



AGENDA FOR THE
FINANCE COMMITTEE MEETING
HELD IN
THE COUNCIL CHAMBERS, YALGOO
ON 27 JULY 2018
COMMENCING 10.00 AM



SHIRE OF YALGOO

NOTICE OF FINANCE COMMITTEE MEETING

THE NEXT ORDINARY MEETING OF COUNCIL WILL BE HELD IN THE YALGOO COUNCIL CHAMBERS, YALGOO ON 27 JULY 2018 COMMENCING AT 10.00 AM.

Silvio Brenzi

Chief Executive Officer



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Agenda for the Finance Committee Meeting
to be held in the Council Chambers, 37 Gibbons Street, Yalgoo,
on Friday 27 July 2018 commencing at 10.00 am.

Members of the Finance Committee

The Shire of Yalgoo Finance Committee was established by an absolute majority of Council, resolution C2015-1010, at the Ordinary Council Meeting on 27 October 2017, in accordance with s7.1A of the Local Government Act 1995.

Council nominated all Councillors to be members of the Finance Committee.

The following persons are members of the Finance Committee:

- *Cr Joanne Kanny*
- *Cr Tamisha Hodder*
- *Cr Robert Grinham*
- *Cr Percy Lawson*
- *Cr Gail Trenfield*
- *Cr Gregory Payne*

The members of the Finance Committee at its meeting held on 29 June 2018 elected Cr Gail Trenfield as the Presiding Member and Cr Robert Grinham as the Deputy Presiding Member.

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

2. RECORD OF ATTENDANCE/APOLOGIES

MEMBERS

STAFF

GUESTS

OBSERVERS

APOLOGIES

3. DISCLOSURE OF INTERESTS

Disclosures of interest made before the Meeting

4. CONFIRMATION OF MINUTES OF THE FINANCE COMMITTEE

Background

Minutes of the Finance Committee held on 29 June 2018 have previously been circulated to all Councillors..

Voting Requirements

Simple majority

OFFICER RECOMMENDATION

Minutes of the Finance Committee Meeting

That the minutes of the Finance Committee meeting held on 29 June 2018 as circulated be confirmed as a true and correct record of proceedings.

Moved:

Seconded:

Motion put and carried/lost

5. BUSINESS AS NOTIFIED

5.1 Differential Rating 2018-19 Proposed Rates and Minimums

Author:	Dominic Carbone
Interest Declared:	No interest to disclose
Date:	20 July 2018
Attachments	Submission received from McMahon Mining Title Services Pty Ltd

Matter for Consideration

Council to give consideration to any submissions received from ratepayers and obtain ministerial approval for the imposing of a differential general rate that is more than twice the lowest differential general rate to be imposed.

Background

Council at its meeting held on 29 June 2018 adopted the following resolution:

- 1. Advertise the intention to impose the following differential general rates and minimum payments applying to each of the differential rate categories in accordance with Section 6.36 of the Local Government Act 1995 be placed in the Geraldton Guardian newspaper and the Bulldust.**

Differential General Rate	Rate in the \$	Minimum Payment	Minimum \$
GRV – Townsite Improved	0.0767827	GRV – Townsite Improved	280
GRV – Townsite Vacant	0.0767827	GRV – Townsite Vacant	620
UV – Pastoral / Rural	0.0767827	UV – Pastoral / Rural	280
UV – Mining / Mining Tenement	0.37430250	UV – Mining / Mining Tenement	280
UV – Exploration / Prospecting	0.19882530	UV – Exploration / Prospecting	280

- 2. That the advertisement in (1) above also provide for an invitation for submissions to be made by an elector or a ratepayer for a period of 21 days closing at 4:00 pm on Friday 27 July 2018 and detail the time and place where the Shire of Yalgoo Rating Methodology and it's Differential Rating Model may be inspected and a copy be placed on the Shire's website.**
- 3. That all rural/pastoral ratepayers be provided with a copy of the Shire of Yalgoo Rating Methodology and its Differential Rating Model and be invited to make submissions.**
- 4. That Council adopts the Objects and Reasons for the following differential rating categories;**
 - **Town Improved-** consists of properties located within the townsite boundaries with a predominate residential, commercial and industrial use. This category is considered by council to be the base rate by which all other GRV properties are assessed and have a different demand and requirement on shire services and infrastructure.
 - **Townsite Vacant –** Consists of vacant properties located within the townsite boundaries that are vacant (no residential commercial or industrial structures built on the land) The rate in the dollar is the same as the Town Improved category however the minimum rate is higher in order to encourage landowners to undertake development.

- **Pastoral/Rural-** this rating applies to all pastoral leases and land with a predominate rural land use. The proposed rate is comparatively lower when compared to the mining/mining tenement and exploration / prospecting categories on the basis that the pastoral industry has minimum impact or requirement on the shire services and infrastructure.
- **Mining/ Mining Tenement-** this category applies to all mining leases located within the shire. The proposed rate is comparatively higher when compared to the pastoral/rural category on the basis that mining operations require additional ongoing maintenance of the roads network that services this land use along with additional costs associated with the administration of mining tenements.
- **Exploration / Prospecting –** This rating category applies to exploration, prospecting and other general purpose leases located within the shire. The proposed rate is comparatively higher when compared to the pastoral/rural category and lower than the mining tenement category on the basis that the mining operations require additional and ongoing maintenance of the road network that services the land use, the additional cost associated with the administration of exploration and prospecting leases and the shire wishes to encourage exploration.

An advertisement was placed in the Geraldton Guardian on 6 July 2018, in accordance with the abovementioned resolution.

Statutory Environment

Local Government Act 1995

s6.33. Differential general rates

(3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate, which is more than twice the lowest differential general rate imposed by it.

Financial Implications

Council is required to raise different rates to meet its total expenditure commitments.

Consultation

Nil

Comment

A submission was received from McMahon Mining Title Services Pty Ltd on behalf of exploration and prospecting companies in Western Australia which states the following;

We act for a number of exploration and prospecting companies in WA and thank you for the opportunity to make a general submission regarding the proposed rates for 2018-19.

We note that valuations provided by the Valuer General are used to calculate rates for mining tenements each year, and that valuations are based on a multiple of the rent imposed by the Department of Mines, Industry Regulation and Safety.

In 2018-19, the Department will increase all tenement rents by six percent (except for exploration licences), with an additional six per cent increase in 2019-20 to fund the Exploration Incentive Scheme (EIS). For the first three years of an exploration licence, rents will increase by 1.5 per cent in 2018-19 and 2019-20 to protect the junior sector in finding the deposits of the future.

This rent increase will automatically result in an inflation in valuation and increase in rates even before any further increase in the rate in the dollar or minimum is applied by the Shire. The EIS is aimed at generating exploration activity and further increase in rates on top of the automatic increase, may result in double-dipping and diminish these intended effects.

The rent increases were published in the Gazette on 25 June 2018. A copy of the Department's 2018-19 Fees and Charges is **enclosed** for reference.

We ask that the Shire consider this automatic increase in its rates modelling and give consideration to whether the rates for mining tenements can be reduced for the 2018-19 year.

In relation to Mining/Mining Tenement and Exploration / Prospecting differential rates no increase in the rate in the dollar has been proposed and will remain the same as 2015-16, a period of 3 years with no increase. The minimum rate will increase from \$270 to \$280 per annum for both categories.

The Shire proposes to levy the following rates for the differential rating categories "Exploration / Prospecting", "Mining/Mining Tenement"

"UV Exploration/Prospecting" – 19.88253 cents in the dollar.

The rates levied for this category represents 6.6% of the total rates to be levied by the Shire. Of the 181 properties, 77 will be levied the minimum rate of \$280 pa and 104 properties will be levied \$1,128.32 pa on average. The rate in the dollar for this category differentiates it from mining tenements and acknowledges that less Shire resources are utilised by this category.

"UV Mining/Mining Tenement" – 37.43025 cents in the dollar.

The rates levied for this category represents 84.1% of the rates to be levied by the Shire. Of the 166 properties, 20 will be levied the minimum rate of \$280 pa and 146 properties will be levied \$10,650.62 pa on average. The rate in the dollar for this category is comparatively higher when compared to other categories on the basis additional Shire resources are utilised.

Both of the above mentioned categories rates in the dollar exceed the requirements set in Section 6.33(3) of the Local Government Act 1995, that is the rates in the dollar exceed by more than twice the lowest differential general rate of 6.77242 cents for "UV Pastoral/Rural" category. Therefore, approval is required from the Minister before Council can impose the above-mentioned rates in the dollar

Voting Requirements

Simple Majority

OFFICER RECOMMENDATION

Differential Rating 2018-19 – Proposed Rates and Minimums

That the Finance Committee recommends to council that:

1. Thank McMahon Title Services Pty Ltd for their submission and be forwarded a copy of the report.
2. Request the CEO to seek approval from the Minister for Local Government to approve the Shire of Yalgoo’s application to impose a rate in the dollar which will result in it being more than twice the lowest differential general rate imposed for the “UV Mining/Mining Tenement” and “UV Exploration/Prospecting” categories, in accordance with section 6.33(3) of the Local Government Act 1995.
 - UV Mining/Mining Tenement 37.43025 cents in the dollar
 - UV Exploration and Prospecting 19.88253 cents in the dollar

Moved:

Seconded:

Motion put and carried/lost

6. URGENT BUSINESS

7. MEETING CLOSURE