

Ordinary Council

MINUTES

FOR THE MEETING TO BE HELD
WEDNESDAY, 10 MAY 2017
IN COUNCIL CHAMBERS,
WALLCLIFFE ROAD, MARGARET RIVER
COMMENCING AT 5:30PM

Meeting Notice

Dear Councillor

I advise that an Ordinary Council Meeting of the Shire of Augusta Margaret River will be held in Council Chambers, Wallcliffe Road, Margaret River on Wednesday 10 May 2017, commencing at 5:30pm.

Yours faithfully



GARY EVERSLED
CHIEF EXECUTIVE OFFICER

11.4.2 2017-18 DIFFERENTIAL RATES AND MINIMUM PAYMENTS FOR PUBLIC COMMENT

LOCATION/ADDRESS	N/A
APPLICANT/LANDOWNER	Shire of Augusta Margaret River
FILE REFERENCE	FIN/11
REPORT AUTHOR	Andrew Ross, Manager Corporate Services
AUTHORISING OFFICER	Annie Riordan, Director Corporate and Community Services

IN BRIEF

- Providing public notice of the proposed differential rates and minimum payments is a requirement of Section 6.36 of the *Local Government Act 1995* (LG Act).
- Council are requested to adopt for local public advertising for a minimum period of 21 days the proposed differential rates and minimum payments for 2017-18.

RECOMMENDATION

That Council:

1. Having considered the Long Term Financial Plan and expenditure projections for 2017-18 approves for advertising the following rate model that results in a 3% increase to the Shire's rate yield by:
 - increasing rates in the dollar by 3% for GRV categories;
 - decreasing rates in the dollar for the UV Rural base rate by 1.94% to offset the impact of an average increase in rural property values of 4.1%;
 - increasing minimum payments for all rate categories by 3%.

3% Increase to Rate Yield								
	Minimum Payment	Rate in \$	Number of Minimums	Minimum Payments Raised	Number of Non-Minimums	Calculated Rates	Average Calculated Rate	Total Rates to be Raised
Residential	1,264.00	10.1900	842	1,064,288	4,166	7,299,111	1,752.07	8,363,399
Residential Vacant	1,264.00	19.5206	727	918,928	326	806,796	2,474.84	1,725,724
UV Rural	1,418.00	0.4456	181	256,658	779	2,308,729	2,963.71	2,565,387
Rural Residential	1,539.00	9.7613	138	212,382	630	1,246,920	1,979.24	1,459,302
Rural Residential Vacant	1,539.00	19.0007	30	46,170	140	330,073	2,357.66	376,243
Strata Titled Vineyard	833.00	0.4456	37	30,821	-	-		30,821
Industrial	1,358.00	12.0698	54	73,332	151	467,744	3,097.65	541,076
Commercial	1,358.00	12.0698	39	52,962	353	2,433,349	6,893.34	2,486,311
Tourism	1,358.00	12.0698	146	198,268	536	1,550,878	2,893.43	1,749,146
UV 1 - One rural use	1,418.00	0.5570	6	8,508	110	401,992	3,654.48	410,500
UV 2 - Two non rural uses	1,418.00	0.6684	0	-	19	87,006	4,579.24	87,006
UV 3 - Three or more non-rural uses	1,418.00	0.7798	0	-	16	104,735	6,545.93	104,735
UV Conservation	1,365.00	0.4355	16	21,840	70	258,016	3,685.95	279,856
			2,216	2,884,157	7,296	17,295,351		20,179,508

2. Advertises these rates in the dollar and minimum payments and invites written feedback from ratepayers within a period of 21 days from the giving of local public notice.
3. Approves the attached Statement of Objectives and Reasons for Differential Rates and Minimum Payments.

LOCATION PLAN

Nil

TABLED ITEMS

Nil

BACKGROUND

Rate revenue constitutes the largest funding source for the Shire of Augusta Margaret River. Rates are levied on all rateable properties within the Shire and the basis of rates is determined using Policy FI.15 Shire Rating.

The Rating methodology of Policy FI.15 Shire Rating is to apply a differential rating system based on the zoning and/or land use of a property in accordance with State planning legislation and the Shire's Local Planning Scheme 1 (LPS 1). Differential rating provides for fair and equitable rating and is administratively efficient to apply.

Landgate provide the Shire with valuations dependent on the properties rating basis of Unimproved Value (UV) or Gross Rental Value (GRV). The 2017 annual UV revaluation has been received and the next triennial GRV revaluation will come into force on 1 July 2018.

In accordance with the *Waste Avoidance and Resource Recovery (WARR) Act 2007*, the Shire's waste services are funded by a waste facilities maintenance rate and annual charges for collection of waste receptacles. All rateable properties in the Shire are charged the waste facilities maintenance rate which funds operation of transfer stations and the Shire's landfill site. A separate fee is also charged to properties provided a kerbside waste collection service and a kerbside recycling collection service.

In keeping with the requirements of the *Local Government Act (LG Act)*, Council is required to give local public notice for a minimum period of 21 days of the proposed 2017-18 rates in the dollar and minimum payments. Any submissions received must be considered by Council before the rates are adopted.

CONSULTATION AND ADVICE

External Consultation

Providing local public notice for 21 days of the proposed differential rates and minimum payments represents the external consultation process that is required.

Landgate

Manager, Country South West Property and Valuation services

Department of Local Government and Communities

Department of Local Government and Communities (DLGC) Rating Policy for Differential Rates
DLGC Rating Policy for Minimum Payments

Ratepayers and Electors

The proposal will be advertised for a minimum period of 21 days to allow ratepayers and electors to make submissions to Council. Public submissions are to be received by Monday 12 June 2017.

DISCUSSION / OFFICER COMMENTS

In setting the 2017-18 differential rates in the dollar and minimum payments, the Shire is required to take into consideration the following matters:

- Long Term Financial Plan (LTFP);
- Expenditure to be included in the 2017-18 draft Budget and how the deficiency between revenue and expenditure is to be funded by rates;
- Growth of rateable properties;
- Landgate UV property revaluations;
- Shire Rating Policy;
- Department of Local Government and Communities Rating policies; and
- Compliance with the provisions of the LG Act.

Long Term Financial Plan

The annual review of the 2017-18 to 2026-27 LTFP was adopted by Council on 12 April 2017 (OM2017/91) and assumes an annual rate percentage increase of 3% over and above property growth for the 2017-18 financial year. The LTFP provides for continued commitment to sound and prudent

financial management. The basis for developing the 2017-18 differential rates and minimum payments are consistent with the LTFFP.

Growth of rateable properties

After experiencing a period of growth last year as a result of the release of land developments in Cowaramup, Kudardup, Karridale and Margaret River, the rate of property growth has reduced in 2016-17. A comparison of the increase in the rateable property base over the past 5 years is tabled below.

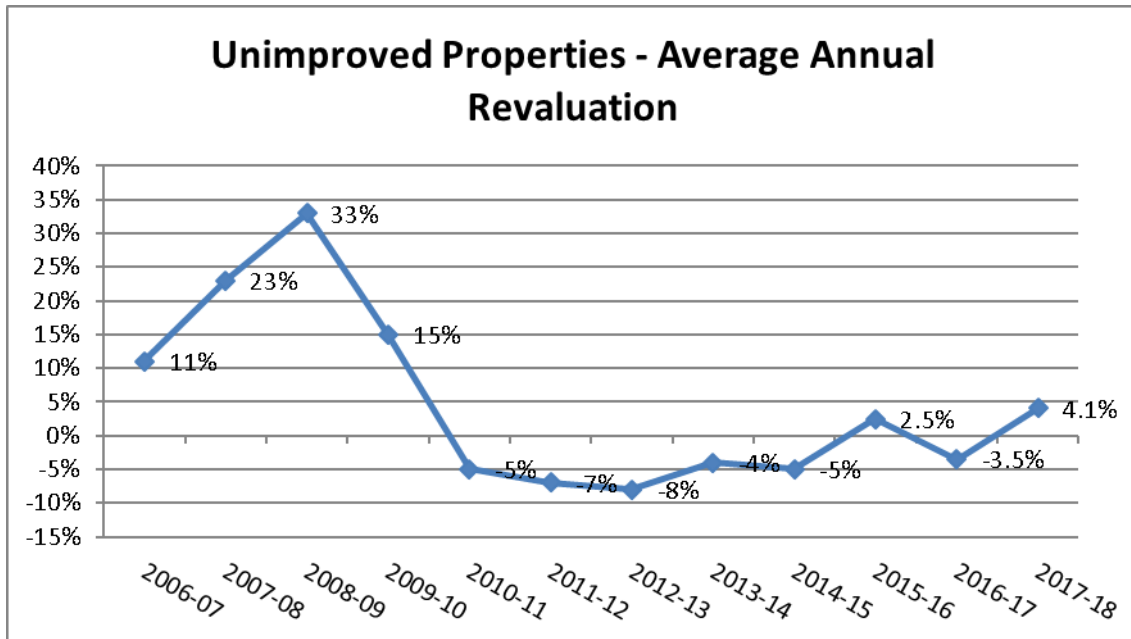
Table 1. Growth in rateable properties

Year	No. of Properties Rate Billing	Property Increase	% Increase
2013	8,895	73	0.8%
2014	8,936	41	0.5%
2015	9,055	119	1.3%
2016	9,332	277	3.1%
2017 (pre-reval)	9,491	159	1.7%
2017 (post-reval)	9,512	180	1.9%

In order to process the updated UV property valuations, 21 rural properties had to be added to the property database. Consequently, the number of rural properties and the total number of properties vary to those used for the initial rate modelling.

Landgate UV Revaluation

The 2017 UV property revaluation completed by Landgate results in an overall average increase of 4.1% to rural land values (note, Landgate’s valuer advised a 3.7% increase but comparison of actual valuations shows an increase of 4.1%). This compares to the previous year when values decreased by 3.5%. The historical annual change in property valuations are shown in the following chart.



To achieve an overall 3% increase in the rate yield despite the increase in property values, the rural rate in the dollar has been decreased by 1.94%. The UV tiered rating scale differentials of 25%, 50% and 75% are applied against the rural rate to obtain the proposed rates for 2017-18.

Variations in rural property values ranged from a decrease of 3.29% to an increase of 14.87%. About half of rural property valuations increased by less than 4% compared to last year and a further third recorded an increase of between 4% and 6%. Due to this range of variances some property owners will receive property rates that have not increased by 3% compared to 2016-17 and unfortunately others

will receive a greater increase. Property owners whose property values have not increased by 4.1% will receive a rate increase less than 3%. Rate modelling statistics shows that for the rural rating category the modal range for property rates with largest number of properties is between \$1,401 and \$1,600.

LG Act Compliance

In setting the differential rate in the dollar and minimum payment, the Shire must adhere to the requirements of the LG Act and in particular sections 6.33 and 6.35.

Section 6.33 states that the Shire cannot apply a rate in the dollar that is more than twice the lowest rate in the dollar for any differential rating category.

Section 6.35 states that the Shire cannot apply a minimum payment to more than 50% of the total number of properties for an individual differential rating category.

The differential rating category of Residential Vacant is non-compliant with section 6.35 of the LG Act as the total number of properties on the minimum payment exceeds 50%. This rating category has 1,053 properties with 727 properties on a minimum payment and 326 on the non-minimum (rate in the dollar calculation). The total number of properties on the minimum is to be no more than 526 (50% of 1,053). This result is non-compliant by 200 properties. Ministerial approval must be obtained before the rates can be implemented for 2017-18.

If the proposed model is adopted by Council for advertising, submissions received during the 21 day advertising period, which is planned to close on Monday 12 June 2017, will need to be considered at the Ordinary Meeting of Council on Wednesday 28 June 2017. After Council has considered submissions an application seeking approval of the proposed differential rates, specifically for the non-compliant Residential Vacant category, is to be provided to the Minister for Local Government via the Department of Local Government and Communities (DLGC). The DLGC in their rating policies have advised 21 days should be allowed for their consideration of the Shire's request. Once approval is received from the Minister via the DLGC, the differential rates can be provided to Council for adoption. Rates adoption is scheduled for 26 July 2017.

Rating models

Two rate models were considered. The first provides a 3% increase to the rate yield and is consistent with the recently adopted LTFF. The second provides a 2.5% increase to the rate yield.

The commencing point for rate modelling is to use up to date property details and the rating details for the current year (rates in the dollar and minimum payments) to identify the rate yield that has resulted from growth in properties. At 19 April 2017 there were 9,491 rateable properties which is an increase of 113 or 1.2% on the number of properties levied rates in July 2016. This base model provided a rate yield of \$19.598 million. The increase of \$0.236 million compared to the rate yield obtained when rates were billed in July 2016 is directly attributable to the increase in rateable properties and the updated valuations received during the year for developed properties.

The next stage is to establish a rate yield target for 2017-18 using current rateable property details and updated rating details (rates in the dollar and minimum payments) for the current year that have been increased by 3%. This model provided a target rate yield of \$20.186 million. This target is \$0.824 million higher than the rate yield obtained when rates were billed in July 2016 of which \$0.236 million is attributable to property growth and \$0.588 million is a result of the 3% rate yield increase.

Property details were then updated with the revised property valuations for rural or UV properties and due to the increase in property values the rate yield achieved was \$20.335 million. This result was \$0.149 million higher than the target rate yield of \$20.186 million.

Through an iterative process rates in the dollar for the UV rate codes were adjusted to compensate for the increase in property values and the model rerun to eventually obtain a rate yield of \$20.180 million. This result was a shortfall of \$0.006 million and is considered acceptable and also achieves the rating target of the LTFF.

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The same process occurred for the 2.5% rate yield option, however the rate yield amounts and targets were reduced.

In summary and compared to 2016-17 the rate models:

- Increased all minimum payments by 3% (or 2.5%);
- Increased rates in the dollar for all GRV rating categories by 3% (or 2.5%);
- Increases UV property values by an average of 4.1%; and
- Decreases rates in the dollar for the Rural UV category by 1.94% (or 2.29%).

The results of the models are shown in the following tables.

Table 2: 3% Increase to Rate Yield

Category	Total Properties	Minimum Payment	% Change Minimum	Rate in Dollar	% change Rate in \$	Average Calculated Rate	Rate Yield
Residential	5,008	1,264.00	3.02%	10.1900	3.00%	1,752.07	8,363,399
Residential Vacant	1,053	1,264.00	3.02%	19.5206	3.00%	2,474.84	1,725,724
UV Rural	960	1,418.00	2.98%	0.4456	-1.94%	2,963.71	2,565,387
Rural Residential	768	1,539.00	3.01%	9.7613	3.00%	1,979.24	1,459,302
Rural Residential Vacant	170	1,539.00	3.01%	19.0007	3.00%	2,357.66	376,243
Strata Titled Vineyard	37	833.00	2.97%	0.4456	-1.94%	-	30,821
Industrial	205	1,358.00	3.03%	12.0698	3.00%	3,097.65	541,076
Commercial	392	1,358.00	3.03%	12.0698	3.00%	6,893.34	2,486,311
Tourism	682	1,358.00	3.03%	12.0698	3.00%	2,893.43	1,749,146
UV 1 - One rural use	116	1,418.00	2.98%	0.5570	-1.94%	3,654.48	410,500
UV 2 - Two non rural uses	19	1,418.00	2.98%	0.6684	-1.94%	4,579.24	87,006
UV 3 - Three or more non-rural uses	16	1,418.00	2.98%	0.7798	-1.94%	6,545.93	104,735
UV Conservation	86	1,365.00	3.02%	0.4355	-0.25%	3,685.95	279,856
	9,512						20,179,508

The model outcomes reflect the parameters of the Shire's LTFP and provide sufficient revenue to meet expected service level needs and the known expected expenditure funding deficiency of the 2017-18 Budget.

Table 3: 2.5% Increase to Rate Yield

Category	Total Properties	Minimum Payment	% Change Minimum	Rate in Dollar	% change Rate in \$	Average Calculated Rate	Rate Yield
Residential	5,008	1,258.00	2.53%	10.1405	2.50%	1,743.56	8,322,892
Residential Vacant	1,053	1,258.00	2.53%	19.4258	2.50%	2,462.82	1,717,444
UV Rural	960	1,411.00	2.47%	0.4440	-2.29%	2,947.16	2,555,833
Rural Residential	768	1,531.00	2.48%	9.7139	2.50%	1,969.63	1,452,143
Rural Residential Vacant	170	1,531.00	2.48%	18.9085	2.50%	2,346.22	374,401
Strata Titled Vineyard	37	829.00	2.47%	0.4440	-2.29%	-	30,673
Industrial	205	1,351.00	2.50%	12.0113	2.50%	3,082.63	538,431
Commercial	392	1,351.00	2.50%	12.0113	2.50%	6,859.93	2,474,244
Tourism	682	1,351.00	2.50%	12.0113	2.50%	2,879.40	1,740,607
UV 1 - One rural use	116	1,411.00	2.47%	0.5550	-2.29%	3,641.36	409,015
UV 2 - Two non rural uses	19	1,411.00	2.47%	0.6660	-2.29%	4,562.80	86,693
UV 3 - Three or more non-rural uses	16	1,411.00	2.47%	0.7770	-2.29%	6,522.43	104,359
UV Conservation	86	1,358.00	2.49%	0.4320	-1.05%	3,656.32	277,671
	9,512						20,084,406

The model outcomes result in \$95,101 less rate yield than the preferred 3% rate yield model.

To provide an understanding of the impact of the two rate yield increase scenarios on ratepayers, the following tables compare minimum payments and average rates for non-minimum payments compared to rates billed for 2016-17.

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Table 4: Comparison of Minimum Payments

	2016-17	Increase for 2016-17	3% Increase	Increase to 2016-17	2.50% Increase	Increase to 2016-17
Residential	1,227.00	36.00	1,264.00	37.00	1,258.00	31.00
Residential Vacant	1,227.00	36.00	1,264.00	37.00	1,258.00	31.00
UV Rural	1,377.00	40.00	1,418.00	41.00	1,411.00	34.00
Rural Residential	1,494.00	44.00	1,539.00	45.00	1,531.00	37.00
Rural Residential Vacant	1,494.00	44.00	1,539.00	45.00	1,531.00	37.00
Strata Titled Vineyard	809.00	24.00	833.00	24.00	829.00	20.00
Industrial	1,318.00	38.00	1,358.00	40.00	1,351.00	33.00
Commercial	1,318.00	38.00	1,358.00	40.00	1,351.00	33.00
Tourism	1,318.00	38.00	1,358.00	40.00	1,351.00	33.00
UV 1 - One rural use	1,377.00	40.00	1,418.00	41.00	1,411.00	34.00
UV 2 - Two non rural uses	1,377.00	40.00	1,418.00	41.00	1,411.00	34.00
UV 3 - Three or more non-rural uses	1,377.00	40.00	1,418.00	41.00	1,411.00	34.00
UV Conservation	1,325.00	39.00	1,365.00	40.00	1,358.00	33.00

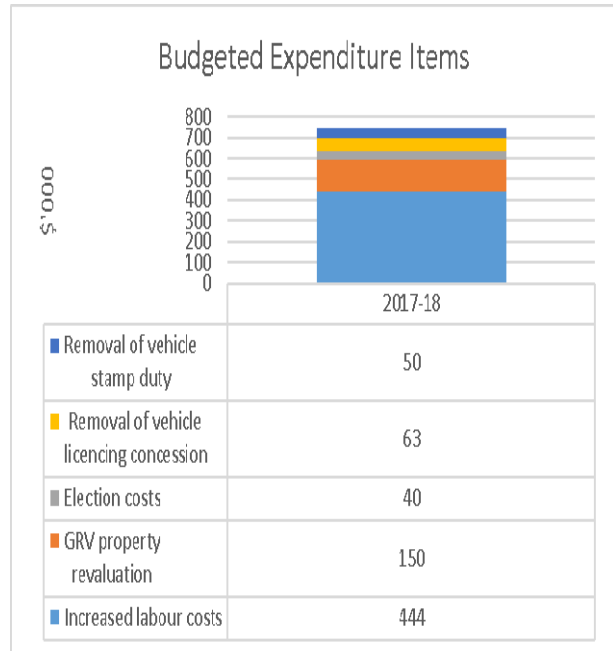
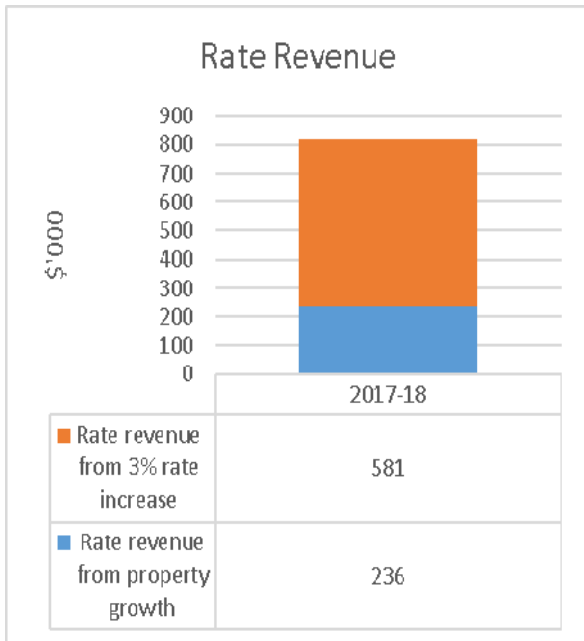
With a 3% increase in the rate yield minimum payments for 23% of total ratepayers would increase by about \$0.80 per week. With a further 0.5% decrease to the rate yield, ratepayers paying the minimum payment would benefit by an additional 12 cents per week or \$6 for the year.

Table 5: Comparison of Non-Minimum Payments

	2016-17	Increase for 2016-17	3% Increase	Increase to 2016-17	2.50% Increase	Increase to 2016-17
Residential	1,691.82	56.47	1,752.07	60.25	1,743.56	51.74
Residential Vacant	2,392.09	112.61	2,474.84	82.74	2,462.82	70.72
UV Rural	2,920.39	74.87	2,963.71	43.32	2,947.16	26.76
Rural Residential	1,918.11	64.13	1,979.24	61.13	1,969.63	51.52
Rural Residential Vacant	2,299.61	98.78	2,357.66	58.05	2,346.22	46.61
Strata Titled Vineyard	-	-	-	-	-	-
Industrial	3,008.37	84.04	3,097.65	89.28	3,082.63	74.26
Commercial	6,620.73	342.49	6,893.34	272.61	6,859.93	239.20
Tourism	2,860.37	72.53	2,893.43	33.06	2,879.40	19.03
UV 1 - One rural use	3,561.51	116.57	3,654.48	92.97	3,641.36	79.85
UV 2 - Two non rural uses	4,488.87	111.26	4,579.24	90.37	4,562.80	73.93
UV 3 - Three or more non-rural uses	6,192.27	134.28	6,545.93	353.66	6,522.43	330.16
UV Conservation	3,543.13	103.86	3,685.95	142.82	3,656.32	113.19

With a 3% increase in the rate yield, average rates for ratepayers who are not charged the minimum payment would increase by less than \$1.71 per week for over 70% of total ratepayers. With a further 0.5% decrease to the rate yield the majority of ratepayers would benefit by 15 cents to 30 cents per week (\$8.00 to \$16.00 per annum) depending upon their rate category. It should also be noted the average rate for the commercial category for 2016-17 is inflated due to the inclusion of updated property valuations and increased property rates calculated after the 2015-16 rates were billed for some recently developed properties and it is likely the rate increase for the majority of ratepayers in this category was less than the average shown in the table.

In summary the 3% rate yield option is recommended as the additional revenue of \$0.817 million generated by this option will be sufficient to meet the additional expenditure increases anticipated in the LTFP and the \$0.747 million of expenditure increases already identified to be included in the 2017-18 draft Budget. The following charts provide a diagrammatic representation of this situation.



Rates Objectives and Reasons

The Objectives and Reasons for the proposed differential rates and minimum payments for the year ending 30 June 2018 are attached to this report. Ministerial Circular 02-2016 advised the DLGC will continue to have an emphasis on the quality of these documents as they explain to ratepayers and the community why differential rates vary. The Shire's document has been updated to improve this explanation.

Waste Collection Rate

The Waste Collection Rate is an annual rate levied on rateable land within the Shire for the purposes of providing for the proper performance of all or any of the waste services it provides.

Details of this rate and the fees and charges for the collection of kerbside rubbish and recycling are also being provided to the Ordinary Meeting of 24 May 2017 as part of the Schedule of Fees and Charges proposed for 2017-18. These details are repeated in this item for completeness.

Waste Collection Rate	2017-18	2016-17	% Change
GRV properties rate in the dollar \$0.0222	\$200	\$200	0%
UV properties rate in the dollar \$0.0021	\$200	\$200	0%

The Waste Collection Rate is at the maximum allowable charge. The purpose of the rate is to raise funds to be used for improvements to the Davis Road landfill facility so it complies with legislative and environmental requirements and to ensure its life as an approved landfill site is maximised. Any excess funds raised from this levy are provided to the Waste Management reserve for future year's expenditure and to provide for investment in future waste improvements including but not limited to converting the Davis Road landfill site to a transfer station.

STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS

Part VI *Local Government Act 1995* deals with the levying of differential rates.

Section 6.33 states that Council may impose differential rates based on differential categories.

Section 6.35 states that Council may impose a minimum payment for each category.

Pursuant to Section 6.36 of the *Local Government Act 1995* the Shire is to give appropriate notice of its intention to impose differential rates and minimum payments in respect to each differential rate category.

Section 66 of the *Waste Avoidance and Resource Recovery Act 2007* (WARR) states a local government may impose on rateable land within its district, and cause to be collected, an annual rate for the purpose of providing for the proper performance of all or any of the waste services it provides.

Section 67(1) of the WARR states a local government may, in lieu of, or in addition to a rate under section 66, provide for the proper disposal of waste, whether within its district or not, by making an annual charge per waste receptacle, payable in one sum or by equal monthly or other instalments in advance, in respect of premises provided with a waste service by the local government. The charge is to be imposed on the owner (as defined in section 64(1)) or occupier, as the local government may decide, of any premises provided with a waste service by the local government.

STRATEGIC PLAN / POLICY IMPLICATIONS

Community Strategic Plan 2033 (CSP)

Corporate Business Plan 2016-2020

Goal 5: Effective Leadership and Governance.

Community Outcome 2: Effective strategy, planning and asset management.

Strategic Response: Ensure the Shire's financial performance is well managed and leads to a strong financial position.

Service level strategy/plan: Bill property rates on adoption of the Shire's annual budget.

Policy

FI.15 Shire Rating (OM20140528) outlines the administrative processes in applying differential rates.

PLANNING FRAMEWORK

Nil

FINANCIAL IMPLICATIONS

The 3% rate yield model included within this report shows the expected yield to be obtained from rates in 2017-18.

The model results in a total rate yield of \$20,179,508 and is an increase of \$817,235 compared to the rate yield obtained when rates were last billed in July 2016. The increase includes \$236,047 obtained from rateable property growth.

The total revenue from rates proposed for the 2017-18 draft Budget is calculated on the basis of the Long Term Financial Plan assumption of a 3% increase on rate yield to achieve a balanced budget position for the year.

SUSTAINABILITY IMPLICATIONS

Environmental

Rate revenue is used to carry out works on parks, reserves, beaches, foreshores and all other land owned and managed by the Shire which has an impact on the environment. There is continued demand for these activities.

Social

Rate revenue is utilised by the Shire to carry out a range of community oriented activities which impact on the social fabric of the community.

Economic

Rate revenue is the main source of funding for the Shire. Increased rate revenue is required to make up the deficiency between expenditure and income.

VOTING REQUIREMENTS

Simple Majority

RECOMMENDATION

That Council:

1. Having considered the Long Term Financial Plan and expenditure projections for 2017-18 approves for advertising the following rate model that results in a 3% increase to the Shire's rate yield by:

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			2,216	2,884,157	7,296	17,295,351		20,179,508

2. Advertises these rates in the dollar and minimum payments and invites written feedback from ratepayers within a period of 21 days from the giving of local public notice.
3. Approves the attached Statement of Objectives and Reasons for Differential Rates and Minimum Payments.

ADVICE TO APPLICANT / PROPONENT

Nil

ATTACHMENTS

1. Objectives and Reasons for the proposed differential rates and minimum payments for the year ending 30 June 2018

RECOMMENDATION

CR LANE, CR HAYNES

That Council:

1. Having considered the Long Term Financial Plan and expenditure projections for 2017-18 approves for advertising the following rate model that results in a 3% increase to the Shire's rate yield by:

- increasing rates in the dollar by 3% for GRV categories;
- decreasing rates in the dollar for the UV Rural base rate by 1.94% to offset the impact of an average increase in rural property values of 4.1%;
- increasing minimum payments for all rate categories by 3%.

3% Increase to Rate Yield								
	Minimum Payment	Rate in \$	Number of Minimums	Minimum Payments Raised	Number of Non-Minimums	Calculated Rates	Average Calculated Rate	Total Rates to be Raised
Residential	1,264.00	10.1900	842	1,064,288	4,166	7,299,111	1,752.07	8,363,399
Residential Vacant	1,264.00	19.5206	727	918,928	326	806,796	2,474.84	1,725,724
UV Rural	1,418.00	0.4456	181	256,658	779	2,308,729	2,963.71	2,565,387
Rural Residential	1,539.00	9.7613	138	212,382	630	1,246,920	1,979.24	1,459,302
Rural Residential Vacant	1,539.00	19.0007	30	46,170	140	330,073	2,357.66	376,243
Strata Titled Vineyard	833.00	0.4456	37	30,821	-	-	-	30,821
Industrial	1,358.00	12.0698	54	73,332	151	467,744	3,097.65	541,076
Commercial	1,358.00	12.0698	39	52,962	353	2,433,349	6,893.34	2,486,311
Tourism	1,358.00	12.0698	146	198,268	536	1,550,878	2,893.43	1,749,146
UV 1 - One rural use	1,418.00	0.5570	6	8,508	110	401,992	3,654.48	410,500
UV 2 - Two non rural uses	1,418.00	0.6684	0	-	19	87,006	4,579.24	87,006
UV 3 - Three or more non-rural uses	1,418.00	0.7798	0	-	16	104,735	6,545.93	104,735
UV Conservation	1,365.00	0.4355	16	21,840	70	258,016	3,685.95	279,856
			2,216	2,884,157	7,296	17,295,351		20,179,508

2. Advertises these rates in the dollar and minimum payments and invites written feedback from ratepayers within a period of 21 days from the giving of local public notice.
3. Approves the attached Statement of Objectives and Reasons for Differential Rates and Minimum Payments.

0/0

Cr Hastie moved the following procedural motion to allow discussion without limitation on the rates in the dollar and an alternative option of a 2.5% increase:

PROCEDURAL MOTION / COUNCIL DECISION

CR HASTIE, CR SMART OM2017/111

That Standing Order 7.11, limitation on members speaking, be suspended to allow Council to speak more than once.

CARRIED 6/0

Discussion and debate on the item continued.

At the end of discussion, Cr Kennaugh moved the following procedural motion to enable the meeting resume:

PROCEDURAL MOTION / COUNCIL DECISION

CR KENNAUGH, CR HAYNES OM2017/112

That he Standing Order 7.11 limitation on members speaking, be reinstated.

CARRIED 6/0

SHIRE OF AUGUSTA MARGARET RIVER
ORDINARY COUNCIL MEETING 10 MAY 2017

Discussion and debate on the item continued.

Cr Hastie foreshadowed the following motion:

FORESHADOWED MOTION

That Council:

1. Having considered the Long Term Financial Plan and expenditure projections for 2017-18 approves for advertising the following rate model that results in a 2.5% increase to the Shire's rate yield by:

- increasing rates in the dollar by 2.5% for GRV categories;
- decreasing rates in the dollar for the UV Rural base rate by 2.29% to offset the impact of an average increase in rural property values of 4.1%;
- increasing minimum payments for all rate categories by 2.5%.

2.5% Increase to Rate Yield								
	Minimum Payment	Rate in \$	Number of Minimums	Minimum Payments Raised	Number of Non-Minimums	Calculated Rates	Average Calculated Rate	Total Rates to be Raised
Residential	1,258.00	10.1405	842	1,059,236	4,166	7,263,656	1,743.56	8,322,892
Residential Vacant	1,258.00	19.4258	727	914,566	326	802,878	2,462.82	1,717,444
UV Rural	1,411.00	0.4440	178	251,158	782	2,304,675	2,947.16	2,555,833
Rural Residential	1,531.00	9.7139	138	211,278	630	1,240,865	1,969.63	1,452,143
Rural Residential Vacant	1,531.00	18.9085	30	45,930	140	328,471	2,346.22	374,401
Strata Titled Vineyard	829.00	0.4440	37	30,673	-	-	-	30,673
Industrial	1,351.00	12.0113	54	72,954	151	465,477	3,082.63	538,431
Commercial	1,351.00	12.0113	39	52,689	353	2,421,555	6,859.93	2,474,244
Tourism	1,351.00	12.0113	146	197,246	536	1,543,361	2,879.40	1,740,607
UV 1 - One rural use	1,411.00	0.5550	6	8,466	110	400,549	3,641.36	409,015
UV 2 - Two non rural uses	1,411.00	0.6660	0	-	19	86,693	4,562.80	86,693
UV 3 - Three or more non-rural uses	1,411.00	0.7770	0	-	16	104,359	6,522.43	104,359
UV Conservation	1,358.00	0.4320	16	21,728	70	255,943	3,656.32	277,671
			2,213	2,865,924	7,299	17,218,482		20,084,406

2. Advertises these rates in the dollar and minimum payments and invites written feedback from ratepayers within a period of 21 days from the giving of local public notice.
3. Approves the attached Statement of Objectives and Reasons for Differential Rates and Minimum Payments.
4. Approves that the 2017/18 budget include new additional funding as follows:
 - a. an additional \$100,000 for rural gravel road maintenance
 - b. an additional \$100,000 for environmental programs focussing on feral weed and animal control
5. That the "employees expenses" account be reduced by the total dollar costs of 1 and 2 above being approximately \$295,000

0/0

REASON

Cr Hastie spoke to the foreshadowed motion summarising; the need to focus on expenditure and stop raising revenue; the need to have some regard for the rural community; the need to talk more about the environment and the need to start spending on rural roads.

Following debate, the primary motion was put to vote:

MOTION / COUNCIL DECISION

CR LANE, CR HAYNES OM2017/113

That Council:

1. Having considered the Long Term Financial Plan and expenditure projections for 2017-18 approves for advertising the following rate model that results in a 3% increase to the Shire's rate yield by:

- increasing rates in the dollar by 3% for GRV categories;

SHIRE OF AUGUSTA MARGARET RIVER
ORDINARY COUNCIL MEETING 10 MAY 2017

- decreasing rates in the dollar for the UV Rural base rate by 1.94% to offset the impact of an average increase in rural property values of 4.1%;
- increasing minimum payments for all rate categories by 3%.

3% Increase to Rate Yield								
	Minimum Payment	Rate in \$	Number of Minimums	Minimum Payments Raised	Number of Non-Minimums	Calculated Rates	Average Calculated Rate	Total Rates to be Raised
Residential	1,264.00	10.1900	842	1,064,288	4,166	7,299,111	1,752.07	8,363,399
Residential Vacant	1,264.00	19.5206	727	918,928	326	806,796	2,474.84	1,725,724
UV Rural	1,418.00	0.4456	181	256,658	779	2,308,729	2,963.71	2,565,387
Rural Residential	1,539.00	9.7613	138	212,382	630	1,246,920	1,979.24	1,459,302
Rural Residential Vacant	1,539.00	19.0007	30	46,170	140	330,073	2,357.66	376,243
Strata Titled Vineyard	833.00	0.4456	37	30,821	-	-		30,821
Industrial	1,358.00	12.0698	54	73,332	151	467,744	3,097.65	541,076
Commercial	1,358.00	12.0698	39	52,962	353	2,433,349	6,893.34	2,486,311
Tourism	1,358.00	12.0698	146	198,268	536	1,550,878	2,893.43	1,749,146
UV 1 - One rural use	1,418.00	0.5570	6	8,508	110	401,992	3,654.48	410,500
UV 2 - Two non rural uses	1,418.00	0.6684	0	-	19	87,006	4,579.24	87,006
UV 3 - Three or more non-rural uses	1,418.00	0.7798	0	-	16	104,735	6,545.93	104,735
UV Conservation	1,365.00	0.4355	16	21,840	70	258,016	3,685.95	279,856
			2,216	2,884,157	7,296	17,295,351		20,179,508

2. Advertises these rates in the dollar and minimum payments and invites written feedback from ratepayers within a period of 21 days from the giving of local public notice.
3. Approves the attached Statement of Objectives and Reasons for Differential Rates and Minimum Payments.

**CARRIED 4/2
CRS SMART AND HASTIE VOTED AGAINST**

As the primary motion was carried, Cr Hastie's foreshadowed motion was not put to vote.