



MINUTES

Special Council Meeting

Tuesday, 29 June 2021

Commencing at 5.30pm

Ravensthorpe Recreation Centre

SHIRE OF RAVENSTHORPE

Minutes for the Ordinary Meeting of Council to be held at the Council Chambers, Ravensthorpe Recreation Centre on Tuesday 29 June 2021 – commencing at 5.30pm.

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EXTRACT FROM LOCAL GOVERNMENT ACT 1995

5.5. CONVENING COUNCIL MEETINGS

- (1) The CEO is to convene an ordinary meeting by giving each council member at least 72 hours' notice of the date, time and place of the meeting and an agenda for the meeting.
- (2) **The CEO is to convene a special meeting by giving each council member notice, before the meeting, of the date, time, place and purpose of the meeting.**

1. Declaration of Opening / Announcements of Visitors

The Presiding Member declared the meeting open at 5.31pm.

2. Attendance / Apologies / Approved Leave of Absence

COUNCILLOR'S: Cr Keith Dunlop (Shire President)
 Cr Julianne Belli (Deputy Shire President)
 Cr Sue Leighton
 Cr Thomas Major
 Cr Mark Mudie
 Cr Graham Richardson

STAFF: Gavin Pollock (Chief Executive Officer)
 Les Mainwaring (Director Corporate and Community Services)
 Graham Steel (Director Technical Services)
 Kim Bransby (Executive Assistant)

APOLOGIES:

Cr Ian Goldfinch

ON LEAVE OF ABSENCE:

Nil.

ABSENT:

Nil.

MEMBER OF THE PUBLIC:

Nil.

3. Announcements by the Presiding Member

Nil.

4. Disclosure of Interest

Nil.

5. Business of an Urgent Nature Introduced by Decision of Meeting

New business of an urgent nature introduced by decision of the meeting. Best practice provides that Council should only consider items that have been included on the Agenda (to allow ample time for Councillors to research prior to the meeting) and which have an Officer Report (to provide the background to the issue and a recommended decision).

5.1 Elected Members

Nil.

5.2 Officers

Nil.

5.2.1 Differential Rates Submissions 2021-2022

File Reference: RV.RC.001
Location: Not Applicable
Applicant: Not Applicable
Author: Director Corporate and Community Services
Authorising Officer: Chief Executive Officer
Date: 24 June 2021
Disclosure of Interest: Nil
Attachments: McMahon Mining Titles Services Submission (Attachment Green)
Previous Reference: Nil

Summary:

This report recommends that Council endorse the submission received after the 21 days of advertising of proposed 2021/2022 differential rates which closed 16 June 2021.

Background:

At the Ordinary Council Meeting 18 May 2021 Council resolve to:

Endorse the following differential rates across all categories to form the basis of the proposed rate setting for the 2021/2022 budget.

	<i>Cost in \$</i>	<i>Minimum</i>
<i>GRV Residential</i>	<i>0.121852</i>	<i>\$905.00</i>
<i>GRV Commercial</i>	<i>0.136830</i>	<i>\$905.00</i>
<i>GRV Industrial</i>	<i>0.160607</i>	<i>\$905.00</i>
<i>GRV – Transient Workforce Camps / Short Stay Accommodation</i>	<i>0.327462</i>	<i>\$884.00</i>
<i>UV - Rural</i>	<i>0.008465</i>	<i>\$884.00</i>
<i>UV – Mining</i>	<i>0.086944</i>	<i>\$333.00</i>

Adopt the Objectives and Reasons for the Proposed Differential rates for 2021/2022.

Authorise the Chief Executive Officer to advertise the differential rates and call for public submissions in accordance with Section 6.36 of the Local Government Act 1995 for a minimum of 21 days.

Authorise the Chief Executive Officer to make application to seek Ministerial approval under Section 6.33 of the Local Government Act 1995 to impose differential rates that are more than twice the lowest differential rate being imposed.

As part of the process of Ministerial approval for Differential Rates Council is required to give full consideration to submissions received before proceeding with the application.

Comment:

Section 6.36 of the *Local Government Act (1995)* allows Council to implement a system of differential rating subject to public advertising, adoption by Council, and approval from the Minister for Local Government, Sport and Cultural Industries, before being applied.

The Act allows for differential rates to be applied to help overcome an issue where the land use within the rating category has a differing contributory cost to Council and therefore rates in the dollar applied are varied. The use of differential rating helps to ensure equality of contribution within the rating system.

The notice of intention to impose differential rates was advertised in the West Australian 26 May 2021 and submissions closed at 4pm on the 16 June 2021.

The one submission received from McMahon Mining Title Services Pty Ltd raised the point that the state government was increasing rents on prospecting licenses, exploration licenses and mining leases, therefore this would flow through to valuations and a local government increase would be placed against the increased valuations creating a compounding effect.

Our response to the submission was to make the point that whilst mention of the WA Government rental increases have had the effect of increasing mining valuations this does not cause an automatic increase in rates. We were pleased to advise that this is not the approach of the Shire of Ravensthorpe as we have determined a set yield in rates to make up our budget deficit and if valuations subsequently increase then rates in the dollar will be adjusted downwards to maintain the set yield, meaning there is no double dipping by setting a rate and letting rate income ride upwards through valuation increases. Alternatively if valuations fell, we would also adjust our rates in the dollar to maintain the set yield.

We also noted that the Shire of Ravensthorpe welcomes mining activity to the region and to assist mining families that want to relocate to the area, the Shire is heavily invested directly into medical services and early learning childcare for the support of families which are not functions generally attributed to local government core business.

We have also engaged promotional activities, in close collaboration with our mining partners, through the Channel 7 TV program Our Town in order to promote the liveability of the area in support of mining operations attracting and retaining staff by encouraging families to move and live in the area. We have a good working relationship with our mining partners and do all we can to assist in facilitating social initiatives for the benefit of the mining community.

In May 2021 Council endorsed a major review of all of its Integrated Planning documents to achieve a community consensus of key community service strategies together with a new long term financial plan that sets an agreed rates strategy that has set the increase in yield for 2021/2022.

Subsequent to advertising our rates in the dollar, and in keeping with the issue raised in the submission, we have received and uploaded our Unimproved Valuations (UV) revaluation roll which has required a decrease in the rate in the dollar for the two UV rating categories in order to maintain the yield as outlined in our Rating Strategy report in May 2021 and the adopted long term financial plan.

From the UV revaluation roll there has been an average overall change of +20.67% indicating the strength of land prices in the area, which has necessitated a significant drop in the UV Rural rate, noting that the overall change in UV values is never uniform across the region and would be influenced by localised land dealings.

The advertised rates in the dollar for 2021/2022 are outlined below with the reduced rates shown for Unimproved Valuations and UV Mining Tenements.:

RATING CATEGORY	2021/22 RATE Advertised Cent in \$	2021/22 RATE Adjusted for UV Valuation Cent in \$
GRV Residential	12.1852	
GRV Commercial	13.6830	
GRV Industrial	16.0607	
GRV Transient Workforce / Short Stay	32.7462	
UV Rural	0.008465	0.007008
UV Mining Tenements	0.086944	0.085928
Minimum Rates		
GRV Residential/Commercial/Industrial	\$905	
GRV Transient Workforce / Short Stay	\$884	
Unimproved Valuation	\$884	
UV Mining Tenements	\$333	

Consultation:

Elected Members.
Executive Team.

Statutory Environment:

Local Government Act 1995 - Sections 6.33, 6.35 and 6.36.

Policy Implications:

Nil.

Financial Implications:

Nil.

Strategic Implications:

Theme 4 – Civic Leadership: 4.1 Financial Sustainability.

Sustainability Implications:

- **Environmental:** There are no known significant environmental considerations.
- **Economic:** There are no known significant environmental considerations.
- **Social:** There are no known significant social considerations.

Risk Implications:

Risk	Low (2)
Risk Likelihood (based on history and with existing controls)	Low (2)
Risk Impact / Consequence	Low (2)
Risk Rating (Prior to Treatment or Control)	Low (2)
Principal Risk Theme	Low (2)
Risk Action Plan (Controls or Treatment Proposed)	Low (2)

Risk Matrix:

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating of 2 has been determined for this item. Any items with a risk rating over 10 (considered to be high or extreme risk) will be added to the Risk Register, and any item with a risk rating over 17 will require a specific risk treatment plan to be developed.

Moved: Cr Leighton

Seconded: Cr Richardson

Res: 70/21

Decision:

That Council;

1. **Receives the submission for the proposed UV differential rates for 2021/2022 from McMahon Mining Titles Services Pty Ltd.**
2. **Endorse the change to UV differential rates as a result of revaluation to form the basis of the proposed rate setting for the 2021/2022 budget.**

	Cost in \$	Minimum
UV - Rural	0.007008	\$884.00
UV – Mining	0.085928	\$333.00

3. **Authorise the Chief Executive Officer to make application to seek Ministerial approval under Section 6.33 of the Local Government Act 1995 to impose differential rates that are more than twice the lowest differential rate being imposed.**

Voting Requirements: Simple Majority

Carried: 6/0


6. Matters Behind Closed Doors

Nil.

7. Closure of Meeting

The Presiding Member declared the meeting closed at 5.37pm.

These minutes were confirmed at the meeting of 20 July 2021.

Signed: 
(Presiding Person at the meeting of which the minutes were confirmed.)

Date: 20 July 2021

ATTACHMENT

24 May 2021

Mr Gavin Pollock
Chief Executive Officer
Shire of Ravensthorpe
PO Box 43
Ravensthorpe WA 6346

By email: shire@ravensthorpe.wa.gov.au

SUBMISSION - DIFFERENTIAL RATING 2021-2022

Thank you for the opportunity to make a submission regarding the proposed rates for 2021-22.

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 therefore result in an increase in valuations and in turn an automatic increase in rates.

Effective from 1 July 2020, the Department increased the rent rate for exploration licences by 2.17%, prospecting licences by 3.45% and mining leases by 1.01%. With the Shire proposing an increase in the UV Mining rate in the dollar for 2021-22 from 0.0836 to 0.08694, a significant increase in the actual rates levied will occur as illustrated in the table below.

2020/21 RID	0.0836	2021/22 Proposed RID			0.08694
	2020 Rates	2021 Rates - no change in RID	2021 Rates - proposed increase to RID	Actual percentage increase in rates	
P (200Ha)	\$242.44	\$250.80	\$260.82	7.6%	
E (10sbk)	\$288.42	\$294.69	\$306.46	6.3%	
M (100Ha)	\$827.64	\$836.00	\$869.40	5.0%	

The exploration and mining industry is one of the most significant contributors to the State's economy. It has played an integral role in the development and strength of this State, creating jobs and opportunities across the State but particularly in remote and regional parts of Australia. The industry will undoubtedly be critical to the future economic recovery of the State and country which has been severely impacted by the Covid-19 crisis.

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 which benefit the whole of the State.

I would be happy to discuss this matter further on (08) 6467 7997.

Yours faithfully,



Shannon McMahon
Director
McMahon Mining Title Services