



Unconfirmed Minutes

Special Council Meeting

Tuesday, 4 June 2024

Commencing 2.00pm



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NOTICE OF MEETING

Notice is hereby given that the

Shire of Ravensthorpe

Special Meeting of Council

will be held on
Tuesday, 4 June 2024
commencing at 2.00pm

Council Chambers,
Ravensthorpe Cultural Precinct
Ravensthorpe

Matthew Bird
Chief Executive Officer

Disclaimer

The advice and information contained herein is given by and to the Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to the Council giving entire reasons for seeking the advice or information and how it is proposed to be used.

Please note this agenda contains recommendations which have not yet been adopted by Council.

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In particular and without derogating in any way from the broader disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or limitation of approval made by a member or officer of the Shire of Ravensthorpe during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Ravensthorpe. The Shire of Ravensthorpe warns that anyone who has an application lodged with the Shire of Ravensthorpe must obtain and should only rely on written confirmation of the outcome of the application, and any conditions attached to the decision made by the Shire of Ravensthorpe in respect of the application.

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Minutes

Mission Statement *To grow our community through the provision of leadership, services and infrastructure.*

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Shire President opened the meeting at 2.06pm.

The Shire President acknowledged the Traditional Owners of the land on which we meet, and pays respect to Elders past, present, and emerging.

2. RECORD OF ATTENDANCE, APOLOGIES AND APPROVED LEAVE OF ABSENCE

Elected Members:

Cr Thomas Major (Shire President)
Cr Mark Mudie (Deputy Shire President)
Cr Rachel Gibson
Cr Sue Leighton
Cr Robert Miloseski

Staff:

Matthew Bird	(Chief Executive Officer)
Paul Spencer	(Executive Manager Infrastructure Services)
Natalie Bell	(Executive Manager Projects & Regulatory Services)
Les Mainwaring	(Executive Manager Corporate Services)
Nadine Maloney	(Communications and Marketing Officer)

MEMBERS OF THE PUBLIC

Nil.

APOLOGIES

Cr Graham Richardson

LEAVE OF ABSENCE

Nil.

3. PUBLIC QUESTIONS TIME

Nil

4. DECLARATIONS OF INTEREST

Nil.

5. REPORTS OF OFFICERS

5.1 EXECUTIVE SERVICES

5.1.1 RATING STRATEGY AND DIFFERENTIAL RATES 2024-2025

File Reference:	RV.RC.001
Location:	Not Applicable
Applicant:	Not Applicable
Author:	Executive Manager Corporate Services
Authorising Officer	Chief Executive Officer
Date:	26 May 2024
Disclosure of Interest:	Nil
Attachments:	Objects and Reasons 2024-2025
Previous Reference:	Nil

PURPOSE

1. This report recommends that Council adopt the 2024/2025 differential rates for the purpose of advertising.

BACKGROUND

2. Council adopted a system of differential rating for the first time in the 2015/2016 financial year.
3. As part of the budget setting process for 2024/2025, Council will consider a continuation of differential rating, noting that as part of the differential rating process as it stands, ministerial approval will be required prior to rates being struck for the year.

COMMENT

4. 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.
5. The Act allows for differential rates to be applied to help overcome issues where the land use within a 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 equity of contribution within the rating system.
6. In recent years the Shire had been experiencing a growing local economy with strong mining activity, however in February 2024 the Shire was advised of a slowing of activity in both nickel and lithium mines, then April 2024 it was announced that the nickel mine would close operations with a loss of almost 500 jobs. This downturn would have an immediate impact on local government services such as airport passenger numbers and childcare places. The preliminary estimates are that this could result in a loss of revenue to the shire

of at least \$1,450,000 representing a drop in total revenues of between 12-14%. All things being equal, whilst this loss of revenue would equate to about a 25% increase in rates, there has been the consideration of retaining the rating strategy from last year where 2024/2025 rates were forecast to rise by 4.5% and projects and spending would be driven down where possible, or there may be a need to set a deficit budget until such time that all of the financial impacts can be measured accurately for their longer term impact on the financial plan.

7. The annual 2024 revaluation of Unimproved Values by the Valuer Generals Office has revealed an increase in land values of 30% in rural and 8% in mining. Whilst a general rating yield increase will be set for rural at 4.5% it is envisaged that some amount of variation will occur across different rural sectors due to non-uniform valuation increases. That is, whilst the aggregate of valuations has risen by 30%, some land areas will rise in value more than others therefore the rural rate burden will follow according to those relativities.
8. The budget process uses a zero-based budget approach where every line item is examined for the content of last years' experience to provide a predictive analysis together with the effect of any changes from the economic downturn or new initiatives proposed for the coming year. It is not a case of simply adding a percentage to last year's budget, however cost pressures in some areas have moved significantly.
9. The objects and reasons for the differential rating model remains consistent from 2023/2024 where Ministerial Approval was last granted. Rural minimums have been aligned with GRV minimums and it is proposed to maintain the minimum rate for Mining UV to 50% of the Minimum UV General rate thus maintaining a concession to exploratory leases.
10. The proposed model attached delivers an overall increase in rate income for 2024/2025 of approximately 4.5% (a decrease of 0.25% from last year's 4.75%). This percentage decrease is in line with that projected in the long-term financial plan (LTFP) rating strategy that was designed to maintain relatively balanced budget positions. With the uncertainty created from the nickel mine closure the LTFP will require a deeper review during 2024/2025.
11. Key elements of the 2024/2025 Rating Strategy are that rate increases have been aligned in consideration of the LTFP adopted in May 2023, together with the adopted Integrated Planning Suite of documents for 2020-2030. The Shire references this suite of documents to deliver on the clear priorities, processes, plans, budget resource priorities, direction on

land use, infrastructure, services, asset management, operations, planning and workforce requirements.

12. The proposed rates in the dollar for 2024/2025 are outlined below and in the attached model:

RATING CATEGORY	2023/24 RATE Cent in \$	2024/25 RATE Cent in \$
GRV Residential	11.7967	12.3276
GRV Commercial	14.4823	15.1340
GRV Industrial	14.4823	15.1340
GRV Transient Workforce / Short Stay	30.2765	31.6389
Unimproved Valuation	0.004800	0.003869
UV Mining Tenements	0.247811	0.240386
<u>Minimum Rates</u>		
GRV Residential/Commercial/Industrial	\$982	\$1,026
GRV Transient Workforce / Short Stay	\$982	\$1,026
Unimproved Valuation	\$958	\$1,026
UV Mining Tenements	\$479	\$513

CONSULTATION

13. Nil.

STATUTORY ENVIRONMENT

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

POLICY IMPLICATIONS

15. Nil.

FINANCIAL IMPLICATIONS

16. It is estimated the overall rate yield, based on the proposed rates in the dollar, in 2024/2025 will be \$6 million.

RISK MANAGEMENT

17. The following risks have been identified as part of this report;

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Financial	Likely	Major	High	Set a sufficient rate to meet budget deficit
Reputational	Possible	Moderate	Medium	Insufficient rate increase will cause future rating shocks

ALTERNATE OPTIONS

18. 1% of rates is worth about \$60,000 for additional project initiatives.

STRATEGIC ALIGNMENT

19. This item is relevant to the Councils approved Strategic Community Plan 2020-2030 and Corporate Business Plan 2020-2024.

Outcome 1: Economy - The population is growing, in tandem with a thriving, resilient local economy

Item	Objectives and Strategies
1.2	The right resources and infrastructure are in place to support local commerce and industry

Outcome 2: Community - This is a safe and family-friendly community where people of all ages have access to services and facilities, and there is plenty to blow your socks off

Item	Objectives and Strategies
2.4	People have access to attractive community facilities, activities and events which support activity and health, community involvement and enjoyment of life

Outcome 3: Built Environment - The built environment is accessible, honours history and provides for the economic and social needs of residents, industry and visitors

Item	Objectives and Strategies
3.3	The towns of the Shire have attractive streetscapes in keeping with local character

Outcome 4: Natural Environment - Our unique world class biosphere is valued and protected for the enjoyment of current and future generations

Item	Objectives and Strategies
4.4	Energy is used efficiently and there is an increased use of renewable energy in the Shire

Outcome 5: Governance and Leadership - The Shire of Ravensthorpe partners the community, and is an effective advocate and responsible steward

Item	Objectives and Strategies
5.2	The Council ensures its decisions are well informed and considered
5.4	The Shire of Ravensthorpe is known as a good employer, and staff have the capacity and skills to deliver identified services and strategies
5.5	The value of community owned assets is maintained
5.6	Financial systems are effectively managed

VOTING REQUIREMENT

20. Simple Majority.

OFFICER RECOMMENDATION

That Council

1. Endorse the following differential rates across all categories to form the basis of the proposed rate setting for the 2024/2025 budget.

	Cost in \$	Minimum
GRV Residential	0.123276	\$1,026.00
GRV Commercial	0.151340	\$1,026.00
GRV Industrial	0.151340	\$1,026.00
GRV – Transient Workforce Camps / Short Stay Accommodation	0.316389	\$1,026.00
UV - Rural	0.003869	\$1,026.00
UV – Mining	0.240386	\$513.00

2. Adopt the Objectives and Reasons for the Proposed Differential rates for 2024/2025,
3. 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, and
4. 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.

Moved by Cr Mudie and seconded Cr Major

AMENDED MOTION

Moved by Cr Gibson and seconded by Cr Leighton

To add a fifth point to the officer recommendation to raise the minimum payment amount for UV Mining to be in line with the other minimum payment amounts of \$1,026 or up to an amount that does not exceed 50% of the assessments within the UV Mining differential rating category.

COUNCIL DECISION

AMENDED MOTION

Moved by Cr Gibson and seconded by Cr Leighton

Resolution 47/24

That Council;

1. Endorse the following differential rates across all categories to form the basis of the proposed rate setting for the 2024/2025 budget.

	Cost in \$	Minimum
GRV Residential	0.123276	\$1,026.00
GRV Commercial	0.151340	\$1,026.00
GRV Industrial	0.151340	\$1,026.00
GRV – Transient Workforce Camps / Short Stay Accommodation	0.316389	\$1,026.00
UV - Rural	0.003869	\$1,026.00
UV – Mining	0.240386	\$513.00

2. Adopt the Objectives and Reasons for the Proposed Differential rates for 2024/2025,
3. 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, and
4. 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.
5. Raise the minimum payment amount for UV Mining to be in line with the other minimum payment amounts of \$1,026 or up to an amount that does not exceed 50% of the assessments within the UV Mining differential rating category.

Motion carried 5/0

6. MATTERS BEHIND CLOSED DOORS

Nil.

7. MEETING CLOSURE

The Presiding Member declared the meeting closed at 2.23pm.