



Ordinary Council Meeting

28 July 2021

LATE ITEM

REPORT & ATTACHMENTS

ITEM NO	SUBJECT
11.3.4	ADOPTION OF 2021-22 DIFFERENTIAL RATES, MINIMUM PAYMENTS AND RATE CONCESSIONS

11.3.4 ADOPTION OF 2021-22 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	James Shepherd, 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 2022.
- 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 2021-22 financial year which are the same rates in the dollar and minimum payments that were advertised for public comment.

Rate Category GRV	Rate in the Dollar (In cents)	Minimum Payment \$
Residential	10.9733	1,362
Residential Vacant	21.0211	1,498
Rural Residential	10.5116	1,658
Rural Residential Vacant	20.4612	1,824
Commercial, Industrial, Tourism	12.9976	1,463

Rate Category UV	Rate in the Dollar (In cents)	Minimum Payment \$
UV Rural	0.4799	1,528
UV1 (one non rural use)	0.5998	1,910
UV2 (two non rural uses)	0.7198	2,292
UV3 (over two non rural uses)	0.8398	2,674
UV Strata Title Vineyard	0.4799	897
UV Conservation	0.4690	1,470

2. 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 2021-22 financial year.

Differential Rating Category	Rate in the Dollar (in cents)	Minimum Payment \$
GRV Gross Rental Value	0.0222	\$180.00
UV Unimproved Value	0.0002	\$180.00

3. Rate Concessions

Approves a full concession of property rates levied for 2021-22 for property assessments A11780 and A11746 which are the location of satellite facilities providing television broadcasting services

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for the surrounding residential subdivision and the property rates are on-charged by the landowner to the community group who administer this service:

Approves a 50% concession on the amount of rates levied for 2021-22 for property assessment A1886 the Augusta Golf Club.

Approves a full concession of property rates levied for 2021-22 for property assessment A5308 which is a property on the railway reserve that may have some heritage value and is being leased by the State to a private landowner who is responsible for paying the property rates.

Subject to the successful negotiation and finalisation of a formal agreement, approves the possible full concession of property rates levied for 2021-22 for property assessment A11586 to ensure the carpark located on private land is available for community and public use.

Assessment	Address	Landowner	Community Group	Amount of Rate Concession
A11780	123 Poplar Avenue, Riverslea	Greendene Development Corporation	Riverslea Community Group	\$1,362.00
A11746	Lot 900 Leschenaultia Ave, Brookfield	Brookfield Estate Pty Ltd	Brookfield Connect	\$1,362.00
A1886	757 Hillview Rd, Augusta	Augusta Golf Club Inc	Golf Club	\$2,177.10
A5308	9 Clarke Road, Margaret River	Public Transport Authority of WA	N/A	\$1,540.65
A11586	Carpark at 3 Charles West Avenue, Margaret River	Settlers Holdings Pty Ltd	N/A	\$8,838.37

LOCATION PLAN

Nil

TABLED ITEMS

Nil

BACKGROUND

Differential Rates and Minimum Payments for the 2021-22 financial year were considered by Council at the Ordinary Council Meeting on 12 May 2021 (refer OM2021/79) and subsequently advertised for public comment for four consecutive weeks from Friday 21 May 2021 to Friday 11 June 2021 in the Augusta Margaret River Times.

One submission was received and considered by Council at the Ordinary Council Meeting on 23 June 2021 (refer OM2021/132). An application to the Department of Local Government, Sport and Cultural Industries (DLGSC) was submitted on Thursday 24 June 2021 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 23 July 2021.

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 24 June 2021.

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 Monday 14 June 2021 and one submission was received.

Internal Consultation

Coordinator Revenue and Customer Service.

DISCUSSION / OFFICER COMMENTS

The DLGSC's Application Form – Minimum Payments (s. 6.35) requested approval to impose a GRV Residential Vacant minimum payment of \$1,498 affecting 644 properties when the differential general rate of \$0.210211 is to be imposed on 229 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 DLGSC, in a letter dated 23 July 2021 received by email on 23 July 2021. 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	Previous Minimum Payment (2021-21)	Proposed Minimum Payment (2021-22)	Number of Assessments on Minimum Payment	%of assessments on Minimum Payment	Vacant Land?
GRV Residential Vacant	\$1,335	\$1,498	644	74%	Yes

The approval is valid for the 2021/22 financial year."

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 an effective method of providing some financial assistance. Council first 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 2021-22 is \$1,362. The amount of rate income foregone would total \$2,724 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.

Augusta Golf Club is seeking consideration of a rate concession under section 6.47 of the LG Act equivalent to 50% of the rates for their property at Hillview Road, Augusta. This property is rated as commercial and the rates for 2021-22 based on a Gross Rental Value of \$33,500 would be \$4,354.20. Should a 50% concession be approved the rates would reduce to \$2,177.10. The Club have requested

the concession as they are a not for profit, rely upon their members to operate and maintain the facilities and are seeking to ensure membership fees remain affordable.

A concession was first approved in 2020-21 for a property on the railway reserve which may have some heritage significance and is currently leased to a private landowner by the Public Transport Authority of WA. The landowner is charged rent for this property as well as all outgoings including rates. Council are considering the merits of acquiring this property and do not want the landowner to dispose of the property or be out of pocket while this process occurs. This property is rated as residential and the rates for 2021-22 based on the GRV of \$14,040 would be \$1,540.65. A full concession of the property rates is requested.

The final possible concession is for a privately owned carpark at 3 Charles West Avenue, Margaret River and is subject to the successful negotiation and finalisation of a formal agreement. Although privately owned the carpark is used by the community and visitors and due to a dispute with some lessees of adjacent businesses, access to the carpark was prevented during the 2021 Labour Day long weekend which caused some parking issues. To ensure continuity of public access it is proposed a full rate concession be provided. The property is rated as commercial and the rates for 2021-22 based on the GRV of \$68,000 would be \$8,838.37.

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 2020-2024

Key Result Area 5: Effective Leadership and Governance.

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

Strategic Response: Develop long term informing strategy including asset and financial management aligned to the Community Strategic Plan.

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

Implications

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The rates imposed will result in revenue of \$23,247,344 million being raised at rates billing. The approval of rate concessions would result in \$15,280 of this rate revenue being foregone.

Long Term Financial Plan

The rate increase included in the assumptions of the LTFP2021-22 to 2030-31 for the 2021-22 financial year is equivalent to the rate increase approved by Council.

Whole of Lifecycle considerations

Nil

SUSTAINABILITY IMPLICATIONS

Environmental

The 2021-22 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 2021-22 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 2021-22 annual budget, takes into consideration the Shire's strategic values to foster economic prosperity in the Shire and Region.

ADVOCACY

Nil

IMPLICATIONS OF ALTERNATIVE RESOLUTION

Nil

VOTING REQUIREMENTS

Absolute Majority

RECOMMENDATION

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ADVICE TO APPLICANT / PROPONENT

Nil

ATTACHMENTS

Nil