



Special Meeting of Council Minutes 31st May 2021

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1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Presiding Member declared the meeting open at 6:01pm

2. ANNOUNCEMENTS FROM THE PRESIDING MEMBER

Nil

3. ATTENDANCE

Presiding Member	Cr W Della Bosca	Shire President
Members	Cr B Close Cr J Cobden Cr L Rose Cr G Guerini Cr P Nolan	Deputy Shire President
Council Officers	P Clarke C Watson N Warren	Chief Executive Officer Executive Manager Corporate Services Executive Manager Regulatory Services
Apologies:	Cr S Shaw R Bosenberg	Executive Manager Infrastructure
Observers:	Nil	

4. DECLARATION OF INTEREST

Nil

5. PUBLIC QUESTION TIME

Nil

6 Reporting Officer – Executive Manager Corporate Services

6.1 Differential Rates – 2021/2022

File Reference	8.1.1.5
Disclosure of Interest	Nil
Voting Requirements	Absolute Majority
Attachments	2 x Submissions Received

Purpose of Report

To consider the proposed Differential Rate in the dollar for the 2021/2022 financial year for all land categories that was advertised in accordance with the *Local Government Act (1995)*.

Background

At the April 2021 Ordinary meeting, Council resolved the following as the commencement of the Differential Rating process for the 2021/2022 financial year:-

62/2021

Moved Cr Rose/Seconded Cr Close

That Council:

- 1. Endorse the Differential Rating – Objects and Reasons for the 2021/2022 rating years as presented;**
- 2. Endorse the following proposed Differential General Rates Categories, Rates in the Dollar and Minimum amounts for the Shire of Yilgarn for the 2021/2022 financial year:**

Land Category	Rate – Cents in the Dollar	Minimum Payment
GRV - Residential/Industrial	11.2894	\$500
GRV - Commercial	7.9469	\$400
GRV - Minesites	15.8939	\$400
GRV -SPQ	15.8939	\$400
UV - Rural	1.7663	\$400
UV - Mining	17.4793	\$400

- 3. Endorse a public consultation process on the proposed Differential General Rates and General Minimum Rates as follows:**
 - Statewide and local public notice on Saturday 1st May 2021 as per the requirements of section 6.36 of the Local Government Act 1995.**
 - Individual ratepayer consultation for all ratepayers in General Rate Categories with less than 30 ratepayers.**

CARRIED BY ABSOLUTE MAJORITY (6/0)

In accordance with Section 6.33 (3) of the Local Government Act 1995, a Local Government is not, without the approval of the Minister, to impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

With the Differential General Rates being proposed in the 2021/2022 Rating Strategy and Objects & Reasons, Council falls under the umbrella of this section of the Act. Note however that it is only applicable to UV Mining.

Accordingly, Ministerial approval is required and the proposal to impose this rate required that it be advertised for a period of not less than 21 days with any submissions received subsequently being presented to Council for consideration.

Comment

Following the statutory advertising period (21 days) and being advertised in the "*Kalgoorlie Miner*" on the 8th May 2021, the "*Crosswords*" on the 29th April 2021 and Council's website on the 1st May 2021. At the close of the submission period of Monday, 24th May 2021, two submissions were received from the following respondents.

- Mr Phil Nolan
- McMahon Mining Title Services Pty Ltd

The submissions received are attached to this Report together with comments from staff and recommended actions related to the various points that have been submitted for Council consideration.

Statutory Environment

Local government Act 1995

6.33. 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.

6.36. Local government to give notice of certain rates

- (1) Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so.
- (2) A local government is required to ensure that a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).
- (3) A notice referred to in subsection (1) —

- (a) may be published within the period of 2 months preceding the commencement of the financial year to which the proposed rates are to apply on the basis of the local government's estimate of the budget deficiency; and
 - (b) is to contain —
 - (i) details of each rate or minimum payment the local government intends to impose; and
 - (ii) an invitation for submissions to be made by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters within 21 days (or such longer period as is specified in the notice) of the notice; and
 - (iii) any further information in relation to the matters specified in subparagraphs (i) and (ii) which may be prescribed;and
 - (c) is to advise electors and ratepayers of the time and place where a document describing the objects of, and reasons for, each proposed rate and minimum payment may be inspected.
- (4) The local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.

Strategic Implications

The 2021/2022 Rating Strategy, contains a detailed information on the proposed rating structure.

Policy Implications

Nil

Financial Implications

The endorsed rate in the dollar will form the basis of the 2021/2022 budgeted rates revenue.

Officer Recommendation

A discussion regarding Mr P Nolan's submission was held which included the following points:

1. Implications and issues in identifying relevant and meaningful data points to quantify Council's rating strategy and satisfy Mr Nolan's query at point one to enable the justification of individual rates. Staff have looked at undertaking / preparing a business case on equity and fairness in rating and that staff reported, as indicated in the comments to the submission, that the "*Objects & Reasons*" and "*Rating Strategy*" are considered as sufficient information to the ratepayers on the intention of differential rating.

Staff suggested that Council may wish to engage an independent consultant to undertake a Business Case on this matter.

2. Identifying a "User Pays" system for the use of Council assets, primarily roads. The CEO indicated that there is currently a system in place for charging heavy vehicle road users, this system is known as the "*Heavy Vehicle Road Improvement Contribution Scheme*".

Mr Nolan then suggested that larger Corporate Miners and Corporate Farms should be differentially rated at a higher rate than small Miners, Prospectors and Family Farming Enterprises. Mr Nolan was informed that this is not permitted under the *Local Government Act 1995, section 6.33 – Differential General Rating*, limitations of which are:

- i. Purpose for which the land is zoned;
- ii. Purpose for which the land is held or used; and
- iii. Whether or not the land is vacant.

72/2021

***Moved Cr Close/Seconded Cr Cobden
That Council:***

1. ***Council notes that it has complied with Section 6.36 of the Local Government Act 1995 in respect advertising requirements and preparation of the "2021/2022 Rating Strategy" and "Objects and Reasons" documents;***
2. ***Receives the submission from Mr Phil Nolan and McMahon Mining Title Services Pty Ltd and notes the comments made therein and further, endorses the comments and recommendations submitted by staff in relation to the submissions;***
3. ***Endorse the following proposed Differential General Rates Categories, Rates in the Dollar and Minimum amounts for the Shire of Yilgarn for the 2021/2022 financial year:***

<i>Land Category</i>	<i>Rate – Cents in the Dollar</i>	<i>Minimum Payment</i>
<i>GRV - Residential/Industrial</i>	<i>11.2894</i>	<i>\$500</i>
<i>GRV - Commercial</i>	<i>7.9469</i>	<i>\$400</i>
<i>GRV - Minesites</i>	<i>15.8939</i>	<i>\$400</i>
<i>GRV -Single Persons Quarters</i>	<i>15.8939</i>	<i>\$400</i>
<i>UV - Rural</i>	<i>1.7663</i>	<i>\$400</i>
<i>UV - Mining</i>	<i>17.4793</i>	<i>\$400</i>

and

4. ***Make application to the Minister for Local Government to impose the UV Mining Differential Rate, being more than twice the lowest differential UV rate.***

***CARRIED BY ABSOLUTE MAJORITY (5/1)
Cr P Nolan recorded a vote against the motion***

From: [Phil Nolan](#)
To: [Peter Clarke](#)
Cc: [Cameron Watson](#)
Subject: Differential Rates
Date: Monday, 24 May 2021 7:08:30 AM

Dear Peter

Please accept this email as a submission by me as a Yilgarn Shire ratepayer in regard to differential rates.

As you know I have regularly raised the issue of the fairness and equity of Yilgarn Council's application of differential rates, my submissions dating back to around 2014, with others contributing to the discussion well prior to that. I have requested an explanation of the mechanism to determine the individual rates on each occasion. Needless to say, none has been forthcoming. That despite the Dept of Local Government also requesting that the process be transparent.

(1) So, again, I request that Council prepares an auditable and transparent-to-the-public business case, justifying the quantum of the individual rates.

(2) My proposition is that certain ratepayers are unfairly benefitting from the application of differential rates, including high tonne-kilometre users of Shire roads, and others are paying unjustifiably high rates, including residential owner-occupiers, and some mining category ratepayers, including low tonne-kilometre users of Shire roads. **(3)** I further propose that the guiding principle of Council should be 'user pays'.

I am happy to explain my reasoning, if that is required, but It should be quite apparent to Council that without a transparent business case, fairness and equity cannot be assured.in other words, without a transparent business case, Council is guessing that fairness and equity is being achieved. That is not good enough.

Yours sincerely

Phil Nolan
0417 497 588

Sent from my iPad

	ISSUE RAISED	RESPONSE	RECOMMENDED ACTION
1.	<p>So, again, I request that Council prepares an auditable and transparent-to-the-public business case, justifying the quantum of the individual rates.</p>	<p>Council produces several documents relating to the raising of rates. These are; a “<i>Rate Setting Strategy</i>” which has the objectives of:</p> <ul style="list-style-type: none"> • Providing a robust and considered framework for Rate’s categories, Minimum Rates, and Differential Rates that incorporates the principles of: <ul style="list-style-type: none"> ○ Objectivity; ○ Fairness and Equity; ○ Consistency; ○ Transparency; and ○ Administrative efficiency • Ensure a stable rates revenue stream for the Shire from year to year; and • Deliver a stable rating price path for our community. <p>And a document detailing the “<i>Objects & Reasons</i>” for the various Rating Categories for a given Financial Year.</p> <p>Prior to any financial year commencing, Council expends considerable time and resources in formulating a budget for the forthcoming financial year and at its conclusion produces an independently audited financial report. Both documents are freely available to the public.</p>	<p>No action required.</p>

	ISSUE RAISED	RESPONSE	RECOMMENDED ACTION
2.	<p>My proposition is that certain ratepayers are unfairly benefitting from the application of differential rates, including high tonne-kilometre users of Shire roads, and others are paying unjustifiably high rates, including residential owner-occupiers, and some mining category ratepayers, including low tonne-kilometre users of Shire roads.</p>	<p>The mining and agricultural industries are primarily the ones utilizing high tonne-kilometre transport solutions. The main differences between the two industries heavy transport usages are load tonnages, duration of cartage campaign and duration of operational tenure.</p> <p>Primarily the agricultural industry will cart heavy loads at harvest which has a duration of 6 to 8 weeks with an average gross tonnage per vehicle of 80 – 85 tonnes. Typically, productive farm land in the Shire of Yilgarn has been in use for many decades and will continue in use for many more to come.</p> <p>In contrast, but with some exceptions, the mining industry will utilize vehicles with gross tonnage of approximately 160 tonnes which will usually require significant improvements to the haulage route prior to its usage. Additionally, the mine life maybe as little as 3-5 years leaving Council to maintain a road significantly improved beyond its originally intended use with little to no corresponding income from now non-productive assessments.</p> <p>Residential owner / occupiers are not impacted by differential rating as they are rated under GRV valuations and differential rating is limited to UV valued assessments.</p>	<p>No action required.</p>

	ISSUE RAISED	RESPONSE	RECOMMENDED ACTION
3.	I further propose that the guiding principle of Council should be 'user pays'.	<p>Council currently utilizes a “<i>Heavy Vehicle Road Improvement Contribution</i>” scheme which in essence is a contribution made by short to medium term heavy haulage operators calculated on a tonne per kilometre basis.</p> <p>Any funds raised and not used in a given financial year are transferred to a reserve for future use.</p> <p>The agricultural sector has historically not been charged any fees under this scheme as the sector has a long and stable history of road usage and has made a considerable contribution to the construction and maintenance of Councils road network and will be continuing to consistently contribute well into the future.</p>	No action required.

6 May 2021

Chief Executive Officer
Shire of Yilgarn
PO Box 86
Southern Cross WA 6426

By email: emcs@yilgarn.wa.gov.au

Dear Sir

SUBMISSION - DIFFERENTIAL RATING 2021-2022

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

(1) 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 17.3923 to 17.4793, a significant increase in the actual rates levied will occur as illustrated by the table below.

2020/21 RID	0.173923	2021/22 Proposed RID		0.174793
	2020 Rates	2021 Rates - no change in RID	2021 Rates - proposed increase to RID	Actual percentage increase in rates
P (200Ha)	\$504.38	\$521.77	\$524.38	4.0%
E (10sbk)	\$600.03	\$613.08	\$616.15	2.7%
M (100Ha)	\$1,721.84	\$1,739.23	\$1,747.93	1.5%

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 McMahan
Director
McMahan Mining Title Services

	ISSUE RAISED	RESPONSE	RECOMMENDED ACTION
1.	<p>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.</p>	<p>Council is required to implement valuations provided by the Valuer General and Landgate. That these valuations are based on tenement rents imposed by another State Government entity should have no impact on Council's decision-making process.</p> <p>While the author of this submission has a valid concern over the increase in potential rates for mining tenements, this concern should be taken up with the State Government entity imposing the large increases in tenement rental as any reductions in rents would have a flow through effect on any applicable rates. It should also be noted that tenement rent increases listed by the author of the submission are up to 7 times higher than the increase in the Rate in the Dollar that Council is proposing.</p> <p>The fact that the State Government entity responsible for setting these tenement rents deemed it necessary to increase them by up to 3.45% to enable sufficient funding to alleviate any increase in costs that they may have incurred could lead to the argument that Council would have similar inflationary pressures that could warrant similarly large increases in the UV-Mining Rate in the Dollar.</p>	<p>No action required.</p>

7 CLOSURE

As there was no further business to discuss, the Shire President declared the meeting closed at 6.39pm

I, Wayne Della Bosca confirm the above Minutes of the Meeting held on Monday, 31 May 2021, are confirmed on Thursday, 17 June 2021 as a true and correct record of the May 2021 Special Meeting of Council.

Cr Wayne Della Bosca
SHIRE PRESIDENT