



## Ordinary Council Meeting

**24 July 2019**

**LATE ITEM**

**REPORT**

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ITEM NO	SUBJECT
11.4.6	ADOPTION OF 2019-20 DIFFERENTIAL RATES, MINIMUM PAYMENTS AND RATE CONCESSIONS

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## 11.4.6 ADOPTION OF 2019-20 DIFFERENTIAL RATES, MINIMUM PAYMENTS AND RATE CONCESSIONS

<b>LOCATION/ADDRESS</b>	N/A
<b>APPLICANT/LANDOWNER</b>	Shire of Augusta Margaret River
<b>FILE REFERENCE</b>	FIN/11
<b>REPORT AUTHOR</b>	Andrew Ross, Acting Director Corporate and Community Services
<b>AUTHORISING OFFICER</b>	Dale Putland, Acting Chief Executive Officer

### 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 2020.
- 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 2019-20 financial year.

Rate Category GRV	Rate in the Dollar (In cents)	Minimum Payment \$
Residential	10.7581	1,335
Residential Vacant	20.6089	1,335
Rural Residential	10.3055	1,625
Rural Residential Vacant	20.0600	1,625
Commercial, Industrial, Tourism	12.7427	1,434

Rate Category UV	Rate in the Dollar (In cents)	Minimum Payment \$
UV Rural	0.4705	1,498
UV1 (one non rural use)	0.5880	1,498
UV2 (two non rural uses)	0.7057	1,498
UV3 (over two non rural uses)	0.8233	1,498
UV Strata Title Vineyard	0.4705	879
UV Conservation	0.4598	1,441

#### 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 2019-20 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

#### 4. Rate Concessions

Approves a full concession of property rates levied for 2019-20 for the property assessments A11780 and A11746 which 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:

Approves a 50% concession on the amount of rates levied for 2019-20 for property assessment A1886 the Augusta Golf Club.

Assessment	Address	Landowner	Community Group	Amount of Rate Concession
A11780	123 Poplar Avenue, Riverslea	Greendene Development Corporation	Riverslea Community Group	\$1,335.00
A11746	Lot 900 Leschenaultia Ave, Brookfield	Brookfield Estate Pty Ltd	Brookfield Connect	\$1,335.00
A1886	757 Hillview Rd, Augusta	Augusta Golf Club Inc	Golf Club	\$2,134.40

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#### LOCATION PLAN

Nil

#### TABLED ITEMS

Nil

#### BACKGROUND

Differential Rates and Minimum Payments for the 2019-20 financial year were considered by Council at the Ordinary Council Meeting on 22 May 2019 (refer OM2019/91) and subsequently advertised for public comment for three consecutive weeks from Friday 24 May 2019 to Friday 7 June 2019 in the Augusta Margaret River Times.

Two submissions were received and considered by Council at the Ordinary Council Meeting on 26 June 2019 (refer OM2019/113). An application to the Department of Local Government, Sport and Cultural Industries (DLGSC) was submitted on Thursday 27 June 2019 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 15 July 2019.

#### 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 27 June 2019.

##### 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 17 June 2019 and two submissions were received.

##### 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 \$1,335 affecting 618 properties when the differential general rate of \$0.206089 is to be imposed on 249 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 12 July 2019 received by email on 15 July 2019. 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	\$1,335

The approval is valid for the 2019/20 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 considered to be 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 2019-20 is \$1,335. The amount of rate income foregone would total \$2,670 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 2019-20 based on a Gross Rental Value of \$33,500 would be \$4,268.80. Should a 50% concession be approved the rates would reduce to \$2,134.40. 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.

## 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 2019-2023***

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**

The rates imposed will result in revenue of approximately \$21.984 million being raised at rates billing. The approval of rate concessions would result in \$4,804 of rate revenue being foregone.

## **SUSTAINABILITY IMPLICATIONS**

### **Environmental**

The 2019-20 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 2019-20 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 2019-20 annual budget, takes into consideration the Shire's strategic values to foster economic prosperity in the Shire and Region.

## **VOTING REQUIREMENTS**

Absolute Majority

## **RECOMMENDATION**

That Council:

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## ADVICE TO APPLICANT / PROPONENT

Nil

## ATTACHMENTS

Nil

