



VISION OF COUNCIL

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

AGENDA

BUSINESS OF AN URGENT NATURE

FOR THE

ORDINARY MEETING OF COUNCIL

26 APRIL 2018

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.

SHIRE OF BROOME
ORDINARY MEETING OF COUNCIL
THURSDAY 26 APRIL 2018
INDEX – BUSINESS OF AN URGENT NATURE

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8. 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.

12. BUSINESS OF AN URGENT NATURE

12.1 EMERGENCY PROCUREMENT PROVISIONS FOR RECENT WEATHER EVENTS

LOCATION/ADDRESS:	Nil
APPLICANT:	Nil
FILE:	EMM05
AUTHOR:	Director Infrastructure
CONTRIBUTOR/S:	Nil
RESPONSIBLE OFFICER:	Director Infrastructure
DISCLOSURE OF INTEREST:	Nil
DATE OF REPORT:	4 April 2018

SUMMARY: The purpose of this report is to endorse the actions of the Shire President in approving emergency procurement provisions to support recovery efforts following tropical Cyclones Hilda, Joyce, Kelvin and the tropical low.

BACKGROUND

Previous Considerations

Nil

Multiple weather events with extreme winds and rainfall from late December 2017 to February 2018 caused extensive damage to property and public infrastructure through the Shire of Broome. These events included:

- Tropical Cyclone Hilda - 27 December 2017;
- Tropical Cyclone Joyce - 11 to 16 January 2018;
- Tropical Low and Associated Flooding – 29 to 31 January 2018; and
- Tropical Cyclone Kelvin - 17 to 19 February 2018.

Critical to recovery efforts was the need to clear streets, open public spaces and repair damaged access roads within the Shire. The recovery works were compounded by the 4 weather events occurring in a relatively short period. To ensure that public infrastructure and services were safely restored with a reasonable amount of time the Shire required the assistance of a number of contractors.

The Shire President approved emergency expenditure to assist recovery efforts in accordance with Section 6.8(1)(c) of the *Local Government Act 1995*.

Officers were in close contact with the Office of Emergency Management (OEM) throughout and were advised that the events would qualify for Western Australian Natural Disaster Relief and Recovery Arrangements (WANDRRA) funding. Officers were further advised that due to the timing of the events that they would be treated as one qualifying event for WANDRRA funding purposes.

COMMENT

Due to the nature of the weather events experienced over the period, the full extent of damage was unknown and therefore the costs of recovery were unable to be estimated.

Contractors were engaged pursuant to Councils Purchasing Policy with contractors requested to provide quotes for components of work which were then assessed by officers for value for money. Due to the extensive damage and a lack of available contractors, Shire staff were required to undertake certain works essential to the recovery effort. In these cases, all salary, material and plant costs were captured in separate emergency works accounts.

The weather events have since been categorised as Eligible WANDRRA Disaster Events by the OEM as per the table below. Details of each Eligible Disaster Event are attached as Attachment 1 to 4.

Event	Event Dates	Disaster Proclamation Date	Eligible WANDRRA Disaster
Tropical Cyclone Hilda	27 December 2017	16 January 2018	AGRN780
Tropical Cyclone Joyce	11 to 16 January 2018	23 January 2018	AGRN787
Tropical Low & Associated Flooding	29 to 31 January 2018	9 February 2018	AGRN781
Tropical Cyclone Kelvin	17 to 19 February 2018	16 March 2018	AGRN793

OEM have further advised that although categorised separately they will be dealt with administratively as a single event due to the close proximity of each individual event.

Final costs are still being determined by officers as part of the 3rd quarter Finance and Costing Review (FACR). A detailed reconciliation of emergency works is currently underway to ensure all costs associated with emergency works are captured, including staff time and council plant and equipment usage. A report detailing the full costs of the recovery efforts will be presented to Council in due course. It is expected that the majority of emergency works costs will be met by WANDRRA funding or insurance cover.

Where expenditure has been authorised under section 6.8(1)(c) of the *Local Government Act 1995* in accordance with the *Local Government Act 1995* section 6.8(2)(b) a report is to be presented to the next ordinary meeting of Council.

CONSULTATION

Shire President
Main Roads WA
Department of Fire and Emergency Services
Office of Emergency Management

STATUTORY ENVIRONMENT

Local Government Act 1995

6.8. Expenditure from municipal fund not included in annual budget

- (1) *A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure —*
 - (a) *is incurred in a financial year before the adoption of the annual budget by the local government; or*
 - (b) *is authorised in advance by resolution*; or*

(c) is authorised in advance by the mayor or president in an emergency.

* Absolute majority required.

(1a) In subsection (1) —

additional purpose means a purpose for which no expenditure estimate is included in the local government's annual budget.

(2) Where expenditure has been incurred by a local government —

(a) pursuant to subsection (1)(a), it is to be included in the annual budget for that financial year; and

(b) pursuant to subsection (1)(c), it is to be reported to the next ordinary meeting of the council.

[Section 6.8 amended by No. 1 of 1998 s. 19.]

POLICY IMPLICATIONS

Policy 2.1.2 - Purchasing

FINANCIAL IMPLICATIONS

The Shire engaged the following contractors to assist with the emergency works. The table below includes a summary of contractor costs to date:

Contractor	Value (incl GST)
Broomecrete	\$3,542.00
Broome Tree & Palm Service	\$2,794.00
Coates Hire	\$389.24
Djarindjin Aboriginal Corporation	\$1,815.00
Kimberley Quarry Pty Ltd	\$37,990.75
McCorry Brown Earthmoving	\$52,307.75
Roebuck Tree Service	\$5,440.00
Roadline Civil Contractors Pty Ltd	\$40,798.45
Quic Dig Pty Ltd	\$495.00
Talis Consultants	\$50,191.06
Team Tree Lopper	\$10,450.00

RISK

There is a statutory risk if the expenditure authorised by the Shire President under Section 6.8(1)(c) of *Local Government Act 1995* is not presented to Council in accordance with Section 6.8 (2)(b).

STRATEGIC IMPLICATIONS

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

Effective communication

Accessible and safe community spaces

A healthy and safe environment

Core asset management to optimise the Shire's infrastructure whilst minimising life cycle costs.

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

Improved systems, processes and compliance

VOTING REQUIREMENTS

Simple Majority

REPORT RECOMMENDATION:

That Council:

1. Pursuant to section 6.8(1)(c) of the Local Government Act 1995, notes the actions of the Shire President in authorising emergency expenditure to facilitate recovery efforts following the extreme weather events impacting Broome from December 2017 to February 2018.
2. Notes officers will undertake a detailed reconciliation of accounts to ensure all costs associated with emergency works are captured and reported to Council in due course; and
3. Notes that Tropical Cyclones Hilda, Joyce, Kelvin and the Tropical Low and Associated Flooding have been declared as natural disaster events under the Western Australian Natural Disaster Relief and Recovery Arrangements, hence some costs associated with relief and recovery will be offset through State and Federal funding.

Attachments

1. AGRN780 Tropical Cyclone Hilda
2. AGRN781 Tropical Cyclone Joyce
3. AGRN787 Tropical Low & Associated Flooding
4. AGRN793 Tropical Cyclone Kelvin



Government of Western Australia
Office of Emergency Management



Australian Government
Department of Home Affairs

**2017/18 WANDRRA ELIGIBLE DISASTER PROCLAMATION NOTIFICATION
*TROPICAL CYCLONE HILDA AND ASSOCIATED HEAVY RAINFALL IN BROOME
AND WEST KIMBERLEY (27 DECEMBER 2017)***

The above event has been proclaimed an *eligible disaster* under the Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA) on 16 January 2018, pursuant to clause 4.2 of the Natural Disaster Relief and Recovery Arrangements (NDRRA) Determination 2017, issued by the Commonwealth Government Attorney-General's Department. The State Government will provide immediate financial assistance to those people who have been affected through joint State and Commonwealth disaster relief and recovery arrangements.

A tropical low north of Broome was monitored on 27 December 2017 as it brought heavy rain to coastal parts of the west Kimberley before it reached category 1 tropical cyclone intensity overnight as it moved over water and along the coast. Reports received from various sources have informed us that the region included in this request has been severely affected by cyclonic winds and heavy rainfall and that road infrastructure has been damaged.

Pursuant to subclause 1.1.1 of the NDRRA Determination 2017, 'Cyclone' is deemed to be an eligible *natural disaster* event.

For the purposes of the Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA) this event will be referred to as '***Tropical Cyclone Hilda and associated heavy rainfall in Broome and West Kimberley (27 December 2017)***'.

WANDRRA is jointly funded by the State and Commonwealth Governments and administered by the Office of Emergency Management, with assistance from other agencies. Through WANDRRA, the Western Australian and Commonwealth Governments provide help to people who have suffered the direct impact of a proclaimed natural disaster event.

The Local Government districts currently subject to this proclamation are as follows:

- Shire of Broome

If information becomes available that identifies other local government districts as potentially having been directly impacted by this natural disaster event, subject to further assessment these local government districts may, at a later date, be included in the affected area.

The eligible costs for this event are anticipated to be largely associated with the restoration and replacement of the road network infrastructure, the removal of debris from residential properties to make them safe and habitable as well as counter disaster operations for the protection of the general public.

Assistance may be available for the following measures (*where appropriate*) typically covered by the WANDRRA:

- **For individuals and families** – Personal Hardship and Distress grants which are administered by the Department of Communities (Child Protection and Family Support Section). Potential measures include emergency food, accommodation, clothing, temporary living expenses, replacement of essential household contents and housing repairs to return housing to a habitable, safe and secure condition. **Note** – some of these measures are subject to income and/or assets testing.
- **For small businesses** – interest rate subsidies on 'new' loans approved by Authorised Deposit-taking Institutions.
- **For Primary Producers** – Assistance may be available toward freight costs, materials for boundary fences (***only where it is demonstrated that public safety is at risk***), professional advice grants and interest rate subsidies on 'new' loans approved by Authorised Deposit-taking Institutions. These *eligible measures* are administered by the Department of Primary Industries and Regional Development, Agriculture and Food (Rural Business and Development Unit). **Note** – Primary Producer Claims should be lodged before (10 July 2018).
- **For Local Governments & State Government Agencies** – Clean-up costs and the restoration or replacement (to pre-disaster standard) of *essential public assets* including local road damage. State road damage is also included through Main Roads Western Australia. Only costs incurred that are 'additional' costs, and are directly related to the event, will be eligible for reimbursement. **Note** - The *allowable time limit* for eligible claims expires on 30 June 2020.

Claims in respect of any other *eligible measures* may also be considered.

It should be noted that assistance under the WANDRRA is not designed to supplant, or operate as a disincentive for self-help by way of commercial insurance.

Primary Contacts

Primary contacts for assistance/advice are:

- ☐ Department of Communities, Emergency Services (Child Protection and Family Support) by phone on 1800 032 965, or via website [here](#);
- ☐ Local Government – Main Roads Western Australia regional offices for road infrastructure via website [here](#);
- ☐ Department of Primary Industries and Regional Development (Agriculture and Food) Rural Business Development Unit, by phone on 1800 198 231 or via website [here](#); and
- ☐ Other enquiries may be directed to the Office of Emergency Management - contact (WANDRRA Administrator) by phone on 6551 4034 or 6551 4041, or by email to – wandrara@oem.wa.gov.au

END



Government of Western Australia
Office of Emergency Management



Australian Government
Department of Home Affairs

**2017/18 WANDRRA ELIGIBLE DISASTER PROCLAMATION NOTIFICATION
RAINFALL FOLLOWING TROPICAL CYCLONE JOYCE (11 to 16 January 2018).**

The above event has been proclaimed an *eligible disaster* under the Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA) on 18 January 2018, pursuant to clause 4.2 of the Natural Disaster Relief and Recovery Arrangements (NDRRA) Determination 2017, issued by the Commonwealth Government Attorney-General's Department. The State Government will provide immediate financial assistance to those people who have been affected through joint State and Commonwealth disaster relief and recovery arrangements.

Ex-Tropical Cyclone Joyce crossed the Kimberley coast on 11 January 2018 and then affected the western parts of the Kimberley region before moving into the Pilbara region and then extending south west into the Northern Gascoyne on the morning of 13 January and the central parts of the Gascoyne later that day. Heavy rainfall was also experienced during the 14 January as it continued towards the south west of the State.

Pursuant to subclause 1.1.1 of the NDRRA Determination 2017, 'Cyclone' is deemed to be an eligible *natural disaster* event.

For the purposes of the Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA) this event will be referred to as '**Rainfall following Tropical Cyclone Joyce (11 to 16 January 2018)**'.

WANDRRA is jointly funded by the State and Commonwealth Governments and administered by the Office of Emergency Management, with assistance from other agencies. Through WANDRRA, the Western Australian and Commonwealth Governments provide help to people who have suffered the direct impact of a proclaimed natural disaster event.

The Local Government districts currently subject to this proclamation are as follows:

Included on 23 January 2018

- | | | | |
|--------------|------------------|-------------------|------------------|
| • Dandaragan | • Upper Gascoyne | • Victoria Plains | • Wongan-Ballidu |
| • Moora | • Gingin | • York | • Cunderdin |
| • Quairading | • Dalwallinu | • Northam | • Broome |

Included on 24 January 2018

- | | | |
|-------------|---------------|----------------|
| • Murchison | • Meekatharra | Chapman Valley |
|-------------|---------------|----------------|

Amended on 7 February 2018

- Shire of Mundaring removed from Proclamation

Included on 16 February 2018

- Shire of Beverley

Included on 13 March 2018

- Shire of Ashburton

If information becomes available that identifies other local government districts as potentially having been directly impacted by this natural disaster event, subject to further assessment these local government districts may, at a later date, be included in the affected area.

The eligible costs for this event are anticipated to be largely associated with the restoration and replacement of the road network infrastructure.

Assistance may be available for the following measures (*where appropriate*) typically covered by the WANDRRA:

- **For individuals and families** – Personal Hardship and Distress grants which are administered by the Department of Communities (Child Protection and Family Support Section). Potential measures include emergency food, accommodation, clothing, temporary living expenses, replacement of essential household contents and housing repairs to return housing to a habitable, safe and secure condition. **Note** – some of these measures are subject to income and/or assets testing.
- **For small businesses** – interest rate subsidies on 'new' loans approved by Authorised Deposit-taking Institutions.
- **For Primary Producers** – Assistance may be available toward freight costs, materials for boundary fences (***only where it is demonstrated that public safety is at risk***), professional advice grants and interest rate subsidies on 'new' loans approved by Authorised Deposit-taking Institutions. These *eligible measures* are administered by the Department of Primary Industries and Regional Development, Agriculture and Food (Rural Business and Development Unit). **Note** – Primary Producer Claims should be lodged before (10 July 2018).
- **For Local Governments & State Government Agencies** – Clean-up costs and the restoration or replacement (to pre-disaster standard) of *essential public assets* including local road damage. State road damage is also included through Main Roads Western Australia. Only costs incurred that are 'additional' costs, and are directly related to the event, will be eligible for reimbursement. **Note** - The *allowable time limit* for eligible claims expires on 30 June 2020.

Claims in respect of any other *eligible measures* may also be considered.

It should be noted that assistance under the WANDRRA is not designed to supplant, or operate as a disincentive for self-help by way of commercial insurance.

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Office of **Emergency Management**



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- ☐ Department of Primary Industries and Regional Development (Agriculture and Food) Rural Business Development Unit, by phone on 1800 198 231 or via website [here](#); and
- ☐ Other enquiries may be directed to the Office of Emergency Management - contact (WANDRRA Administrator) by phone on 6551 4034 or 6551 4041, or by email to – wandrre@oem.wa.gov.au END



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2017/18 WANDRRA ELIGIBLE DISASTER PROCLAMATION NOTIFICATION
TROPICAL LOW AND ASSOCIATED FLOODING IN THE KIMBERLEY and EAST
PILBARA REGIONS – 29 to 31 JANUARY 2018

The above event has been proclaimed an *eligible disaster* under the Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA) on 9 February 2018, pursuant to clause 4.2 of the Natural Disaster Relief and Recovery Arrangements (NDRRA) Determination 2017, issued by the Commonwealth Government Department of Home Affairs. The State Government will provide immediate financial assistance to those people who have been affected through joint State and Commonwealth disaster relief and recovery arrangements.

A Tropical Low was located in the Kimberley region of Western Australia around 250 kilometers south east of Broome. This low moved throughout the Kimberley and East Pilbara regions through Tuesday 29 January and Wednesday 30 January 2018. There has been extremely heavy rainfall on Tuesday 29 January with totals of 449mm in West Roebuck and 439mm at Broome Airport. In addition there have severe wind conditions in excess of 100 km/h. There are reports of large numbers of roads affected by flooding, but it is not currently possible to ascertain costs of repair.

Pursuant to subclause 1.1.1 of the NDRRA Determination 2017, 'Flood' is deemed to be an eligible *natural disaster* event.

For the purposes of the Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA) this event will be referred to as '***Tropical Low and Associated Flooding in the Kimberley and East Pilbara regions (29 to 31 January 2018)***'.

WANDRRA is jointly funded by the State and Commonwealth Governments and administered by the Office of Emergency Management, with assistance from other agencies. Through WANDRRA, the Western Australian and Commonwealth Governments provide help to people who have suffered the direct impact of a proclaimed natural disaster event.

The Local Government districts currently subject to this proclamation are as follows:

31 January 2018

- Broome
- Derby-West Kimberley
- Wyndham-East Kimberley
- Halls Creek
- East Pilbara

If information becomes available that identifies other local government districts as potentially having been directly impacted by this natural disaster event, subject to further

assessment these local government districts may, at a later date, be included in the affected area.

The eligible costs for this event are anticipated to be largely associated with the restoration and replacement of the road network infrastructure.

Assistance may be available for the following measures (*where appropriate*) typically covered by the WANDRRA:

- **For individuals and families** – Personal Hardship and Distress grants which are administered by the Department of Communities (Child Protection and Family Support Section). Potential measures include emergency food, accommodation, clothing, temporary living expenses, replacement of essential household contents and housing repairs to return housing to a habitable, safe and secure condition. **Note** – some of these measures are subject to income and/or assets testing.
- **For small businesses** – interest rate subsidies on 'new' loans approved by Authorised Deposit-taking Institutions.
- **For Primary Producers** – Assistance may be available toward freight costs, materials for boundary fences (***only where it is demonstrated that public safety is at risk***), professional advice grants and interest rate subsidies on 'new' loans approved by Authorised Deposit-taking Institutions. These *eligible measures* are administered by the Department of Primary Industries and Regional Development, Agriculture and Food (Rural Business and Development Unit). **Note** – Primary Producer Claims should be lodged before (9 August 2018).
- **For Local Governments & State Government Agencies** – Clean-up costs and the restoration or replacement (to pre-disaster standard) of *essential public assets* including local road damage. State road damage is also included through Main Roads Western Australia. Only costs incurred that are 'additional' costs, and are directly related to the event, will be eligible for reimbursement. **Note** - The *allowable time limit* for eligible claims expires on 30 June 2020.

Claims in respect of any other *eligible measures* may also be considered.

It should be noted that assistance under the WANDRRA is not designed to supplant, or operate as a disincentive for self-help by way of commercial insurance.

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**2017/18 WANDRRA ELIGIBLE DISASTER PROCLAMATION NOTIFICATION
AGRN793 TROPICAL CYCLONE KELVIN AND ASSOCIATED FLOODING (17-19
February 2018).**

The above event has been proclaimed an *eligible disaster* under the Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA) on 9 March 2018, pursuant to clause 4.2 of the Natural Disaster Relief and Recovery Arrangements (NDRRA) Determination 2017, issued by the Commonwealth Government Department of Home Affairs. The State Government will provide immediate financial assistance to those people who have been affected through joint State and Commonwealth disaster relief and recovery arrangements.

On 18 February 2018 Tropical Cyclone Kelvin crossed the Western Australia coast at Anna Plains Station, 250 kilometers south of Broome, as a category 2 cyclone. The area experienced extremely heavy rainfall on 17 and 18 February with totals exceeding 500mm in Broome as well as severe winds in excess of 100km/hr.

Pursuant to subclause 1.1.1 of the NDRRA Determination 2017, 'Cyclone' and 'Flood' are deemed eligible *natural disaster* events.

For the purposes of the Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA) this event will be referred to as '**AGRN793 Tropical Cyclone Kelvin and Associated Flooding (17-19 February 2018)**'.

WANDRRA is joint-funded by the State and Commonwealth Governments and administered by the Office of Emergency Management, with assistance from other agencies. Through WANDRRA, the Western Australian and Commonwealth Governments provide help to people who have suffered the direct impact of a proclaimed natural disaster event.

The Local Government districts currently subject to this proclamation are as follows:

As at 13 March 2018

Broome	Derby-West Kimberley	Wyndham-East Kimberley	Laverton
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If information becomes available that identifies other local government districts as potentially having been directly impacted by this natural disaster event, subject to further assessment these local government districts may, at a later date, be included in the affected area.

Eligible costs for this event are anticipated to be largely associated with the restoration and replacement of the road network infrastructure. There have also been reports of

emergency assistance required for individuals, itinerants and tourists, as well as residential housing repairs.

Assistance may be available for the following measures (*where appropriate*) typically covered by the WANDRRA:

- **For individuals and families** – Personal Hardship and Distress grants which are administered by the Department of Communities (Child Protection and Family Support Section). Potential measures include emergency food, accommodation, clothing, temporary living expenses, replacement of essential household contents and housing repairs to return housing to a habitable, safe and secure condition. **Note** – some of these measures are subject to income and/or assets testing.
- **For small businesses** – interest rate subsidies on 'new' loans approved by Authorised Deposit-taking Institutions.
- **For Primary Producers** – Assistance may be available toward freight costs, materials for boundary fences (***only where it is demonstrated that public safety is at risk***), professional advice grants and interest rate subsidies on 'new' loans approved by Authorised Deposit-taking Institutions. These *eligible measures* are administered by the Department of Primary Industries and Regional Development, Agriculture and Food (Rural Business and Development Unit). **Note** – Primary Producer Claims should be lodged before (13 September 2018).
- **For Local Governments & State Government Agencies** – Clean-up costs and the restoration or replacement (to pre-disaster standard) of *essential public assets* including local road damage. State road damage is also included through Main Roads Western Australia. Only costs incurred that are 'additional' costs, and are directly related to the event, will be eligible for reimbursement. **Note** - The allowable time limit for eligible claims expires on 30 June 2020.

Claims in respect of any other *eligible measures* may also be considered.

It should be noted that assistance under the WANDRRA is not designed to supplant, or operate as a disincentive for self-help by way of commercial insurance.

Primary Contacts

Primary contacts for assistance/advice are:

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contact (WANDRRA Administrator) by phone on 6551 4034 or 6551 4041, or by
email to – [wandrra@oem.wa.gov.au](mailto:wandrre@oem.wa.gov.au) END

12.2 NOTICE OF INTENTION TO IMPOSE 2018/2019 DIFFERENTIAL RATES

LOCATION/ADDRESS:	Nil
APPLICANT:	Nil
FILE:	468
AUTHOR:	Manager Financial Services
CONTRIBUTOR/S:	Nil
RESPONSIBLE OFFICER:	Director Corporate Services
DISCLOSURE OF INTEREST:	Nil
DATE OF REPORT:	17 April 2018

SUMMARY: As part of the 2018/2019 budget process, Council is required to endorse the proposed differential rates for local public notice seeking public comment for not less than 21 days. This provides an opportunity for public submissions to be considered prior to the final adoption of rates. In summary, the proposed rates for the 2018/2019 financial year delivers a general rate increase of 1.78% to balance the draft budget for 2018/19. The UV Mining rating category is proposed to have a lesser minimum payment of \$500 consistent with 2017/2018. Minimum payments on all other properties are proposed to remain at \$1,220.

BACKGROUND

The purpose of the levying of rates is to meet Council's budget requirements in each financial year in order to deliver services and community infrastructure. The rates levied on properties are determined by applying the rate in the dollar to the applicable valuation amount of the properties in the district. The methods of land valuation are determined by the Minister for Local Government and Communities (the Minister) and the actual amount of property valuation is provided by the Valuer General's Office (VGO).

The application of differential rates takes into consideration section 6.33 of the *Local Government Act 1995* (LGA) which provides the ability to differentially rate properties based on zoning and/or land use as determined by the Shire of Broome (the Shire).

Section 6.35 of the LGA also provides the ability to impose a minimum payment which is greater than the general rate which would otherwise be payable on that land. The application of differential rating on the basis of land use and/or zoning results in a rate in the dollar and minimum payment amounts for each rating category.

In accordance with section 6.36 of the LGA, a local government is required to give local public notice of intention of imposing differential general rates or a minimum payment.

The application of differential rates and minimum payments maintains equity in the rating of properties across the Shire, enabling Council to provide facilities, infrastructure and services to the entire community and visitors.

In summary this report has been developed to present to Council:

1. The 2018/2019 budget process to date including revenue required to be raised from rates as per the 2018/2019 draft budget;
2. The proposed rating categories and corresponding valuations;
3. The proposed rate in the dollar for each rating category reflecting a 1.78% increase from the preceding year;
4. The proposed minimum payments for each rating category, which remained the same as the preceding year. Once again UV Mining category is set at a lower level to ensure compliance with section 6.35 of the LGA;
5. An illustration of the proposed differential rates and minimum payments required to be raised to balance the 2018/2019 budget; and
6. The required public notice of certain rates.

Recommendations are also included in this report for Council's consideration.

COMMENT

1. Summary of budget process to date and revenue required to be raised from rates

A number of Council presentations and workshops have been held to date including:

- Overview of Integrated Planning and Reporting Framework - 14 December 2017
- Draft Fees & Charges – 29 March 2018
- Draft Operating Budget which includes Engineering Works & Plant Replacement, Capital Budget & Project Briefs, Project Site Visit and Rates Information – 17 April 2018

The draft budget was primarily developed with reference to Council's adopted Corporate Business Plan (CBP), Long Term Financial Plan (LTFP) and Asset Management Plans (AMP's). Consideration was also given to a number of project briefs that were submitted by staff and presented to Council through the aforementioned workshops.

Following deliberations and feedback provided by Councillors at the Budget Workshop on 17 April 2018, minor amendments have been made to the draft budget documents. As part of the budget workshops with Council, it was identified that \$22.4M of rates revenue was required to achieve a balanced budget in 2018/2019.

Key achievements in this year's budget include:

- Zero-based budgeting and improved efficiencies which resulted in operational savings compared to the 17/18 budget and 18/19 LTFP;
- A continued focus by officers in leveraging Council funds to attract significant grant funding; and
- A focus on revenue raised through fees and charges.

All of these factors have resulted in a proposed rate increase of 1.78% across all differential rating categories to deliver the priorities and services of Council. This proposed increase is below the indicative figure of 2% included within the Shire's LTFP. In addition, a proposed minimum rate of \$1,220 has been applied to all rating categories except for the UV-Mining category which has been maintained at \$500 to ensure compliance with section 6.35 of the LGA.

The proposed 1.78% increase in rates enables the delivery of the following key capital projects within the draft budget:

- Town Beach boat ramp, trailer parking and ablution block at Catalinas - \$611K
- Youth Bike Recreation Precinct Stage 2- \$256K
- Surf Life Saving Club building upgrades - \$170K
- BRAC retractable shade sail replacement - \$62K
- Cable Beach Foreshore Masterplan implementation - \$120K
- Implementation of arts, culture, heritage, youth framework and community safety plan - \$105K
- Australia Day, Reconciliation Week, Chinatown Christmas decorations and various community events - \$125K
- Plant Replacement - \$967K (key items include replacement of heavy machinery and fleet vehicles)
- Renewal of various buildings - \$495K
- Various footpath constructions, renewals and upgrades - \$898K
- Furniture, equipment, capital ICT hardware and software projects- \$410K
- Renewal and upgrades of various parks, ovals and public open spaces - \$525K
- Urban roads reseal program - \$666K
- Other road upgrades- \$144K
- Various bus facilities renewal and upgrade - \$64K
- Various street lighting - \$223K
- Carparks and bus bays - \$66K
- Various business efficiency and effectiveness improvement projects - \$310K
- Reviews of municipal inventory, heritage list, local planning scheme, Broome townsite shorelines - \$84K
- Strategy and action plan to address homelessness in Broome - \$70K

The basis of the proposed rates modelling to achieve these capital projects and normal operational services is outlined in the following parts of this report.

2. The 2018/2019 Rating Categories and Corresponding Valuation Amounts

Gross Rental Value (GRV)

The LGA prescribes that properties of non-rural purpose be rated using GRV as the basis of calculation of annual rates. The VGO determines the GRV for all properties within the Shire. As per section 22 of the *Valuation of Land Act 1978*, the VGO also determines the frequency of general valuations although historically, the VGO has undertaken a triennial GRV revaluation with the most recent valuation occurring in September 2014 and effective from 1 July 2015. Under a triennial valuation cycle, updated valuation should have occurred in late 2017 to take effect from 1 July 2018. On 20 November 2017 however, the VGO confirmed that their general valuation program for the rest of the financial year ending 30 June 2018 has been fully committed and excluded Broome. The VGO prioritised other councils that had experienced more significant property valuation changes. Consequently, valuation in Broome is expected to occur and take effect not earlier than 1 July 2019.

Properties rated based on GRV are further categorised as follows:

- a. GRV – Residential – This rating category consists of properties located within the townsite boundaries which have a predominant residential use. The object of the rate for this category is to be the base rate by which all other GRV rated properties are assessed. The reason is that the other GRV rating categories have a higher demand on Shire resources and vacant land is encouraged to be developed.
- b. GRV – Residential Vacant – This rating category consists of vacant properties located within the townsite boundaries excluding land zoned as Tourist, Commercial

or Industrial. The object of the rate for this category is designed to encourage land owners to develop residential vacant land, discourage land banking and to reflect the different method used for the valuation of vacant residential land as compared to the GRV-Residential rate category. The reason is that excessive vacant land leaves subdivisions appearing barren and unsightly to the detriment of the aesthetics of the area. The rate in the dollar for this category is 62% higher than the GRV-Residential base rate.

- c. GRV – Commercial – This rating category consists of properties used for Commercial, Town Centre or Industrial purposes and non-residential vacant land, excluding properties with a tourism use. The object of the rate for this category is to raise additional revenue to fund the costs associated with the higher level of service provided to properties in this category. The reason is that the Shire incurs higher costs to service these areas including car park infrastructure, landscaping and other amenities. In addition, extra costs are also associated with economic development activities that have a benefit to these ratepayers. The rate in the dollar for this category is 10% higher than the GRV-Residential base rate.
- d. GRV – Tourism – This rating category consists of properties with a tourism use. The object of the rate for this category is to raise additional revenue to fund the costs associated with the higher reliance on Shire resources and the higher level of service provided to properties in this category. The reason this category is rated higher than the base rate for GRV is to fund costs associated with the heavier use of infrastructure and other Council assets and services in addition to contribution towards tourism promotion activities. The rate in the dollar for this category is 53% higher than the GRV-Residential base rate.

Unimproved Value (UV) Revaluations

Properties that are predominantly used for rural purposes are assigned a UV. The rate in the dollar set for the UV-Rural category forms the basis for calculating all other UV differential rates. UV properties are updated and re-valued by the VGO on an annual basis with the most recent valuations taking effect from 1 July 2018. UV-Rural revaluations have yet to be received from the VGO at the date of this report although the VGO advised that they are not expecting any changes in the general valuations of unimproved values in Broome and therefore rateable value of UV properties in 2018/19 are expected to remain the same as 2017/18. UV-Mining revaluations had not been received as at the date of this report and expected to be available late May.

- a. UV – Rural – This rating category consists of properties that are exclusively for rural use. The object of the rate for this category is to be the base rate by which all other UV rated properties are assessed. The reason is that the other UV rating categories have a higher demand on Shire resources.
- b. UV - Commercial Rural – This rating category consists of properties that are outside of the town site that have a commercial use inclusive of:
 - o Pearling Leases;
 - o Pastoral leases or Pastoral use;

As a consequence of the UV to GRV review in 2016/17, caravan parks, roadhouses and other short stay accommodation facilities previously classified in 2016-2017 under this category have been classified to either GRV-Tourism or GRV-Commercial depending on the nature of the related business.

The object of the rate for this category is to raise revenue to fund the additional costs of servicing these properties. The reason is that the Shire incurs higher costs in infrastructure maintenance as a result of extra vehicle movements on the Shire's road network due to the activities associated with these properties.

- c. UV – Mining – This rating category consists of properties that are used for mining, exploration or prospecting purposes. The object of the rate for this category is to raise additional revenue to fund the additional cost impacts to the Shire. The reason this category is rated higher than UV-Commercial is to reflect the higher road infrastructure maintenance costs to Council as a result of frequent heavy vehicle use over extensive lengths of shire roads throughout the year.

3. The Proposed Rate in the Dollar

As part of the annual budget process, Council must determine the general rate in the dollar to be used in the 2018-2019 financial year.

Following deliberations at the Budget Workshop on 17 April 2018 and feedback provided by Councillors, minor amendments have been made to the draft budget documents. The draft budget documents included a proposed general rate increase of 1.78% for all differential rating categories. Rates modelling has been undertaken and adjustments in the proposed general rates in the dollar and minimum payments have been made with consideration to achieving a minimal rate increase given the current economic climate.

Differential Rate Category	Minimum Payment Proposed	Rate in the \$ (Cents) Proposed
GRV – Residential	\$1,220	9.9283
GRV – Residential Vacant	\$1,220	16.0727
GRV – Commercial/Industrial	\$1,220	10.9568
GRV – Tourism	\$1,220	15.2390
UV – Rural	\$1,220	0.6687
UV – Mining	\$500	12.5464
UV – Commercial Rural	\$1,220	3.1327

The proposed rate in the dollar for each rating category is summarised in the table above and reflects a 1.78% increase from the preceding year.

At the completion of the UV to GRV review in 2016/17, it was proposed that 2017-2018 be the first year of a two-year phase out period of concessions granted on the localities of Coconut Well, 12 Mile and properties with a horticultural use. 2018/19 is therefore the year when the concessions on the localities of Coconut Well, 12 Mile and properties with horticultural use will discontinue.

On 29 June 2017 Ordinary Meeting of Council, the following concessions have been adopted to take effect in 17/18 to result in rates payable that is 50% less than the rates that would have otherwise been payable without any concessions.

<i>Concession Category</i>	<i>Concession in %</i>
<i>UV rated properties in the locality of Coconut Wells.</i>	<i>8.585%</i>
<i>UV rated properties in the locality of Twelve Mile.</i>	<i>7.935%</i>
<i>UV rated properties with a Horticulture recorded land use under Section 6.33 (1)(b) of the Local Government Act 1995</i>	<i>7.815%</i>

The frequent valuation of UV properties, which already provides a reduced and relatively lower valuation than other UV Rural properties in line with service limitations in certain localities. This therefore provides a fair and equitable rates methodology without the need for concessions on rate in the dollar.

4. The Proposed Minimum Payments

As part of the annual budget process, Council must determine the minimum payment for differential rating categories to be used in the 2018-2019 financial year.

The setting of minimum rates within rating categories recognises that every property receives some minimum level of benefit from the works and services provided by the Shire which is shared by all properties regardless of size, value and use. A proposed minimum rate of \$1,220 has been applied to all rating categories except for the UV-Mining category which has been set at \$500.

UV of mining tenements ranges from \$10 to \$70,000 and an average UV of \$11,557. The minimum rate for the UV-Mining category is set at a lower level compared to the other rating categories in order to ensure that the rate burden is distributed equitably between all other property owners paying the minimum amount. This will also ensure that less than 50% of the properties in this category are on the minimum rate and comply with Section 6.35 of the LGA.

5. Rates from Proposed Differential Rates and Minimum Payments Making up the 2018/2019 Budget Deficiency

Applying the rate in the dollar to the rateable value of the various properties within each rating category results in some estimated total rates of \$22.4M which is 100% of the \$22.4M budget deficiency. This percentage satisfies the requirements of section 6.34 of the LGA.

Detailed calculations illustrating the resulting rates for all differential rating categories along with associated minimum payments is summarised in the Attachment 3 of this report.

The following factors have been considered in the rates analysis due to their impact on ratepayers and yield and have been accounted for when setting the proposed rate in the dollar:

- The number of rateable properties compared to last year has increased from 6,821 in 2017/18 to 6,847 in 2018/19. This change is the net effect of the following changes:
 - 15 properties previously classified as GRV Residential becoming non-rateable by virtue of a confidential commercial settlement;
 - 2 properties previously classified as GRV Commercial becoming non-rateable by virtue of a confidential commercial settlement;
 - 2 properties previously classified as UV Rural becoming non-rateable by virtue of a confidential commercial settlement;
 - Surrender of 6 mining tenements;
 - Several subdivisions of land previously classified as residential vacant;
 - Changes to the rates exemption status of certain properties (e.g. Department of Housing);
- \$50,000 has been modelled to be received in interim rates for 2018/2019.
- The UV-Mining minimum payments amount remain at \$500.
- Minimum payments for all other rating categories remain at \$1,220.
- Concessions for Coconut Well, 12 Mile and properties with a Horticultural Land Use were halved in 2017-2018 year and removed in 2018-2019.

The proposed objects and reasons for Differential Rating for 2018/2019 is found in Attachment 2.

From a statutory perspective, it is important to note that section 6.35 of the LGA requires a local government to ensure that the general rate is imposed on not less than 50% of the number of separately rated properties or 50% of the number of properties in a Differential general rate category. This has been achieved in all categories except in GRV – Residential Vacant. It is proposed that Ministerial approval be sought in this circumstance to ensure a consistent rate increase is applied to all properties within this category.

In line with previous years, Ministerial approval must also be sought in accordance with section 6.33 of the LGA for the proposed UV-Mining and UV-Commercial Differential General rates as these are more than twice the lowest UV general rate.

It is acknowledged that the UV-Mining revaluations will require analysis upon receipt, however it is intended to ensure a comparable rate yield plus 1.78% is achieved from each UV category, thus not impacting the proposed total rate revenue. Council will need to consider these valuations prior to formally adopting differential rates and may need to adjust the UV rates in the dollar accordingly. In order to progress timely adoption of the budget it is proposed to seek public comments on the proposed UV differential rates indicating a 1.78% rate increase, however understanding this will be reviewed in due course upon receipt of UV-Mining valuations.

6. The Required Public Notice of Certain Rates

Section 6.36 of the LGA requires the Council to give local public notice of its intention to impose differential general rates or a minimum payment applying to a differential rate category. This allows the ratepayers to see how properties are rated across the district.

As per section 1.7 and 6.36 of the LGA, the local public notice of differential rates must:

- be published at least once in a newspaper circulating generally in the district;
- be displayed on a notice board at the local government's offices;
- be displayed on a notice board at each local government library;
- contain details of each rate or minimum payment the Council proposes to impose;
- advise where a document can be inspected that provides the objects of and reasons for each proposed rate and minimum payment;
- contain an invitation for electors or ratepayers to lodge submissions on any of the proposals within 21 days from the date of notice (i.e. the 21-day submission period excludes the first day of publishing); and
- be published within the period of 2 months prior to 1 July 2018 (i.e. not earlier than 1 May).

Council must then consider any submissions received prior to seeking the Minister's approval (should this be required) and prior to formally adopting the differential rates and minimum payments as part of the annual budget process.

CONSULTATION

Department of Local Government, Sport and Cultural Industries

STATUTORY ENVIRONMENT

Local Government Act 1995

1.7 Local public notice

- (1) Where under this Act local public notice of a matter is required to be given, a notice of the matter is to be —
 - (a) published in a newspaper circulating generally throughout the district; and
 - (b) exhibited to the public on a notice board at the local government's offices; and
 - (c) exhibited to the public on a notice board at every local government library in the district.
- (2) Unless expressly stated otherwise it is sufficient if the notice is —
 - (a) published under subsection (1)(a) on at least one occasion; and
 - (b) exhibited under subsection (1)(b) and (c) for a reasonable time, being not less than —
 - (i) the time prescribed for the purposes of this paragraph; or
 - (ii) if no time is prescribed, 7 days.

6.28 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 —
 - (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.

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 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.

6.34 Limit on revenue or income from general rates

Unless the Minister otherwise approves, the amount shown in the annual budget as being the amount it is estimated will be yielded by the general rate is not to —

- (a) be more than 110% of the amount of the budget deficiency; or
- (b) be less than 90% of the amount of the budget deficiency.

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.

6.47 Concessions

Subject to the Rates and Charges (Rebates and Deferrals) 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

The proposed differential rates and minimum payments for the 2018/2019 financial year will raise estimated rates revenue of \$22.4M. Detailed rates model is in Attachment 3.

RISK

Future decisions on this matter impact the rates levied on the ratepayers.

There is possible moderate risk of non-compliance with the LGA, possible moderate level public embarrassment and almost certain major financial implications to Council. In order to mitigate these risks, it is advised that Council support the recommendations of this report.

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

Affordable land for residential, industrial, commercial and community use

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

Sustainable and integrated strategic and operational plans

Responsible resource allocation

Effective community engagement

VOTING REQUIREMENTS*Simple Majority***REPORT RECOMMENDATION:***That Council:*

1. Publishes a local public notice proposing the 2018/2019 differential general rates and minimum payments set out in the table below and invites electors or ratepayers to lodge submissions about this proposal within 21 days from the date of notice:

DIFFERENTIAL RATE CATEGORY	RATE IN THE DOLLAR (cents)	MINIMUM PAYMENT
Residential (GRV)	9.9283	\$1,220
Residential – Vacant (GRV)	16.0727	\$1,220
Commercial (GRV)	10.9568	\$1,220
Tourism (GRV)	15.2390	\$1,220
Mining (UV)	12.5464	\$500
Rural (UV)	0.6687	\$1,220
Commercial Rural (UV)	3.1327	\$1,220

2. Notes the financial year 2018/19 as the year of complete phase-out and discontinuance of concessions granted on the localities of Coconut Well, 12 Mile and properties with horticultural use;
3. Adopts the Objects and Reasons presented in Attachment 2 for each of the proposed differential general rates and minimum payments in point 1 above; and
4. Following the close of the public submission period, requests the Chief Executive Officer to report back to Council, presenting any submissions for formal consideration prior to seeking Minister's 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(5) of the Local Government Act 1995 to impose a minimum payment of \$1220 on GRV - Residential Vacant properties as exemption to subsections 2, 3 and 4 of Section 6.35 of the Local Government Act 1995.

Attachments

1. 2018-2019 Draft Local Public Notice to Impose Differential Rates
2. 2018-2019 Draft Rating Objects and Reasons
3. 2018-2019 Proposed Rates Model

Shire of Broome

Notice of Intention to Impose Differential Rates

In accordance with Section 6.36 of the Local Government Act 1995, in its budget for the year ending **30 June 2019**, the Shire of Broome intends imposing the following differential rates and minimum payments.

DIFFERENTIAL RATE CATEGORY	RATE IN THE DOLLAR
UNIMPROVED VALUED PROPERTIES	
<i>UV – Mining</i>	0.125464
<i>UV – Rural</i>	0.006687
<i>UV – Commercial Rural</i>	0.031327
GROSS RENTAL VALUED PROPERTIES	
<i>GRV – Residential</i>	0.099283
<i>GRV – Residential – Vacant</i>	0.160727
<i>GRV – Commercial</i>	0.109568
<i>GRV – Tourism</i>	0.152390

A minimum payment of \$1,220 is proposed for all categories except UV – Mining category for which a minimum payment of \$500 is proposed.

The figures shown above are estimates and may change as part of Council's deliberations after consideration of any submissions received.

A statement of the objects and reasons for the proposed differential rates is available at Council's offices, corner Weld and Haas Streets, Broome Monday to Friday 8am to 4pm and on the Shire of Broome website at www.broome.wa.gov.au.

Written submissions from electors and ratepayers on the proposed rates and the minimum payments are to be addressed to the Chief Executive Officer, Shire of Broome, PO Box 44, Broome WA 6725 or emailed to shire@broome.wa.gov.au. No submissions will be considered after 4pm, **24 May 2018**.

For further details contact the Manager Financial Services, Alvin Santiago, on 08 9191 3456.

S MASTROLEMBO
CHIEF EXECUTIVE OFFICER

WAMA ADVERTISING ORDER			
Purchase Order Number:			
Contact Name:		Simon Penn	
Phone No.:	08 9191 3483	Fax No:	08 9191 3455
Email:	Simon.penn@broome.wa.gov.au		
Publications	Size and Style	Section or Classification	Insertion Date/s
Broome Advertiser	Lineage	Public Notices	3 May 2018
West Australian	Lineage	Local Govt Notices	N/A
Authorised By:	James Watt	Date:	



Objectives and Reasons of the Differential Rates and Minimum Payments for the 2018/19 Financial Year

In accordance with Section 6.36 of the Local Government Act 1995, the Shire of Broome is required to publish its Objects and Reasons for implementing Differential Rates.

Overall Objective

The purpose of the levying of rates is to meet the Shire's budget requirements each financial year to deliver services and community infrastructure. Property valuations provided by the Valuer General are used as the basis for the calculation of rates each year. Section 6.33 of the *Local Government Act 1995* provides the ability to differentially rate properties based on zoning and/or land use as determined by the Shire of Broome. Properties are grouped according to town planning zonings and/or predominant land use with each having a separately calculated rate in the dollar to achieve greater equity across all sectors.

Council has considered the Key Values contained within the Rating Policy Differential Rates (s.6.33) March 2016 released by the then Department of Local Government and Communities, being:

- Objectivity
- Fairness and Equity
- Consistency
- Transparency and administrative efficiency

A copy of this policy can be obtained from <https://www.dlqc.wa.gov.au/Publications/Pages/Rating-Policy-Differential-Rates.aspx>.

Council has determined its required rates yield after reviewing all revenue sources, expenditure and efficiency measures as part of its budget deliberations. After reviewing budgeted sources of revenue and expenditure for the financial year 2018/19, a budget deficiency of \$22.4M has been identified. To fund this deficit, the rate-in-dollar is proposed to be increased by 1.78% across all rating categories based on current valuations to reflect Council's objective of raising a total of \$22.4M in rates. This will ensure an equitable distribution of the required rates yield from one year to the next consistent with Shire's approach in previous years.

The rate yield of \$22.4M is in line with the revenue requirements of the Shire's Long Term Financial Plan (LTFP) of \$22.4M for the 2018/19 financial year and provides for Capital Works and Programs which includes:

- Plant Replacement - \$967K (key items include replacement of heavy machinery and fleet vehicles)
- Renewal of various buildings - \$495K
- Various footpath constructions, renewals and upgrades - \$898K
- Furniture, equipment, capital ICT hardware and software projects- \$410K
- Renewal and upgrades of various parks, ovals and public open spaces - \$525K
- Drainage survey and renewal - \$33K
- Urban roads reseal program - \$666K
- Hamersley Street extension - \$821K
- Hunter Street reconstruction stage 2 - \$653K

- Other road upgrades- \$144K
- Various bus facilities renewal and upgrade - \$64K
- Rubbish services - bin replacement - \$50K
- Various street lighting - \$223K
- Buckley's Road Waste Facility capping & other rehabilitation works - \$71K
- Youth Bike Recreation Precinct Stage 2- \$256K
- Surf Life Saving Club building upgrades - \$170K
- BRAC retractable shade sail replacement - \$62K
- Carparks and bus bays - \$66K
- Various warning signage upgrades - \$32K
- Cable Beach Foreshore Masterplan implementation - \$120K
- Town Beach boat ramp, trailer parking and ablution block at Catalinas - \$611K
- Implementation of arts, culture, heritage, youth framework and community safety plan - \$105K
- Various business efficiency and effectiveness improvement projects - \$310K
- Australia Day, Reconciliation Week, Chinatown Christmas decorations and various community events - \$125K
- Reviews of municipal inventory, heritage list, local planning scheme, Broome townsite shorelines - \$84K
- Strategy and action plan to address homelessness in Broome - \$70K

Council has reviewed its expenditure and considered efficiency measures as part of its budget deliberations. In particular, the following actions have been undertaken:

Efficiency Measures:

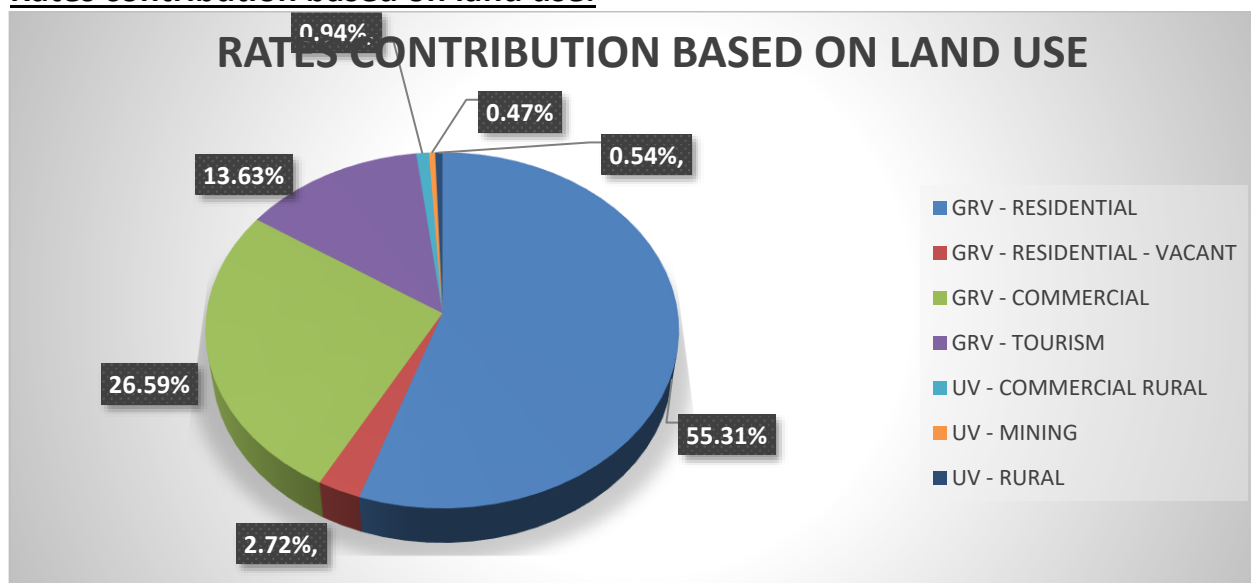
- Reviewed Inside Staff Enterprise Bargaining Agreement;
- reviewed position descriptions and remuneration as vacancies arise;
- renewal of Shire assets based on recently adopted Asset Management Plan;
- encouraged certain staff to take advantage of remote area housing through Shire leases therefore minimising need for staff housing stock;
- continued to outsource waste collection and domestic recycling education in cost effective manner;
- started provision of surveying services to other local governments on a fee for service basis;
- bush fire mitigation strategies and compliance measures were put in place to reduce scope of recurring work;
- disposal of under-utilised and maintenance-demanding light fleet and plant;
- installation of LED streetlighting and energy efficient fixtures;
- contractor inductions to reduce exposure to occupational health and safety risks
- conducted several internal audits of governance and legislative compliance;
- robust review of insurance services;
- changed the provision of pre-cyclone clean-up activities to become less resource intensive but still responsive to safety objectives of pre-cyclone preparations;
- revisiting the resourcing of GIS services;
- reduced some facility opening hours in line with service review findings regarding usage patterns; and
- installed after hours shut-off switch at Administration Building to limit unnecessary air-conditioning when the building is not occupied.

Below is a summary of the proposed minimum payments and rates in the dollar for 2018/19

Differential Rate Category	Minimum Payment	Rate in the \$ (Cents)
GRV – Residential	\$1,220	9.9283
GRV – Residential Vacant	\$1,220	16.0727
GRV– Commercial/Industrial	\$1,220	10.9568

GRV – Tourism	\$1,220	15.2390
UV – Rural	\$1,220	0.6687
UV – Mining	\$500	12.5464
UV – Commercial Rural	\$1,220	3.1327

Rates contribution based on land use:



The 2018/19 Rating Year utilises the most recent general revaluation effective 1 July 2015, with valuations assessed as at September 2014 by the Valuer General's office.

Gross Rental Value (GRV)

The *Local Government Act 1995* determines that properties of a non-rural purpose be rated using the Gross Rental Valuation (GRV) as the basis for the calculation of annual rates. The Valuer General determines the GRV for all properties within the Shire of Broome. The current valuation is effective from 1 July 2015 and the next GRV valuation is expected to take effect from 1 July 2019. The rental value for a house or other GRV property is influenced by factors such as age, construction, size, car shelters, pools and locations. Interim valuations are provided fortnightly to the Shire by the Valuer General for properties where changes have occurred (i.e. subdivisions or strata title of property, amalgamations, building constructions, demolition, additions and/or property rezoning). In such instances the Shire recalculates the rates for the affected properties and issues interim rates notices.

GRV properties contribute about 98% of the total rates as the properties in this category generally have much higher demand on Shire resources.

GRV – Residential (The Base Rate for Gross Rental Value)

This rating category consists of properties which have a predominant residential use. The object of the rate for this category is to be the base rate by which all other GRV rated properties are assessed. The reason for the rate in the dollar for this category is to reflect the level of rating required to raise the necessary revenue to operate efficiently and provide the diverse range of services and programs and associated infrastructure/facilities required for developed residential and urban areas.

Council is focused on sustainably managing its community and infrastructure assets through the funding of renewal and replacement asset programs. These programs include but are not

limited to investment in the resealing of roads, replacement and development of footpath networks, refurbishing of public ablutions and other building maintenance programs. The rates to be raised from this category are expected to be sufficient to meet the community needs and service levels for properties under this category within the Shire of Broome. This category is expected to contribute 55.31% of the total rates to be raised for 2018/19.

GRV – Residential Vacant

This rating category consists of properties which are vacant of any construction and zoned as residential under the Shire's Local Planning Scheme and excludes vacant land zoned as Tourist, Commercial or Industrial. The object of the rate for this category is to signify Council's preference for residential land to be developed rather than leaving it vacant. The encouragement of development is strategically important as it has a positive effect on local employment, economic diversity and further community returns from population-linked investment in the region by both State and Federal funding bodies. Another reason for the rate being higher than the base rate is to distribute the rates burden equitably considering the different method used for the valuation of vacant residential land as compared to the GRV-Residential category. This is also intended to discourage land investors from land banking and to discourage excessive vacant land leaving subdivisions barren and aesthetically unappealing which may provide prospects for potential antisocial behaviour. The rate in the dollar for this category is 62% higher than the GRV – Residential base rate. This category is expected to contribute 2.72% of the total rates to be raised for 2018/19.

GRV – Commercial

This rating category covers the town centre, commercial business, shopping centres, telecom tower sites and the airport. All properties rated under this category are zoned Commercial under the Town Planning Scheme, excluding properties with a tourism use. The purpose of this rating category is to recognise the impact of commercial properties on infrastructure and environment within the Shire. The object of the rate for this category is to recognise the greater share of costs associated with the provision of additional services like economic development, maintaining car park infrastructure, landscaping, environmental health, light industrial area infrastructure and other amenities. The rate in the dollar for this category is 10% higher than the GRV –Residential base rate. This category is expected to contribute 26.59% of the total rates to be raised for 2018/19.

GRV – Tourism

This rating category consists of properties with operations related to tourism. The purpose of this rating category is to recognise the impact of such properties on infrastructure and environment within the Shire. The object of the rate for this category is to recognise the greater share of costs associated with the provision of services in addition to the services provided in GRV Commercial category. Some additional costs are contribution towards economic development, tourism promotion, marketing activities, environmental health, public safety and law enforcement during the tourist season. The rate in the dollar for this category is 53% higher than the GRV –Residential base rate. This category is expected to contribute 13.63% of the total rates to be raised for 2018/19.

Unimproved Value (UV)

Properties that are predominantly used for rural purposes are assigned an Unimproved Value that is supplied and updated by the Valuer General on an annual basis. The rate in the dollar set for the UV-Rural category forms the basis for calculating all other UV differential rates.

UV properties contribute about 2% of the total rates as the properties in this category generally have much lower demand on Shire resources.

UV - Rural (The Base Rate for Unimproved Value)

This rating category consists of properties that are exclusively for rural use. The object of the rate for this category is to be the base rate by which all other UV rated properties are assessed. Other UV rating categories have a higher demand on Shire resources as compared to properties in the UV - Rural rating category. This category is expected to contribute 0.54% of the total rates to be raised for 2018/19.

UV - Commercial Rural

This rating category consists of properties that are outside of the townsite that have a commercial use inclusive of:

- Pearling Leases;
- Pastoral leases or Pastoral use;

The object of the rate for this category is to recognise the level of rating required to be raised to operate efficiently and provide for rural infrastructure and services in addition to the urban services, programs and infrastructure which are available to be accessed by the properties in this category. The Shire incurs higher costs of infrastructure maintenance and renewal of the rural road network due to its vulnerability to extreme weather conditions which is further increased by extra vehicle movements and activities associated with these properties. This category is expected to contribute 0.94% of the total rates to be raised for 2018/19.

UV – Mining

This rating category consists of properties that are used for mining, exploration or prospecting purposes. The object of the rate for this category is to reflect the impact on utilisation of rural infrastructure (comparative to Pastoral) by heavy transport and associated higher traffic volumes. In addition, these properties have access to all other services and facilities provided by the Shire. The reason this category is rated higher than UV-Commercial is to reflect the higher road infrastructure maintenance costs to the Shire because of frequent heavy vehicle use over extensive lengths of Shire roads throughout the year. This category is expected to contribute 0.47% of the total rates to be raised for 2018/19.

Minimum Payments

The setting of minimum rates within rating categories recognises that every property receives some minimum level of benefit from the works and services provided by the Shire which is shared by all properties regardless of size, value and use. A proposed minimum rate of \$1,220 has been applied to all rating categories except for the UV-Mining.

UV of mining tenements ranges from \$10 to \$70,000 and an average UV of \$11,557. The \$500 minimum rate for the UV-Mining category is set at a lower level compared to the other rating categories in order to ensure that the rate burden is distributed equitably between all other property owners paying the minimum amount. This also ensures that less than 50% of the properties in this category are on the minimum rate to ensure compliance with section 6.35 of the *Local Government Act 1995*.

Yours Faithfully,

Sam Mastrolembo
Chief Executive Officer

2018-2019 PROPOSED RATES MODEL

RATE TYPE	2018/19 Rate in \$ as cents	2018/19 Number of Properties	2018/19 Rateable Value \$	2018/19 Budgeted Rate Revenue \$	2018/19 Budgeted Interim Rates \$	2018/19 Budgeted Back Rates \$	2018/19 Budgeted Total Revenue \$	2017/18 Rate in \$ as cents	2017/18 Number of Properties	2017/18 Rateable Value \$	2017/18 Budgeted Total Revenue \$	Comparative Rate in \$ 18/19 to 17/18
Differential General Rate												
<u>Gross Rental Valuations</u>												
GRV - RESIDENTIAL	9.9283	4,849	123,138,866	12,234,303	50,000	0	12,284,303	9.755	4,786	122,303,352	11,861,039.00	1.78%
GRV - RESIDENTIAL - VACANT	16.0727	138	2,331,400	374,857	0	0	374,857	15.792	148	3,722,930	387,711.00	1.78%
GRV - COMMERCIAL	10.9568	579	54,140,974	5,917,153	0	0	5,917,153	10.765	582	54,178,978	5,790,824.00	1.78%
GRV - TOURISM	15.2390	425	16,860,500	2,548,542	0	0	2,548,542	14.973	426	18,768,668	2,528,530.00	1.78%
<u>Unimproved Value Valuations</u>												
UV - COMMERCIAL RURAL	3.1327	21	6,643,773	208,129	0	0	208,129	3.078	21	6,672,073	204,489.0	1.78%
UV - MINING	12.5464	37	690,043	86,576	0	0	86,576	12.327	41	988,982	116,413.0	1.78%
UV - RURAL	0.6687	53	17,486,000	116,928	-	-	116,928	3	55	21,011,300	129,486.7	
Sub-Total Differential General Rate		6,102	221,291,556	21,486,488	50,000	-	21,536,488		6,059	227,646,283	21,018,493	2.46%
RATE TYPE	2018/19 Minimum Payment \$	2018/19 Number of Properties	2018/19 Rateable Value \$	2018/19 Budgeted Rate Revenue \$	2018/19 Budgeted Interim Rates \$	2018/19 Budgeted Back Rates \$	2018/19 Budgeted Total Revenue \$	2017/18 Minimum Payment \$	2017/18 Number of Properties	2017/18 Rateable Value \$	2017/18 Budgeted Total Revenue \$	Comparative MIN PMNT 18/19 to 17/18
Minimum Payments												
<u>Gross Rental Valuations</u>												
GRV - RESIDENTIAL	1,220	74	900,572	90,280	0	0	90,280	1,220	73	821,692	89,060	0.00%
GRV - RESIDENTIAL - VACANT	1,220	198	1,157,070	241,560	0	0	241,560	1,220	216	1,269,480	263,520	0.00%
GRV - COMMERCIAL	1,220	25	182,874	30,500	0	0	30,500	1,220	26	194,054	31,720	0.00%
GRV - TOURISM	1,220	413	1,888,640	503,860	0	0	503,860	1,220	412	1,880,840	502,640	0.00%
<u>Unimproved Value Valuations</u>												
UV - COMMERCIAL RURAL	1,220	2	28,300	2,440	0	0	2,440	1,220	2	191,300	2,440	0.00%
UV - MINING	500	29	42,639	14,500	0	0	14,500	500	29	44,610	14,500	0.00%
UV - RURAL	1,220	4	191,300	4,880	0	0	4,880	4,880	4	28,300	4,880	
Sub-Total Minimum Payments		745	4,391,395	888,020	0	0	888,020		762	4,430,276	908,760	-2.28%
Sub-Total Differential General Rate & Minimum Payments							22,424,508				21,927,253	
Total Rates Before Discounts							22,424,508				21,927,253	
Discounts							(47,858)					
Total		6,847	225,682,951				22,376,649		6,821	232,076,559	21,927,253	2.05%