



Ordinary Council Meeting

25 JULY 2018

LATE ITEM

REPORT

ITEM NO

SUBJECT

11.4.7

Adoption of 2018-19 Differential Rates, Minimum Payments and Rates Concessions

11.4.7 ADOPTION OF 2018-19 DIFFERENTIAL RATES, MINIMUM PAYMENTS AND RATE CONCESSIONS

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

- Council approval is required to adopt Differential Rating Categories, Differential Rates in the Dollar and associated Minimum Payments together with the proposed Service and Waste Charges for the year ending 30 June 2019.
- Rate concessions for specific properties are also to be considered for approval.

RECOMMENDATION

That Council:

1. Differential Rates

Adopts the following differential rating categories, rates in the dollar and minimum payments for the 2018-19 financial year.

Rate Category GRV	Rate in the Dollar (In cents)	Minimum Payment \$
Residential	10.4957	1,302
Residential Vacant	20.1062	1,302
Rural Residential	10.0541	1,585
Rural Residential Vacant	19.5707	1,585
Commercial, Industrial, Tourism	12.4319	1,399

Rate Category UV	Rate in the Dollar (In cents)	Minimum Payment \$
UV Rural	0.4590	1,461
UV1 (one non rural use)	0.5737	1,461
UV2 (two non rural uses)	0.6885	1,461
UV3 (over two non rural uses)	0.8032	1,461
UV Strata Title Vineyard	0.4590	858
UV Conservation	0.4486	1,406

2. Service Charge

Levies an underground electricity charge of \$333.33 per identified property per year for a term of 10 years (1 July 2011 to 30 June 2021), on rateable properties located on Bussell Highway between Peake Street and 30 metres south of Bottrill Street in Cowaramup. Where a property is strata titled then the service charge is to be apportioned based on percentage of total floor area.

3. Waste Facilities Maintenance Rate

Levy the following rates in the dollar and minimum payments for the Waste Facilities Maintenance Rate on all rateable properties for the 2018-19 financial year.

Differential Rating Category	Rate in the Dollar (in cents)	Minimum Payment \$
GRV Gross Rental Value	0.0222	\$200.00

UV Unimproved Value	0.0002	\$200.00
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4. Rate Concessions

Approves a full concession of property rates levied for 2018-19 for the following properties as these properties are the location of satellite facilities providing television broadcasting services for the surrounding residential subdivision and the property rates are on-charged by the landowner to the community group who administer this service:

Assessment	Address	Landowner	Community Group	Amount of Rate Concession
A11780	123 Poplar Avenue, Riverslea	Greendene Development Corporation	Riverslea Community Group	\$1,302
A11746	Lot 900 Leschenaultia Ave, Brookfield	Brookfield Estate Pty Ltd	Brookfield Connect	\$1,302

LOCATION PLAN

Nil

TABLED ITEMS

Nil

BACKGROUND

Differential Rates and Minimum Payments for the 2018-19 financial year were considered by Council at the Ordinary Council Meeting on 23 May 2018 (refer OM2018/125) and subsequently advertised for public comment for three consecutive weeks from Wednesday 30 May 2018 to Wednesday 13 June 2018 in the Augusta Margaret River Mail.

One submission was received and was considered by Council at the Ordinary Council Meeting on 27 June 2018 (refer OM2018/160). An application to the Department of Local Government and Communities (DLGC) was submitted on 29 June 2018 requesting the Minister's approval to levy minimum payments for the differential rating category of Residential Vacant as the number of properties to be levied the minimum payment exceeded 50%.

Approval from the Minister for Local Government, under delegation, was received by e-mail on 19 July 2018 with a copy of the approval letter attached.

CONSULTATION AND ADVICE

External Consultation

Department of Local Government, Sport and Cultural Industries (DLGSC)

The DLGSC's Rating Policies for Differential Rates, Minimum Payments and Giving Notice were referred to ensure compliance with Sections 6.35(5) and 6.33(3) of the *Local Government Act 1996 (LG Act)*. The Department's application form for approval of minimum payments was completed with all required attachments and submitted to the Department on 29 June 2018.

Ratepayers and Electors

The proposed differential rates and minimum payments were advertised for a minimum period of 21 days to allow ratepayers and electors to make submissions to Council. Public submissions closed at 4.00pm on Thursday 21 June 2018. One submission was received and was considered at the Ordinary Council Meeting on 27 June 2018.

Internal Consultation

Nil

DISCUSSION / OFFICER COMMENTS

Ministerial Approval

The DLGSC's Application Form – Minimum Payments (s. 6.35) requested approval to impose a GRV Residential Vacant minimum payment of \$1,302 affecting 686 properties when the differential general rate of \$0.201062 is to be imposed on 326 properties. The number of properties affected is more than 50% of the total properties in this category.

Included with the application form were a number of required attachments including:

1. Copy of the minutes that Council reviewed and considered budget efficiency measures;
2. Copy of the Statement of Objects and Reasons;
3. Copy of the minutes where Council adopted the Statement of Objects and Reasons;
4. Copy of letters to ratepayers where there are less than 30 in a category;
5. Copy of any submissions received;
6. Copy of the response to submissions;
7. Copy of the public notice;
8. Copy of the Council agenda and minutes where submissions were considered; and
9. Copy of the minutes where Council resolved to make an application to the Minister.

DLGSC Response

The Shire received the Minister's response, under delegation from the DLGC, in a letter dated 18 July 2018 received by email on 19 July 2018. The response was that "under delegated authority from the Minister for Local Government and in accordance with section 6.35(5) of the *Local Government Act 1995*, I have approved the minimum payment as proposed in the in the Shire's application for the below category :

Category of Rating	Minimum Payment
GRV Residential Vacant	\$1,302

The approval is valid for the 2018/19 financial year and applies only to the differential rate category mentioned above and the minimum payment specified."

Rate Concessions

Brookfield Connect and the Riverslea Community Group levy and collect fees from Riverslea and Brookfield residents for the maintenance of the cable television facilities and equipment in these subdivisions. This cost includes the property rates for the lots owned by the developers and on which the satellite facilities are located. Representatives of these community groups have advocated for some financial assistance and approving a full rate concession for the properties is considered to be an effective method of providing some financial assistance. Council approved a rate concession for 2016-17 and this has been continued.

The two properties are classified as residential and due to their low gross rental value are both rated the minimum payment which for 2018-19 is \$1,302. The amount of rate income foregone would total \$2,604 should a rate concession be approved. All other fees and charges for the properties such as the emergency services levy will continue to be charged to the property owner.

STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS

Part VI of the LG Act deals with rates and service charges.

- Section 6.32 states a local government may impose rates in order to make up the budget deficiency.
- Section 6.33 states a local government may impose differential rates based on differential categories.
- Section 6.35 states that Council may impose a minimum payment for each category.
- Section 6.36 states the Shire is to give the appropriate notice of its intention to impose differential rates and minimum payments in respect to each differential rate category.
- Section 6.38 allows a local government to impose a service charge on owners or occupiers of land within a district or part of a district to meet the cost of a prescribed work, service or facility in relation to the land.
- Section 6.47 allows a local government 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 a concession to a rate or service charge.

Section 66 of the *Waste Avoidance and Resource Recovery Act 2007* (WARR Act) 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. Furthermore it states the provisions of the LG Act relating to the making, payment and recovery of general rates apply with respect to the raising of rates referred to in this section.

STRATEGIC PLAN / POLICY IMPLICATIONS

Community Strategic Plan 2036 (CSP)

Corporate Business Plan 2017-2021

Key Result Area 5: Effective Leadership and Governance.

Community Outcome 2: Effective and integrated strategy, planning, financial 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

Policy CCSP2 Shire Rating, endorsed by Council at the Ordinary Meeting of 22 November 2017 (OM2017/296), outlines the administrative processes in applying differential rates.

PLANNING FRAMEWORK

Nil

FINANCIAL IMPLICATIONS

The rates imposed will result in revenue of approximately \$21.231 million being raised at rates billing.

The approval of rate concessions would result in \$2,604 of rate revenue being foregone.

SUSTAINABILITY IMPLICATIONS

Environmental

The 2018-19 annual budget, takes into consideration the Shire's strategic values to ensure an integrated approach to protecting the natural environment that safeguards biodiversity and provides a sustainable environment for future generations.

Social

The 2018-19 annual budget, takes into consideration the Shire's strategic values to enhance the quality of community life in the Shire characterised by vibrant participation, cohesiveness, increased social capital and recognition of the need for social justice and community safety.

Economic

The 2018-19 annual budget, takes into consideration the Shire's strategic values to foster economic prosperity in the Shire and Region.

VOTING REQUIREMENTS

Absolute Majority

RECOMMENDATION

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ADVICE TO APPLICANT / PROPONENT

Nil

ATTACHMENTS

Nil