions to those affected properties to the same value as was applied in the 2014/15 financial year as outlined below with an increase of 3.97% only:**

Property Type	Current 2014/15 Concession	2015/16 Concession
Horticultural Land Use	11%	11%
12 Mile	27%	27%
Coconut Well	48%	48%

5. **Requests the Chief Executive Officer to review Policy 2.1.5 Rural Rating Policy in consultation with the Department of Local Government and Communities and related property owners.**
6. **Acknowledges the importance of the Commonwealth’s Financial Assistance Grants in assisting the Shire of Broome in delivering quality services and infrastructure to its community.**
7. **Requests the Chief Executive Officer to appoint an independent consultant to review the concessional properties in relation to GRV and UV and report to Council by December 2015 with recommendations for consideration.**
8. **Authorises the Chief Executive Officer to appoint an independent person(s) to review rating methodology and report to a Chief Executive Officer Rates Advisory Group, consisting of representatives of the Coconut Wells, 12 Mile and Horticultural areas.**
9. **Requests the Chief Executive Officer Rates Advisory Group reports its finding to Council by February 2016.**

CARRIED UNANIMOUSLY 5/0

Reason: To allow further consultation with affected community members in relation to rating concessions.

Attachments

1. Schedule of Submissions - Differential Rates Minimum Payment and Concessions
2. Minutes Finance & Staff Committee Meeting 1986-87

Chairman: Date:

7.

**REPORTS
OF
COMMITTEES**

Chairman: Date:

There are no reports in this section.

8. MATTERS BEHIND CLOSED DOORS

Nil

9. MEETING CLOSURE

There being no further business the Chairman declared the meeting closed at 5.25pm.

Chairman: Date: