



AGENDA FOR THE
FINANCE COMMITTEE MEETING
TO BE HELD IN
THE COUNCIL CHAMBERS, YALGOO
ON 26 JULY 2019
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 FRIDAY, 26 JULY 2019 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 26 July 2019 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 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 28 June 2019 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 28 June 2019 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 2019-20 Proposed Rates and Minimums

Author:	Dominic Carbone
Interest Declared:	No interest to disclose
Date:	18 July 2019
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 28 June 2019 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	0.07831840	GRV – Townsite Improved	290
GRV – Townsite Vacant	0.07831840	GRV – Townsite Vacant	620
UV – Pastoral / Rural	0.06907870	UV – Pastoral / Rural	290
UV – Mining / Mining Tenement	0.37430250	UV – Mining / Mining Tenement	290
UV – Exploration / Prospecting	0.19882530	UV – Exploration / Prospecting	290

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 Monday, 29 July 2019 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 2 July 2019, 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

To date only one submission has been received and whilst the last date for submissions is the 29 July 2019 it is unlikely that any further submissions will be received. However if further submissions are received they will be considered by the calling of a Special Meeting of Council. If no further submissions are received then this will allow the Shire to make an application to the Minister on the 30 July 2019 for approval to impose a differential general rate that is more than twice the lowest differential general rates to be imposed

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;

“Thank you for the opportunity to make a general submission regarding the proposed rates for 2019-20.

We note that valuations provided by the Valuer General are used in calculating mining tenement rates, and these valuations are based on the rent imposed by the Department of Mines, Industry Regulation and Safety. Any increases in the rent for a tenement therefore results in an increase in its valuation and in turn an automatic increase in rates.

*Effective from 1 July 2018, the Department increased the rent rate by 1.5% for exploration licences and 6% for all other mining tenements. From 1 July 2019, the Department increased exploration licence rents by a further 1.5% and the rent of all other mining tenements by a further 6%. **Enclosed** for reference is a copy of the Department's schedule of Fees and Charges for 2019-20.*

We recognise and commend the decision not to propose an increase in the rate in dollar for UV Mining/Mining Tenement and UV Exploration & Prospecting. We note the Shire has however proposed an increase to the minimums. We therefore write to draw attention to the increase in rates payable by mining tenement holders due to the increase in rents so that this may be taken into account in your budget modelling, and ask that you consider maintaining or reducing the minimum for these categories for the 2019-20 year.

The resource sector is one of the most significant contributors to the State's economy, with the WA Government receiving royalty revenue totalling \$5.8 billion in 2017-18 – a major proportion of the State's annual revenue. It is also one of the most significant employers in the State, with the WA minerals sector directly employing over 120,000 people in 2018.

To encourage the continued contributions made by the resources sector to the State economy it is critical that all government fees are set so as to reduce the cost of doing business in the State in the face of significant international competition wherever possible, and increase and incentivise investment in local exploration to discover vital new resources for the whole of the State."

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 4 years with no increase. The minimum rate will increase from \$280 to \$229 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 7.7% of the total rates to be levied by the Shire. Of the 200 properties, 77 will be levied the minimum rate of \$290 pa and 123 properties will be levied \$1,080.81 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 87.8% of the rates to be levied by the Shire. Of the 169 properties, 21 will be levied the minimum rate of \$290 pa and 148 properties will be levied \$11,998.70 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 6.90787 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 2019-20 – 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. Subject to no further submissions being received 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
