



**SHIRE OF COOLGARDIE**

# **A G E N D A**

**FOR THE**

**SPECIAL MEETING OF COUNCIL**

**10 May 2016**

**6.00pm**

**COOLGARDIE**

## **SHIRE OF COOLGARDIE**

### **NOTICE OF SPECIAL MEETING OF COUNCIL**

Dear Elected Member

A Special Meeting of the Shire of Coolgardie will be held on Tuesday 10 May 2016 in the Coolgardie Council Chambers, Bayley Street, Coolgardie, commencing at 6.00pm



**PAUL WEBB**  
**CHIEF EXECUTIVE OFFICER**

## **DISCLAIMER**

INFORMATION FOR PUBLIC ATTENDING COUNCIL MEETINGS

**PLEASE NOTE:**

**THE RECOMMENDATIONS CONTAINED IN THIS AGENDA ARE OFFICERS RECOMMENDATIONS ONLY AND SHOULD NOT BE ACTED UPON UNTIL COUNCIL HAS RESOLVED TO ADOPT THOSE RECOMMENDATIONS.**

**THE RESOLUTIONS OF COUNCIL SHOULD BE CONFIRMED BY PERUSING THE MINUTES OF THE COUNCIL MEETING AT WHICH THESE RECOMMENDATIONS WERE CONSIDERED.**

**MEMBERS OF THE PUBLIC SHOULD ALSO NOTE THAT THEY ACT AT THEIR OWN RISK IF THEY ENACT ANY RESOLUTION PRIOR TO RECEIVING OFFICIAL WRITTEN NOTIFICATION OF COUNCILS DECISION.**



**PAUL WEBB  
CHIEF EXECUTIVE OFFICER**

## COUNCIL MEETING INFORMATION NOTES

1. Your Council generally handles all business at Ordinary or Special Council Meetings.
2. From time to time Council may form a Committee to examine subjects and then report to Council.
3. Generally all meetings are open to the public; however, from time to time Council will be required to deal with personal, legal and other sensitive matters. On those occasions Council will generally close that part of the meeting to the public. Every endeavour will be made to do this as the last item of business of the meeting.
4. Public Question Time. It is a requirement of the Local Government Act 1995 to allow at least fifteen (15) minutes for public question time following the opening and announcements at the beginning of the meeting. Should there be a series of questions the period can be extended at the discretion of the Chairman.

*Written notice of each question should be given to the Chief Executive Officer fifteen (15) minutes prior to the commencement of the meeting. A summary of each question and response is included in the Minutes.*

*When a question is not able to be answered at the Council Meeting a written answer will be provided after the necessary research has been carried out. Council staff will endeavour to provide the answers prior to the next meeting of Council.*

5. **Councillors** may from time to time have a financial interest in a matter before Council. Councillors must declare an interest and the extent of the interest in the matter on the Agenda. However, the Councillor can request the meeting to declare the matter **trivial, insignificant or in common with a significant number of electors or ratepayers**. The Councillor must leave the meeting whilst the matter is discussed and cannot vote unless those present agree as above.

**Members of staff**, who have delegated authority from Council to act on certain matters, may from time to time have a financial interest in a matter on the Agenda. The member of staff must declare that interest and generally the Chairman of the meeting will advise the Officer if he/she is to leave the meeting.

6. Agendas including an Information Bulletin are delivered to Councillors within the requirements of the Local Government Act 1995, i.e. seventy-two (72) hours prior to the advertised commencement of the meeting. Whilst late items are generally not considered there is provision on the Agenda for items of an urgent nature to be considered.

**Should an elector wish to have a matter placed on the Agenda the relevant information should be forwarded to the Chief Executive Officer in time to allow the matter to be fully researched by staff. An Agenda item including a recommendation will then be submitted to Council for consideration. The Agenda closes the Monday week prior to the Council Meeting (i.e. ten (10) days prior to the meeting).**

The Information Bulletin produced as part of the Agenda includes items of interest and information, which does not require a decision of Council.

7. Agendas for Ordinary Meetings are available in the Coolgardie and Kambalda Offices/Libraries seventy-two (72) hours prior to the meeting and the public are invited to secure a copy.
8. Agenda items submitted to Council will include a recommendation for Council consideration. Electors should not interpret and/or act on the recommendations until after they have been considered by Council. Please note the Disclaimer in the Agenda (page 3).
9. Public Question Time – Statutory Provisions – Local Government Act 1995

Time is to be allocated for questions to be raised by members of the public and responded to at:

- (a) Every ordinary meeting of a council; and
- (b) Such other meetings of councils or committees as may be prescribed

Procedures and the minimum time to be allocated for the asking of and responding to questions raised by members of the public at council or committee meetings are to be in accordance with regulations.

9A. Question Time for the Public at Certain Meetings – s5.24 (1) (b)

**Local Government (Administration) Regulations 1996**

Reg 5 For the purpose of section 5.24(1)(b), the meetings at which time is to be allocated for questions to be raised by members of the public and responded to are:

- (a) every special meeting of a council; and
- (b) every meeting of a committee to which the local government has delegated a power or duty.

Minimum Question Time for the Public – s5.24 (2)

- Reg 6 (1) The minimum time to be allocated for the asking of and responding to questions raised by members of the public at ordinary meetings of councils and meetings referred to in regulation 5 is fifteen (15) minutes.
- (2) Once all the questions raised by members of the public have been asked and responded to at a meeting referred to in sub regulation (1), nothing in these regulations prevents the unused part of the minimum question time period from being used for other matters.

Procedures for Question Time for the Public – s5.24 (2)

## **Local Government (Administration) Regulations 1996**

Reg 7 (1) Procedures for the asking of and responding to questions raised by members of the public at a meeting referred to in regulation 6 (1) are to be determined:

- (a) by the person presiding at the meeting; or
- (b) in the case where the majority of members of the council or committee present at the meeting disagree with the person presiding, by the majority of members,

having regard to the requirements of sub regulations (2) and (3).

- (2) The time allocated to the asking and responding to questions raised by members of the public at a meeting referred to in regulation 6(1) is to precede the discussion of any matter that requires a decision to be made by the council or the committee, as the case may be.
- (3) Each member of the public who wishes to ask a question at a meeting referred to in regulation 6(1) is to be given an equal and fair opportunity to ask the question and receive a response.
- (4) Nothing in sub regulation (3) requires:
  - (a) A council to answer a question that does not relate to a matter affecting the local government;
  - (b) A council at a special meeting to answer a question that does not relate to the purpose of the meeting; or
  - (c) A committee to answer a question that does not relate to a function of the committee.

### **10. Public Inspection of Unconfirmed Minutes (Reg 13)**

A copy of the unconfirmed Minutes of Ordinary and Special Meetings will be available for public inspection in the Coolgardie and Kambalda Offices/Libraries within ten (10) working days after the Meeting.

**NOTE:**

**10.3 Unopposed Business**

- (1) Upon a motion being moved and seconded, the person presiding may ask the meeting if any member opposes it.
- (2) If no member signifies opposition to the motion the person presiding may declare the motion in sub clause (1) carried without debate and without taking a vote on it,
- (3) A motion carried under sub clause (2) is to be recorded in the minutes as a unanimous decision of the Council or committee.
- (4) If a member signifies opposition to a motion the motion is to be dealt with according to this Part.
- (5) This clause does not apply to any motion or decision to revoke or change a decision which has been made at a Council or committee meeting.

## **QUESTION TIME FOR THE PUBLIC**

*(Please Write Clearly)*

DATE: \_\_\_\_\_

NAME: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

### **QUESTIONS TO THE PRESIDENT:-**

- **GENERAL QUESTION / QUESTION RELATED TO THE AGENDA)**  
*(Strike out unnecessary words)*

ITEM NO: \_\_\_\_\_ PAGE NO: \_\_\_\_\_

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**PLEASE PASS TO THE CHIEF EXECUTIVE OFFICER FOR REFERRAL TO THE PRESIDENT BY 5.45PM AT THE MEETING, OR BY 12.30PM ON THE DAY OF THE MEETING AT THE KAMBALDA OFFICE, IRISH MULGA DRIVE, KAMBALDA.**



## SHIRE OF COOLGARDIE

### DISCLOSURE OF INTERESTS

#### **TO THE CHIEF EXECUTIVE OFFICER:**

Under the Provisions of Division 6 of Part 5 of the Local Government Act 1995, I hereby disclose a Financial Interest/s in the matter/s listed on this form, which is/are scheduled for consideration at the meeting of Council to be held on:

<b>TUESDAY</b> _____ <b>2016</b>
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Where indicated by the word 'YES' in column 6, I will be seeking a determination (under Section 5.68) by the meeting, for reasons I will expand on.

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

NOTE: Members of Council are asked to deliver this completed form to the Chief Executive Officer on the day of the Council Meeting as required by the Act. Where this is not practicable the Disclosure/s may be telephoned to the Council Office on 9080 2111 and/or the form subsequently passed to the Chief Executive Officer prior to the meeting.

ITEM	PAGE No.	TYPE	REASON

For inclusion for interest declaration

Interests Affecting Impartiality: Disclosing Statement

*“With regard to....(the matter in item)... I disclose that I have an association with the applicant. As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly.”*

# APPLICATION FOR LEAVE OF ABSENCE



I Cr, \_\_\_\_\_ hereby request leave of absence for the following

Dates, From \_\_\_\_\_ to \_\_\_\_\_

Signed Cr: \_\_\_\_\_

Date \_\_\_\_\_



Shire of Coolgardie

*Our Community, Our People, Our Future*

## Notice of Special Meeting

In accordance with Regulation 12 of the Local Government (Administration) Regulations, notice is hereby given that a Special Meeting of Council will be held on Tuesday 10 May 2016, commencing at 6.00pm at the Coolgardie Administration Office.

For the purpose of:

- Consideration of differential rating

Further information may be obtained from Mr Paul Webb, Chief Executive Officer on 9080 2111.

**Paul Webb**  
Chief Executive Officer

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**1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

**2.0 ATTENDANCE, APOLOGIES AND NOTIFICATION OF GRANTED LEAVE OF ABSENCE**

**2.1 PRESENT:**

**MEMBERS OF STAFF:**

**MEMBERS OF THE PUBLIC:**

**2.2 APOLOGIES:**

**2.3 LEAVE OF ABSENCE PREVIOUSLY APPROVED:**

**3.0 DECLARATIONS OF INTEREST**

**3.1 DECLARATIONS OF FINANCIAL INTERESTS – LOCAL GOVERNMENT ACT SECTION 5.60A**

**3.2 DECLARATIONS OF PROXIMITY INTERESTS – LOCAL GOVERNMENT ACT SECTION 5.60B**

**2.3 DECLARATIONS OF IMPARTIALITY INTERESTS – ADMINISTRATION REGULATION 34C**

#### **4.0      CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

NIL

#### **5.0      PUBLIC QUESTION TIME**

#### **6.0      REPORTS**

**AGENDA REFERENCE:** 6.1

**SUBJECT:** Differential Rates

**LOCATION:** NA

**APPLICANT:** NA

**FILE REFERENCE:** NAM4652

**DISCLOSURE OF INTEREST:** The Author has no interest in this matter

**DATE:** 4 May 2016

**AUTHOR:** Rhonda Evans, Manager Administration Services

**SUMMARY:**

To consider and approve for advertising the proposed Differential Rates in the Dollar and Minimum Rates for Unimproved Valuations

**BACKGROUND:**

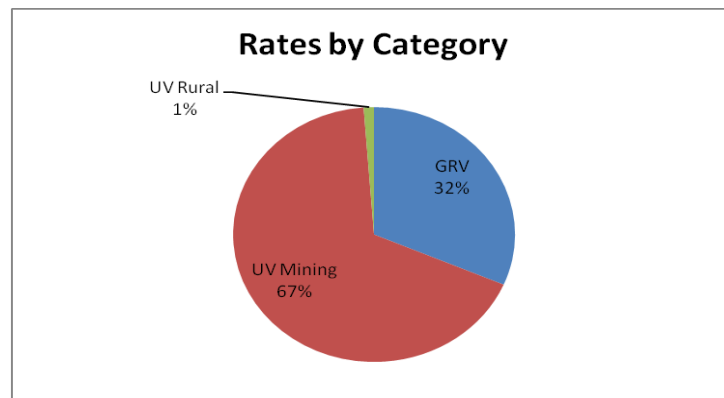
Each year prior to adopting the Annual Budget Councils who decide to use differential rates must, in compliance with the Local Government Act 1995 (the Act) Section 6.36 advertise the proposed rates in the dollar (RID) and minimum rates for those categories to be rated using the differential option.

At the budget workshop held on Tuesday 5 April 2016, Council was presented with the new policies from the Minister for Local Government relating to Differential rating and minimum rates

The intent to differentially rate must be advertised in a state wide circulating newspaper no earlier than 1 May, and must be advertised with a period for objections to be received of no less than twenty one days.

Rates levied for the year ending 30 June 2016 balanced the spread of rate burden across the organisation. The spread of rate categories with the residential Gross Rental Value ( GRV) providing for 32% of the total value of rates levied, and the balance of 68% being generated from properties rated using Unimproved Value (UV). Mining UV being 67% and Rural UV 1%.





### COMMENT:

Council must consider the services it has historically provided, and determine whether the services and the level of service should continue into the next financial year. If the response is yes, the operating budget must continue to make provision for this.

Where the community has indicated it requires a new or enhanced service or service level, Council must make decisions as to how this can be accommodated, and the effect this may have of the budget. New or enhanced services can only be provided if

- There is a reduction in other services or service levels that release resources to provide for the new or enhanced service.
- A fee for service is set and charged for those using the new or enhanced service.
- A grant is available for the provision of the service.
- Rates are increased to provide the resources for the service.

The availability of grant funding, in particular for capital projects is opportunistic and with the exception of Road Funding is not possible to forecast. When funding for these projects becomes available, the projects must be 'shovel ready' and funds for co-contributions should be available. Many of the projects included in the Forward Capital Works Plan, and the Long Term Financial Plan will need to be reconsidered each year. Projects may be deferred or discarded, or additional funding sourced to allow the projects to proceed. In some instances provision for possible grant funding may require that Reserve Funding is allocated to provide for co-contribution should the grant application be successful. It is in the light of these factors that four models are presented for consideration, each with a different increase in rates:

### Unimproved Mining

1. 2.7% with a discount of 5% where payment is made within the prescribed period.
2. 2.7% plus 1% where the 1% will be transferred to Reserve for Grant Funding Co-Contribution with a discount of 5% where payment is made within the prescribed period.

## Unimproved Rural

It will be proposed to reduce the gap between the rate in the dollar charged for Mining UV and Rural UV. Last year, this variance was reduced from 75% to 45%. It will be proposed this year to reduce the variance from 45% to 25%. While this will result in an increase of 40% for the 27 of the 39 properties in this category. The 15 of these 27 properties who meet the criteria for 50% concession in accordance with the will again be offered this concession in accordance with the Rating Strategy.

It should be noted that these properties are also entitled to a 50% concession on their tip passes (up to the value of \$150.) The dollar value increase to those entitled for concession does not exceed \$1,000 except for the Horse Blocks at Coolgardie who are not charged rates under the terms of their lease.

A table showing the rates for all UV Rural properties is attached. It should be stressed that it is important that the Council is rating in a fair and equitable manner. It is proposed that the 25% variance and the concession for those who use their properties exclusively for non mining activities will remain unless the Rating Strategy is changed.

The reason for reducing the gap in the rate in the dollar between Mining and Rural is to better address fairness and equity as promoted by the Minister for Local Government and Communities. The changes to pastoral leases allow holders of these leases to make application to diversify their activities. A copy of the types of permits available is attached. This greater flexibility in the use of the land should mean that the holders of these leases have an improved ability to operate businesses, and thus take a greater burden of the rates for the Shire.

The minimum rate will increase by 2.7%. 12 of the 39 properties in this category attract minimum rates.

The Local Government Cost Index (LGCI) is presented as **attachment 2**. While it is recognised that the per capita economic growth in Western Australia is and will be subdued for the near future, costs to provide services to the community continue to rise. The document analyses and forecasts the expected increase required to maintain the existing service levels (2.7%) provided by Local Government. It will be proposed that this be the minimum rate increase for the 2016 2017 budget

Council will continue to pursue the high outstanding rates debt. Additional resources will be allocated for this purpose, and assistance of contractors will be used.

**Model 1 and Model 2** propose an increase to the Rate in the Dollar for Mining Unimproved to increase by 2.7% and 3.7% respectively. The Rural UV has been proposed as 75% of the Mining UV.

**Model 3 and Model 4** propose an increase to the Rate in the Dollar for Mining Unimproved to increase by 2.7% and 3.7% respectively. The Rural UV has been proposed as 55% of the Mining UV. An analysis of the effects of these rates is attached.

The Shire's rate base has increased by 2.1% for the year ending 30 June 2016. This is the reason that the effective increase shown in the table is greater than the increase in the rate in the dollar.

The Local Government Regulations set the maximum penalty allowed for outstanding rates. These penalties and charges do not apply for entitled pensioners and seniors. Rates and services unpaid after the due date where no payment option presented on the annual rate notice has been actioned. This penalty interest is currently set at 11% calculated and accrued daily on the outstanding balance.

The Regulations also provide for administration charges and interest (calculated at 5% of the outstanding balance) to be added to the instalments offered.

It will be proposed that for the year ending 30 June 2017, Council offer a 5% discount for payment by the due date for all rates and services charged. A charge of \$15 per instalment will be set (\$45 for the four instalment option), and that interest be charged in accordance with the maximum set by the Local Government Regulations.

A concession for 'Bona fide' prospectors will be offered for those holding a Department of Transport certificate. This concession will be available on mining leases rated as UV Mining. This concession has been introduced following consultation with the community at a series of stakeholder meetings.

**Attachment 3** presents a table and graph showing the number of properties that will be effected by the rate increase, and the dollar increase for each property.

The statement of *Rates Objectives and Reasons* **attachment 4** details Council's rationale for the setting of rates.

The adoption of an increase less than the LGCI will require that service levels are reviewed. The community expectations of their Local Government increase each year, and as the volunteer sector of the community becomes smaller it places greater pressure on services provided.

**CONSULTATION:** Chief Executive Officer, Council (Budget Workshop)

## **STATUTORY ENVIRONMENT:**

**Local Government Act 1995 Section 6.36**

**POLICY IMPLICATIONS:** NIL

## **FINANCIAL IMPLICATIONS:**

The annual budget will be set using the proposed rates as advertised.

## **STRATEGIC IMPLICATION:**

### **Solutions focussed and customer oriented organisation.**

- High quality corporate governance, accountability and compliance.
- Development of Shire's resources to provide optimum benefit to the community.

### **Effective management of infrastructure, heritage and the environment.**

- Develop and maintain Shire buildings, facilities and infrastructure assets.

**VOTING REQUIREMENT:** Absolute Majority

## **OFFICER RECOMMENDATION:**

**That Council**

1. **Advertise the following differential rates for unimproved valuations.**

<b>Category</b>	<b>Proposed Rate in \$</b>	<b>Proposed Minimum Rate</b>
UV Mining	21.3300	\$430
UV Rural/Pastoral	15.9975	\$674

2. **Consider submissions received relating to proposed differential rating at the June 2016 ordinary meeting of Council.**
3. **Adopt concessions for Rural Pursuits on properties in the Unimproved Rural rating category be included in the Annual Budget and the Rating Strategy.**
4. **Adopt concessions for Bona Fide Prospectors on Mining Leases rated as Unimproved Mining be included in the Annual Budget and the Rating Strategy.**
5. **Endorse an allocation of 1% of annual rates be allocated to asset preservation.**
6. **Resolve that all property owners in the rating category Unimproved Rural/Pastoral be advised of the proposed differential rates and concessions.**

## 2016 2017 Rate Models for Differential Rating

### Base Model 2015 2016

Line	Code	Total Props	UV Value	GRV Value	Min Amts	UV %	GRV %	Calculated Rates	Props on Min	Conc	Actual Rates to Raise	% Var Exp	% Var LY
1	00	1234	165118.00	839168.00				0.00			0.00	0	
2	01	2018	0.00	16249041.00	660.00		10.7581	1748087.73	638		0.00	1,998,490	14.32
3	02	1974	19838554.00	9103.00	415.00	20.5690		4080592.30	771		0.00	4,233,370	3.74
4	03	39	1187206.00	0.00	650.00	11.3129		134307.43	13		0.00	141,321	5.22
5	11	42	0.00	0.00				0.00			0.00	0	-100.00
6	99							0.00			0.00	0	
											6,373,181		

### Model 1 GRV and UV Mining increase 2.7% - UV Rural 75% of UV Mining

Line	Code	Total Props	UV Value	GRV Value	Min Amts	UV %	GRV %	Calculated Rates	Props on Min	Conc	Actual Rates to Raise	% Var Exp	% Var LY
1	00	1234	165118.00	839168.00				0.00			0.00	0	
2	01	2018	0.00	16249041.00	678.00		11.0485	1795275.48	644		0.00	2,052,554	14.33
3	02	1974	19838554.00	9103.00	426.00	21.1243		4190756.81	771		0.00	4,347,502	3.74
4	03	39	1187206.00	0.00	667.00	15.8432		188091.42	12	-32198.60	0.00	162,614	3.57
5	11	42	0.00	0.00				0.00			0.00	0	-100.00
6	99							0.00			0.00	0	
											6,562,669		

### Model 2 GRV and UV Mining increase 3.7% - UV Rural 75% of UV Mining

Line	Code	Total Props	UV Value	GRV Value	Min Amts	UV %	GRV %	Calculated Rates	Props on Min	Conc	Actual Rates to Raise	% Var Exp	% Var LY
1	00	1234	165118.00	839168.00				0.00			0.00	0.00	
2	01	2018	0.00	16249041.00	684.00		11.1561	1812759.51	638		0.00	2072158.81	14.30
3	02	1974	19838554.00	9103.00	430.00	21.3300		4231564.84	771		0.00	4389722.15	3.73
4	03	39	1187206.00	0.00	674.00	15.9975		189923.36	12	-34000.00	0.00	162715.53	3.57
5	11	42	0.00	0.00				0.00			0.00	0.00	-100.00
6	99							0.00			0.00	0.00	
											6624596.49		

## 2016 2017 Rate Models for Differential Rating

### Model 3 GRV and Mining increase 2.7% - UV Rural 55% of UV Mining

Line	Code	Total Props	UV Value	GRV Value	Min Amts	UV %	GRV %	Calculated Rates	Props on Min	Conc	Actual Rates to Raise	% Var Exp	% Var LY
1	00	1234	165118.00	839168.00				0.00		0.00	0.00		
2	01	2018	0.00	16249041.00	678.00		11.0485	1795275.48	644	0.00	2052553.92	14.33	1.81
3	02	1974	19838554.00	9103.00	426.00	21.1243		4190756.81	771	0.00	4347502.03	3.74	2.92
4	03	39	1187206.00	0.00	667.00	11.6183		137933.18	13	-18000.00	127128.65	5.21	2.69
5	11	42	0.00	0.00				0.00		0.00	0.00		-100.00
6	99							0.00		0.00	0.00		
											6527184.60		

### Model 4 GRV and Mining increase 3.7% - UV Rural 55% of Mining

Line	Code	Total Props	UV Value	GRV Value	Min Amts	UV %	GRV %	Calculated Rates	Props on Min	Concession	Actual Rates to Raise	% Var Exp	% Var LY
1	00	1234	165118.00	839168.00				0.00		0.00	0.00		
2	01	2018	0.00	16249041.00	684.00		11.1561	1812759.51	638	0.00	2072158.81	14.30	2.79
3	02	1974	19838554.00	9103.00	430.00	21.3300		4231564.84	771	0.00	4389722.15	3.73	3.92
4	03	39	1187206.00	0.00	674.00	15.9975		189923.36	12	-22000.00	174715.53	3.57	39.19
5	11	42	0.00	0.00				0.00		0.00	0.00		-100.00
6	99							0.00		0.00	0.00		
											6636596.49		

Value Raised 2016 2017

6,239,976

Increase (decrease) due to growth in valuations

2.1%

2015 2016

Reference Base

6,373,181

Model 1

6,562,669

Effective Increase

5.2%

322,693

Model 2

6,624,596

Effective Increase

6.2%

384,620

Model 3

6,527,185

Effective Increase

4.6%

287,209

Model 4

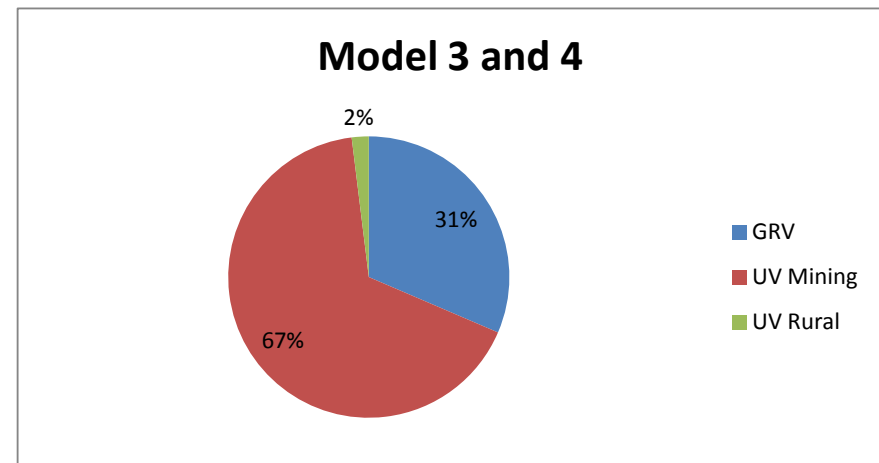
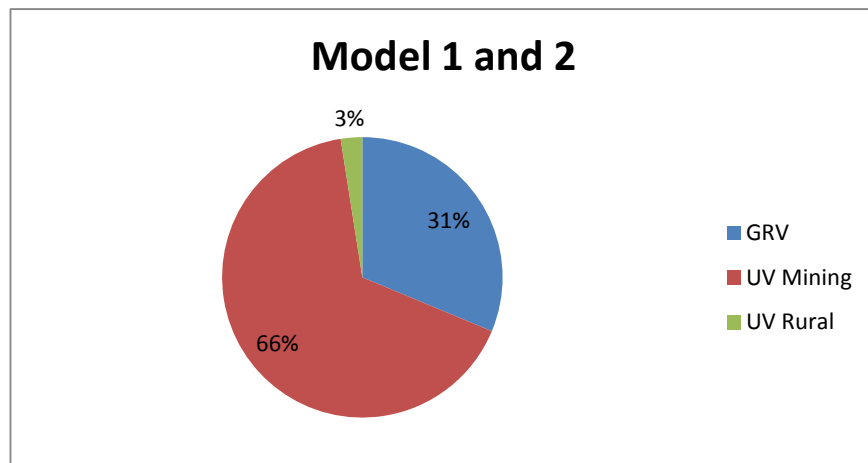
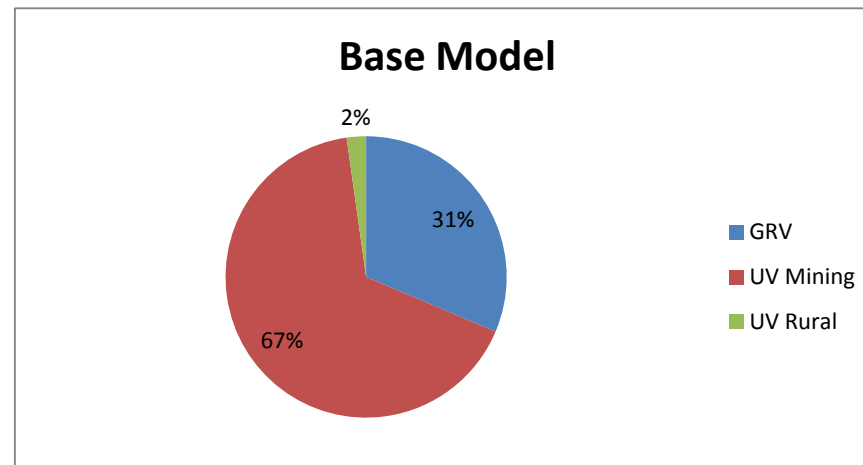
6,636,596

Effective Increase

6.4%

396,620

## 2016 2017 Rate Models for Differential Rating



# Local Government Economic Briefing



May 2015 – Budget Edition

## DEFICIT AND DEBT WOES CONTINUE

In a big week for followers of Australia's fiscal fortunes, the WA State Budget and the Federal Budget were released only two days apart.

Common themes between the two budgets were the presence of deficits and growing debt levels:

**Table 1 Key National and State Budget Figures**

	2014-15 Estimated Actual (\$b)	2015-16 Budget Estimate (\$b)	2016-17 Budget Estimate (\$b)
State Government net operating balance	-1.3	-2.7	-1.1
State Government net debt	25.5	31.0	34.4
Federal Government net operating balance	-36.2	-29.1	-19.2
Federal Government net debt	250.2	285.8	313.4

Interestingly, the State and Federal Government both appear to have a strategy that relies on higher rates of future economic growth to eventually return their budgets to surplus:

**Table 2 National and State Economic Growth forecasts**

	2014-15	2015-16	2016-17	2017-18	2018-19
	%	%	%	%	%
Australian GDP	2.5	2.75	3.25	3.5	3.5
WA GSP	3.25	2.0	3.5	2.75	2.75

Some analysts have questioned the degree of apparent optimism in the Australian GDP forecasts. If these outcomes are not realised, the Federal Government may need a 'plan B' to repair the budget.

## STATE BUDGET 2015-16

Treasurer Mike Nahan said the new State Budget was prepared 'in the most challenging economic and fiscal environment the State has faced in at least the last three decades.'

Some of the challenges for the State Government include decreases in royalty revenue and GST grants. Additionally, other major sources of revenue, such as payroll tax and stamp duty, have stalled due to the slowdown in the State's economy.

Compared to last year's State Budget, Local Governments have been mostly spared from

increased costs or further cuts in State Government funding. However, the Budget also included reforms to social concessions, including reforms to rates rebates that will be introduced in 2016-17. These reforms will lead to increased rates bills for many pensioners and could therefore be a sensitive issue in some communities.

## Social Concession Reform

The Budget includes 'a number of reforms to better target concessions to those most in need and ensure the sustainability of these concessions over the longer term.' These measures affect the seniors Cost of Living Rebate and the Cost of Living Assistance payment (now known as the Energy Assistance payment) as well as rebates on Local Government Rates and Water Service Charges.

Subject to legislative change, from July 2016 the State Government will apply a \$550 cap to the 50 percent Local Government rates rebate. This reform is forecast to save the State Government \$8m in 2016-17 and \$9m in 2017-18 and 2018-19. When this reform takes effect, there may be pressure on Local Governments to fill the shortfall between the new rebate and the traditional 50 percent rebate. This has been the case in other jurisdictions where concession funding has been withdrawn by other levels of Government.

## Slightly Brighter Outlook for Streetlights

Last year's Budget foreshadowed a streetlight tariff increase of 36.8% for 2015-16. The 2015-16 Budget reveals the tariff increase will actually be 7.5%. Nonetheless, there is a fairly substantial tariff increase (16.0%) forecast for 2016-17. The following table shows the 2015-16 Budget's projected increases in streetlighting and other tariffs (the bracketed figures show the projected streetlighting tariff increases from the 2014-15 State Budget):

**Table 3 Electricity Tariff Increases**

	2015-16 %	2016-17 %	2017-18 %	2018-19 %
Small business (L1/L2)	4.5	7.0	7.0	7.0
Medium business (L3/L4)	-5.7	2.2	2.7	0.8
Medium business (R3 – contestable)	-6.1	1.7	3.2	2.5
Street lighting (Z)	7.5 (36.8)	16.0 (8.2)	2.0 (3.0)	2.1



### LG interest rates to increase

While many households with mortgages have been able to benefit from decreasing interest rates, Local Governments that have loans with the WA Treasury Corporation (WATC) face an unexpected increase in their interest rates.

From 1 July this year, Local Governments, along with universities and Keystart, will be required to pay a 'loan guarantee fee' of 70 basis points on all WATC borrowings. The State Government said this measure would 'ensure the benefit of the State Government's guarantee is appropriately reflected in the cost of borrowing' as well as ensuring 'equity with Government Trading Enterprises.'

### State funding for Local Government roads

The new State Budget still clearly shows the effect of cuts made to road funding in December 2014. Comparing the 2015-16 Budget with the 2013-14 Budget suggests that the total funding reduction in the period from 2013-14 to 2015-16 is \$44 million:

**Table 4 State Road Funding to Local Governments**

	2013-14 (\$m)	2014-15 (\$m)	2015-16 (\$m)	Total (\$m)
<b>LG road funding(current budget)</b>	<b>180.1</b>	<b>202.6</b>	<b>150.4</b>	<b>533.1</b>
LG road funding (2013-14 budget)	193.7	186.7	196.7	577.1
<b>Difference</b>	<b>-13.6</b>	<b>15.9</b>	<b>-46.3</b>	<b>-44.0</b>

The funding estimates for future years are \$172.4m for 2016-17, \$194.2m for 2017-18 and \$204.9m for 2018-19. However, the Budget Papers state that 'estimates from 2016-17 onwards are indicative. The current [State Road Funds to Local Government] Agreement expires at the end of 2015-16.'

### State Government Asset Sales

The WA Treasurer indicated he has two main strategies to reduce the State's debt: (1) constrain public sector expenditure growth and (2) sell Government assets.

Previously announced asset sales, which are currently being progressed, included Utah Point at Port Hedland, Kwinana Bulk Terminal and the Perth Market Authority.

In the 2015-16 Budget, the State Government announced a second group of assets that will be considered for divestment:

- Fremantle Port Authority;
- TAB;

- the Forest Products Commission;
- a portfolio of Government Regional Officer Housing stock;
- securitisation of part of KeyStart's loan book;
- the State's vehicle fleet, via a sale and leaseback arrangement;
- various Government-owned office buildings, via a sale and leaseback arrangement; and
- individual generation assets of Synergy and Horizon Power, and Western Power's non-core assets.

Proceeds from these sales 'will be recycled into already committed infrastructure projects such as the Forrestfield Airport Link and used to reduce debt.'

This program of sales has some implications for Local Governments. Private sector acquisition of such assets may mean that Local Governments will be able to rate property that was previously exempt by virtue of the State Government's ownership.

In some cases WA's State owned corporations are paying significant rate equivalent payments to the State Government (while these corporations are exempt from paying rates to Local Government, they are required to make rate equivalent payments to the State Government under national competition policy). For example in 2015-16, the five Government owned Port Authorities will be liable for rate equivalent payments of \$3.6m.

### Other State Budget Measures

The Budget includes \$560m for a State-wide Social Housing Investment Package that is intended to deliver 1,000 new social homes. The \$560m includes \$85.3m from 2016-17 to 2017-18 to provide social housing in regional areas. This regional component is funded under the Royalties for Regions (RFR) program.

Other Budget initiatives that may be of interest to Local Governments include:

- \$20m from 2015-16 to 2018-19 for the Department of Parks and Wildlife for an enhanced prescribed burning program in the South West (funded by RFR);
- \$11m from 2015-16 to 2016-17 for a new Regional Tourism Marketing Campaign (funded by RFR);
- an additional \$11m to be spent between 2017-18 and 2018-19 on developing new sections of the 'Principal Shared Path' bicycle network;

- an additional \$4.5m from 2014-15 to 2015-16 for the continuation of the Bushfire Risk Management Planning Pilot Program that includes the establishment of a number of Local Government Bushfire Risk Management Plans;
- Main Roads will spend \$12m over three years from 2015-16 on traffic congestion management initiatives in the Metropolitan area;
- an additional \$4m in grants over 2015-16 and 2016-17 for CCTV infrastructure, with a focus on high crime locations;
- \$3,000 first home owner grants for established homes have been abolished, but \$10,000 grants for new homes have been retained;
- the Emergency Services Levy will increase by 10.59% in 2015-16; and
- land tax rates (except the top rate) will increase in July 2015, raising an extra \$184m in revenue in 2015-16 and an extra \$826 million over the four years to 2018-19.

### WA Economic Outlook

The following table shows Treasury's forecasts for a number of key economic variables. Labour market conditions in the State have worsened in recent times and this is reflected in the revision of the Wage Price Index and unemployment forecasts:

**Table 5 WA Economic Forecasts**

Economic indicator	2014-15 Budget Forecast %	2015-16 Budget Forecast %
Gross State Product (WA)		
2014/15	2.75	3.25
2015/16	3.0	2.0
Consumer Price Index (Perth)		
2014/15	2.75	2.0
2015/16	2.5	2.25
Unemployment rate (WA)		
2014/15	5.5	5.5
2015/16	5.25	6.25
Wage Price Index (WA)		
2014/15	3.25	2.25
2015/16	3.5	2.75

### FEDERAL BUDGET 2015-16

From a Local Government perspective, the 2015-16 Federal Budget could be summed up by the phrase 'no news is good news' – programs such as Financial Assistance Grants (FAGs) and Roads to Recovery will deliver on the levels of funding projected in the 2014-15 Budget.

### Financial Assistance Grants

Last year's Federal Budget included an unexpected indexation freeze for FAGs from the period 2014-15 to 2016-17. While it is disappointing the freeze on Financial Assistance Grants has not been overturned in the current Budget, indexation is still programmed to resume in 2017-18.

The following table contrasts the FAGs payments forecast in the 2015-16 Budget with those forecast in the 2013-14 Budget (which assumed indexation would continue to apply). The table shows that over the five year period from 2014-15 to 2018-19, the indexation freeze results in WA losing over \$147 million in FAGs funding:

**Table 6 WA Financial Assistance Grants payments 2014-15 to 2018-19**

	2014-15	2015-16	2016-17	2017-18	2018-19
	\$m	\$m	\$m	\$m	\$m
2015-16 Budget	281.0	282.0	284.3	298.8	314.1
2013-14 Budget	290.5	305.5	320.9	337.1*	354.1*
<b>Difference</b>	<b>-9.5</b>	<b>-23.5</b>	<b>-36.6</b>	<b>-38.3</b>	<b>-40.0</b>

\*author's estimate using the same growth factor that applied to 2016-17 allocation.

### Federal Road Funding

Infrastructure spending has again been prominent in the Federal Government's Budget strategy. The 2015-16 Budget retains the previously announced 'double payment' of Roads to Recovery funding for 2015-16:

**Table 7 WA Roads to Recovery 2014-15 to 2018-19**

	2014-15	2015-16	2016-17	2017-18	2018-19
	\$m	\$m	\$m	\$m	\$m
2015-16 Budget	51.2	102.4	51.2	51.2	51.2

Similarly, increased payments to Black Spot projects for 2015-16 and 2016-17 and the \$300 million national 'bridges renewal' program, as announced in the 2014-15 Budget, will also be retained.

Additionally, the Budget included \$499 million for WA as a one-off compensation payment for the State's declining share of GST revenue. This payment will fund the following road projects:

- Mitchell Freeway extension (\$209m);
- Tonkin Highway grade separations (\$84m);
- Reid Highway-Malaga Drive (\$67);
- Swan Valley bypass (\$54m); and
- Kwinana Freeway widening (\$23).

Other, previously announced, Federal road funding commitments include the following:

- Perth Freight link (\$925m);
- Gateway WA (\$675m);
- Northlink WA (\$756m);
- Great Northern Highway (\$308m); and
- North West Coastal Highway (\$172m).

### Developing the North

A number of Budget measures aim to promote the economic development of northern Australia and should provide benefits to the Pilbara and Kimberley regions of WA. This includes:

- \$800 million to establish a concessional infrastructure loans program known as the Northern Australia Infrastructure Facility; and
- \$101.3 million over four years from 2015-16 to improve cattle supply chains in northern Australia.

Another reform that will affect the Pilbara and Kimberley regions, as well as other remote areas in the State, is the change to the zone tax offset (ZTO). FIFO workers will no longer be eligible for the ZTO, thereby ensuring that the offset is targeted to the permanent residents of the eligible zones. WALGA has previously advocated for this reform since it improves the incentives for workers to permanently relocate to regional areas.

Other Federal funding measures that may be of interest to Local Governments include:

- \$33.7 million for four years for remote airstrip upgrades; and
- an extension of the Community Development Grants program – an extra \$50 million will be provided from 2015-16 to 2017-18.

### LOCAL GOVERNMENT COST INDEX

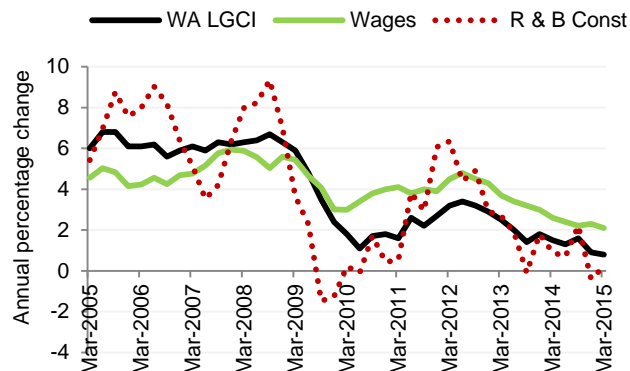
The Local Government Cost Index (LGCI) did not change in the March quarter 2015 – the quarterly movement was 0.0%.

**Table 8 Key LGCI figures for the March quarter 2015**

Index	Dec qtr 2014 to Mar qtr 2015 (%)	Mar qtr 2014 to Mar qtr 2015 (%)
Wages	0.3	2.1
Road and Bridge Construction	0.3	0.2
Non-residential Building	-0.1	0.0
Other costs (Perth CPI)	0.1	1.4
Machinery and Equipment	-0.9	-0.7
Electricity and street lighting	0.0	-0.8
<b>Local Government Cost Index</b>	<b>0.0</b>	<b>0.8</b>

The LGCI annual rate of increase was 0.8%, which is significantly lower than the Perth CPI for the same period (1.4%). Key factors in the low LGCI

annual movement are low growth in wages (2.1%) and road construction costs (0.2%):



**Figure 1 Local Government Cost Index, Wages, and Road and Bridge Construction comparison**

Source: WALGA calculations; ABS Cat No 6345.0 Wage Price Index, Mar 2015; ABS Cat No 6427.0 Producer Price Indexes, Mar 2015.

### WALGA LGCI Forecasts

The slowdown in WA's economy means the State has become a low inflation environment and there is little pressure on wages and other costs. However, as the economy improves, inflation is expected to gradually increase.

The LGCI is expected to show a similar pattern as other inflationary indicators. Based on forecasts of its component indexes, the LGCI is expected to increase by 2.2% in 2015-16 and 2.7% in 2016-17:

**Table 9 LGCI forecasts for 2015-16 and 2016-17**

	2014-15 Estimated Actual (%)	2015-16 Forecast (%)	2016-17 Forecast (%)
Wages and Salaries <sup>1</sup>	2.2	2.8	3.0
Road and Bridge Construction <sup>2</sup>	0.2	0.3	1.9
Non-residential Building <sup>2</sup>	0.0	3.0	3.2
Consumer Prices <sup>1</sup>	2.0	2.2	2.5
Machinery and Equipment <sup>3</sup>	0.2	1.6	0.9
Electricity and Street Lighting <sup>4</sup>	-0.8	5.7	10.6
<b>Local Government Costs</b>	<b>1.0</b>	<b>2.2</b>	<b>2.7</b>

Source: 1. Based on WA State Treasury forecasts  
2. WALGA estimated forecast  
3. Based on WT Partnership's March 2015 'Review of Australian Construction Market Conditions'  
4. Based on the State Government's projected tariff increases from the 2015-16 Budget

Please note: The forecasts listed above should be used with caution as they are speculative and rely on a number of assumptions about future economic events. A change to any of the underlying assumptions could significantly change the forecast estimates.

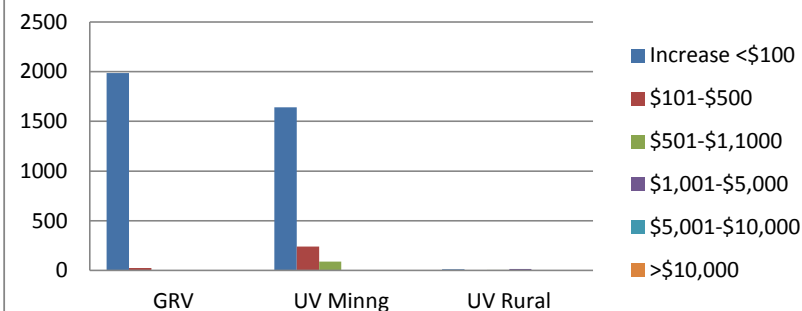
For further information or to comment please contact Paul Schollum on 9213 2096 or email [pschollum@walga.asn.au](mailto:pschollum@walga.asn.au).

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Increase <\$100  
 \$101-\$500  
 \$501-\$1,1000  
 \$1,001-\$5,000  
 \$5,001-\$10,000  
 >\$10,000  
**Total Assessments**

Var Cat	Variance before Discount		
	GRV	UV Minng	UV Rural
1	1986	1640	13
2	27	241	1
3	1	91	6
4	4	2	17
5	0	0	1
6	0	0	1
	<b>2018</b>	<b>1974</b>	<b>39</b>

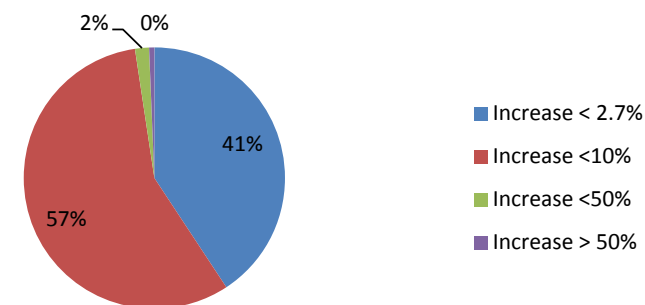
**\$ Variance by Rate Type (# of Assess)**



Increase < 2.7%  
 Increase <10%  
 Increase <50%  
 Increase > 50%  
**Total Assessments**

Var Cat	Variance before Discount			
	GRV	UV Minng	UV Rural	Total
1	853	777	12	1642
2	1163	1130	0	2293
3	2	41	27	70
4	0	26	0	26
	<b>2018</b>	<b>1974</b>	<b>39</b>	<b>4031</b>

**% Variance (# of Assess)**



**Note - of the 26 assessment in excess of 50%, all may attract concession (15 last year)**

# **Shire of Coolgardie**

## **Rates Objectives and Reasons**

**2016 2017**

The rate in the dollar (RID) is calculated to provide the shortfall in income required to enable Council to provide necessary works and services to maintain assets and provide for the future asset needs.

In the Shire of Coolgardie, the rate burden between the categories of Gross Rental Value and Unimproved has been considered fair and equitable by stakeholders at public consultation held each year. This remains as town sites rated using Gross Rental Value provide 31% of the rates (by value) and those being rated on Unimproved Value 69%.

### **Gross Rental Values (GRV)**

The four categories of GRV properties, dependent on land use and zoning are

- Residential
- Commercial
- Industrial
- Vacant Land

It is proposed that all properties using GRV as the basis for rating will attract the same RID and minimum rates. The reasoning being that the same services are provided for all.

The minimum rate is set to ensure that each rateable assessment makes a fair contribution to the services provided. Where the property is vacant, this contribution ensures that the services provided in the future will meet the needs of the improvements placed on the property.

### **Unimproved Values (UV)**

The differential between mining and rural properties has an historical base, due to anomalies in valuation methods some years past. Changes to processes and conditions now placed on rural and special leases have reduced the need for this variation, and this is being addressed by a progressive reduction of the differential. Council recognises the importance of diversity of industry to the community, and provides a generous concession for ratepayers who can demonstrate that they use their rural land for purposes other than mining. This is reflected in the Rate Strategy of the Council.

The lower minimum for Mining UV recognises that these leases are, for the most part small, and each ratepayer may have multiple leases, each paying the minimum rate.

A concession offered to Bona Fide Prospectors (who hold proof from the Department of Transport) recognises the importance to the community of the historical link of independent prospectors who live within the shire. The level of concession is set at each Annual Budget.

Greater than 0	39
Less than 0	0
Greater than 2.7%	27
Minimum	12
granted concession 2015 value	11

For Rate Code: 03 UV (PASTORAL/RURAL)

16/17 concession	16/17 Rates	Concession 15/16	15/16 Rates	\$variance
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Government of Western Australia  
Department of Lands

Home ^

## Permits to Diversify

Find out about the permits for pastoral and non-pastoral use, application process, approvals required, your obligations, and native title.

### ▼ Types of permits available to pastoral lessees

Under section 106 of the [Land Administration Act 1997](#) (WA), pastoral leases must not be used for purposes other than pastoral purposes, except in accordance with a Permit issued under Part 7 Division 5.

Permits can only be issued on approval from the [Pastoral Lands Board](#) to pastoral lessees' seeking to carry out any other activity on the lease other than the primary pastoral use of grazing native vegetation with authorised stock.

Permits are not transferable to a third party and if the pastoral lease is sold, the Permit cannot be transferred to the new lessee. However, it may be possible for the new lessee to apply for a new Permit for the same activity under a 'streamlined' process (details available from the Pastoral Land unit).

Two types of Permits may be issued by the Pastoral Lands Board to the pastoral lease holder under the following sections of the *Land Administration Act 1997*:

### 1. Pastoral use permit

#### s.119 - Sowing of non-indigenous pastures

For the lessee to sow and cultivate specific varieties of non indigenous pasture on specified land area(s) under the lease. A permit under this section may include a permit for the sale of any produce of the pasture permitted. Please note: an approved pasture species list has been developed and pastoral lessees should contact their local Department of Agriculture and Food rangelands office for plant species advice prior to developing a Permit application.

#### s.120 - Agricultural uses of land under a lease

For the lessee to use specified land under the lease for crop, fodder, horticultural or other specified kind of agricultural production if the proposed use is reasonably related to the pastoral use of the land.

#### s.121 - Low-key pastoral-based tourism

To allow the pastoral lessee to use specific land area(s) for pastoral-based tourist activities of a specified kind if the activities will be purely supplementary to the pastoral use of the lease.



#### s.122A - Keep or sell prohibited stock

To keep prohibited stock on the land under a pastoral lease and/or sell prohibited stock. Prohibited stock are those classes of animals not 'authorised'.

Authorised stock are controlled livestock managed according to industry codes of practice for husbandry and identification prescribed as:

- ▶ Sheep (ovis aries)
- ▶ Cattle (bos indicus, bos taurus)
- ▶ Horses (equus caballus)
- ▶ Goats (capra hircus)
- ▶ Stock kept for domestic or household use.

## 2. Non-pastoral use permit

#### s.122 - Non-pastoral use of enclosed and improved land

The use of specified land under the lease for any non-pastoral purposes if the land has been enclosed or improved. An application must specify the use proposed, any facility proposed to be constructed, and the areas of land proposed to be used.

- ▶ **Permit application and assessment process**
- ▶ **Government approvals required**
- ▶ **Pastoral lessees' obligations**
- ▶ **Native Title**
- ▶ **More information and advice on permits to diversify**
- ▶ **Alternative tenure options**

## Contact Us

For further information please contact us.



**7.0 CONFIDENTIAL ITEMS**

NIL

**8.0 MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC**

NIL

**9.0 CLOSURE**