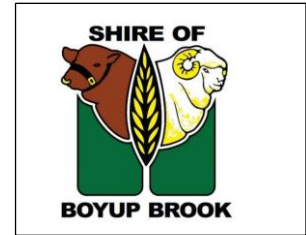


Date: 12 May 2025

To: Shire President
Deputy Shire President
Councillors
Community



Minutes – Special Council Meeting

9 May 2025

A handwritten signature in black ink, appearing to read "Long", written in a cursive style.

Leonard Long
Chief Executive Officer

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Agenda

1. Declaration of Opening

The Presiding Member declared the meeting open at 8:35am.

Acknowledgement of Traditional Custodians

We acknowledge and pay our respects to the Traditional Custodians of the land on which we meet and work.

Council Meetings are public meetings.

The Council Chambers is not a parliament and Parliamentary Privilege does not apply.

Elected Members and staff risk being held personally liable if their comments are defamatory, or breach any duty of confidentiality.

Statements made during Council meetings are solely those of the person making them. Nothing expressed at a Council Meeting can be attributed to the Shire, unless it is adopted by a resolution of Council.

The Confirmed Minutes of a Council Meeting are the official record of that Council meeting. Verbatim Minutes are not required.

Please make sure your mobile phones are turned off or on silent for the duration of the Meeting.

This meeting will be audio recorded and made available for public access on the Shire Website.

2. Record of Attendance

2.1 Attendance

Councillors

Shire President

Deputy Shire President

Councillors

Cr Richard Walker

Cr Helen O'Connell

Cr Charles Caldwell

Cr Philippe Kaltenrieder

Cr Darren King

Cr David Inglis

Cr Sarah Alexander

Council Officers

Chief Executive Officer

Executive Manager Corporate Services

Executive Manager Operational Services

Manager Financial Services

Leonard Long

Carolyn Mallet

Jason Forsyth

Malcolm Armstrong

Observers / Public Members

Mr John Eddy

Mr Terry Mathews

2.2 Apologies

Councillor

Cr Michael Wright

Executive Officer

Magdalena Le Grange

2.3 Request for Leave of Absence

Nil

3. Deputations, Petitions and Presentations**3.1 Deputations**

Nil

3.2 Petitions

Nil

3.3 Presentations

Nil

4. Public Question Time**4.1 Response to Previous Public Questions Taken on Notice**

Nil

4.2 Public Question Time

Nil

5. Declarations of Interest**5.1 Financial and / or Proximity Interest**

Nil

5.2 Disclosures of Impartiality Interest that may cause Conflict

Nil

6. Reports of Officers

6.1 Corporate Services

| 6.1.1 Differential Rating Proposal & Minimum 2025/2026 | |
|--|---|
| File Ref: | FM/48/002 |
| Previous Items: | Nil |
| Applicant: | Nil |
| Author and Title: | Carolyn Mallett Executive Manager Corporate Services |
| Declaration of Interest: | Nil |
| Voting Requirements: | Absolute Majority |
| Attachment Number | 6.1.1A Shire of Boyup Brook's 2025/26 Differential Rating Methodology and Objects and Reasons 6.1.1B Shire of Boyup Brook's Public Notice of Intention to Impose Differential Rates |

Moved: Cr. Alexander

Seconded: Cr. King

Council Decision CM 25/05/084

That Council:

1. Advertise its intention to impose the following differential general rates and minimum payments applying to each of the differential rate categories in accordance with Section 6.36 of the *Local Government Act 1995*, with an advertisement being placed in the West Australian newspaper and Gazette, and on the Shire's website;

| 2025/2026 Rate Category | Proposed Rate in the dollar | Proposed Minimum Rate |
|----------------------------------|-----------------------------|-----------------------|
| Gross Rental Values (GRV) | | |
| GRV General | 0.11391 | \$1,350 increase 7% |
| | | |
| Unimproved Values (UV) | | |
| UV General | 0.004313 | \$1,222 increase 7% |
| UV Plantation | 0.006469 | \$1,833 |

(**NOTE: Council when adopting the annual budget may vary the above proposed rate in the dollar and minimum payment.)

2. Include in the advertisement an invitation for submissions to be made by an elector or a ratepayer for a period of 21 days and detail the time and place where the rating methodology and differential rating model may be inspected;

- 3. Adopt the Shire of Boyup Brook's 2025/2026 Differential Rating Methodology including Objects and Reasons (updated to suit the option selected by Council);**
- 4. That all UV Plantation ratepayers be provided with the Shire of Boyup Brook Rating Methodology – Objects and Reasons, the Department of Local Government Rating Policy: Differential Rates, the differential general rate that will apply with a comparison to the previous year and an invitation to make submissions by the due date.**

CARRIED BY ABSOLUTE MAJORITY 7/0

**For: Cr Walker, Cr O'Connell, Cr Alexander, Cr Inglis,
Cr Kaltenrieder, Cr King, Cr Caldwell
Against: Nil**

Summary

The purpose of this item is for Council to consider a proposal to impose differential general rates and the minimum rate in the dollar for differential rating categories for the 2025/2026 financial year.

Background

The purpose of levying rates is to meet Council's budget requirements in each financial year and enables Council to raise the revenue necessary to provide infrastructure, facilities and services to the community.

The Valuer General's Office (Landgate) provides Council with a rateable value for each rateable property within the Shire. Properties of a non-rural use are valued based on a gross rental value (GRV). Properties of a rural use, are valued based on unimproved value (UV). Council will then set a "rate in the dollar" (RID) and minimum rate.

The rateable value (as advised by Landgate) is multiplied by the rate in the dollar to produce the annual rates to be charged to the property. If this value is less than the minimum rate value agreed by Council, then the ratepayer will be charged the minimum rate. The minimum rate is to ensure that properties with a low valuation still pay a fair and reasonable amount towards the provision of infrastructure, facilities and services.

Section 6.33 of the *Local Government Act 1995* provides local government with the head of power to impose differential rates according to a number of characteristics. One of those characteristics is the purpose for which the land is held or used as determined by the local government.

The differential rates model proposed is based on the characteristic of the purpose for which land is held or used. It provides for differential rating

categories in the unimproved valuation category by creating two UV valuation categories:

1. UV Rural General – for general rural properties; and
2. UV Plantations - for UV properties that are held or used for plantation purposes.

Prior to adoption and imposition of differential general rates, Section 6.36(1) of the *Local Government Act 1995* requires the differential rating proposal to be advertised for public comment for a period of 21 days. As part of the advertising period, submissions from ratepayers and electors are to be invited and if any submissions are received, Council is required to consider them and decide whether to impose the proposed rates and minimums with or without modification.

Additionally, as there are fewer than 30 ratepayers affected in the proposed differential rate category, the Shire is required to contact the individual ratepayers directly, giving the ratepayer at least 21 days to make submissions.

Section 6.36(3A) requires a local government to prepare a document describing the objects of and reasons for, each proposed rate and minimum payment and to publish the document on the local government's official website.

If a Local Government has a differential rate that is more than twice the lowest differential rate imposed, Section 6.33(3) requires approval from the Minister for Local Government must be obtained before the rates are formally adopted by Council. The Shire of Boyup Brook's proposed differential rate is not more than twice the lowest differential rate to be imposed.

Once Council has advertised for the required time, processed any submissions from ratepayers and Ministerial approval has been granted (if required), Council can then adopt the Annual Budget on or prior to 31 August of each calendar year.

Report Detail

The uniform general rates and minimum rate for the 2024/25 financial year were as follows:

| 2024/25 Rate Category | Rate-in-the-Dollar | Minimum Rate |
|----------------------------------|--------------------|--------------|
| Gross Rental Values (GRV) | | |
| GRV General | 0.16956 | \$1,262 |
| | | |
| Unimproved Values (UV) | | |
| UV General | 0.004873 | \$1,142 |
| UV Plantation | 0.004873 | \$1,142 |

The change to a differential rating model provides Council with flexibility to raise rates in a manner that is simple, efficient and equitable to all ratepayers within the district.

The differential rating model proposes to create a new rating category under UV properties to separately rate Plantation properties from General UV properties. Plantation properties require additional ongoing maintenance and renewal of the road network that services this land use, along with additional administrative costs to ensure compliance of planning requirements. A separate differential rating category will assist in generating an appropriate level of rate revenue from this land use to assist to offset some of the additional annual costs.

The differential rating model proposed is as follows:

| 2025/2026 Rate Category | Rate-in-the-Dollar | Minimum Rate |
|----------------------------------|--------------------|--------------|
| Gross Rental Values (GRV) | | |
| GRV General | 0.0.113911 | \$1,350 |
| | | |
| Unimproved Values (UV) | | |
| UV General | 0.004313 | \$1,222 |
| UV Plantation | 0.006469 | \$1,833 |

The above model increases the new UV Plantation rating category Rate in the dollar and minimum rate by 50% from the UV General rate in the dollar and minimum rate, as well as indexing all rates in the dollar and minimums rates by 7%.

Economic Climate

The changing economic climate and successive Consumer Price Index (CPI) increases in recent years have significantly impacted the cost of delivering services, materials, and managing supply chain challenges. Additionally, the Shire's capacity to generate revenue through rates and Fees and Charges has not kept pace with the rising costs of expenditure.

The Shire's Long Term Financial Plan 2017-2027 assumed a minimum annual rate increase of 3.75%. However, actual CPI increases have exceeded initial forecasts contributing to a widening gap between operating revenue and expenditure. Council's decision to implement a 7% yield increase in the 2024/25 financial year has helped to recover a portion of this shortfall.

Council has a significant operational responsibility to ensure the Shire's financial management remains effective, efficient, and sustainable, particularly where no alternative revenue sources are available. It must ensure that financial resources are allocated wisely to maintain current service levels.

The Long Term Financial Plan also highlights the Shire's reliance on capital grants and reserve funds to support asset renewal, underscoring the need for prudent financial planning. While the CPI increase for the twelve months to March 2025 was 2.4%, it will need to be carefully considered as part of Council's deliberations on the 2025/2026 annual rate levy.

Revaluation

Landgate undertook its last review of GRV valuation as at 1 August 2024 with new values effective from 1 July 2025.

The overall change in the GRV valuations was an increase of 57.27% based on 358 properties. The following changes occurred to the level of values for the Shire:

- Residential: 287 properties with a median change of 67.55%
- Commercial: 19 properties with a median change of 20.75%
- Industrial: 17 properties with a median change of 26.35%
- Vacant Land: 30 properties with a median change of 29.99%
- Miscellaneous: 5 properties with a median change of 18.09%

Landgate has also completed its annual review of Rural Unimproved General Valuations (UV General) on 1 August 2024, with these valuations becoming effective on 30 June 2025.

The overall change in properties valued on a UV basis saw an average increase of 20.63%. This relates to broadacre agricultural properties.

Landgate advise that the analysis of sales at and around the date of valuation supports an increase in Unimproved Values for broadacre agricultural properties. The evidence for smaller properties generally supports more limited increases compared to broadacre farming properties. Increases were marginally higher in those lots situated to the east. Some variations to individual assessments may have occurred either as a product of the valuation process and/or inclusion of updated information.

Rate in the Dollar (RID) Calculations

When properties are revalued, the previous year's rate in the dollar is adjusted in consideration of whether the valuation has increased or decreased. This allows for a revised base rate that would have generated the same amount of revenue using the new property valuations.

Both the GRV properties and UV properties were revalued, with new valuations effective from 1 July 2025. The increase in UV valuations of 20.63%, and increase in GRV valuations of 58.50%, has necessitated an adjustment to both the UV rate in the dollar and GRV rate in the dollar as follows:

1. UV – decrease from 0.4873 cents to 0.4030 cents to account for the valuation increment.
2. GRV – decrease from 16.9560 cents to 10.6459 cents to account for the valuation increment.

The renovation of the Sport and Recreation building into a multipurpose Evacuation Centre is a major capital project and funding for this is a key consideration in the development of the 2025/2026 Annual Budget.

Additional capital priorities include the ongoing maintenance and upgrade of the Shire's road network and bridges, particularly to accommodate the increased heavy haulage from expanding plantation timber operations. A corresponding and equitable increase in the various RID is necessary to be considered to fund these projects. Council remains committed to delivering infrastructure and services that reflect community's priorities, as identified in the Strategic Community Plan 2021-2031.

Conclusion

Council are extremely conscious of the impact rate increases can have on the community, particularly given the ongoing inflationary pressures—most notably in fuel and food costs, which continue to outpace wage growth and reduce household disposable income. At the same time, it is essential that the Shire maintains its ability to deliver the services, facilities, and infrastructure needed for the community's wellbeing and development.

To balance these considerations, the proposed rate yield increase proposed has been carefully set at a level that supports the Shire's long-term financial sustainability. This decision has been made alongside efforts to improve operational efficiency, provide for additional maintenance and capital expenditure on road networks, reducing costs where possible, equitably rating properties by land use, ensuring that ratepayers are not burdened unnecessarily.

Proposed Rate in the Dollar and Minimum Payment for 2025/2026

Administration has provided, as part of this agenda item below, a number of options for Council to consider in relation to the percentage yield increase that they may choose to apply for the 2025/2026 financial year.

This does not account for any decreases to income that Council may be considering or increases to current organisation service levels.

Options for Consideration of Council:




Option One:



The proposed differential general rates and minimum rate for the 2025/2026 financial year are as follows:

| Rate Description | Basis of valuation | Rate in dollar | Number of properties | Rateable value* | 2025/2026 Budgeted rate revenue |
|---|------------------------|----------------|----------------------|-----------------|---------------------------------|
| | | | | \$ | \$ |
| General rates | | | | | |
| GRV properties | Gross rental valuation | 0.114976 | 309 | 5,595,971 | 643,402 |
| UV - Rural | Unimproved valuation | 0.004352 | 505 | 616,652,000 | 2,683,670 |
| UV - Plantations | Unimproved valuation | 0.006529 | 40 | 47,821,000 | 312,223 |
| Total general rates | | | 854 | 670,068,971 | 3,639,295 |
| Minimum payment | | | | | |
| | | \$ | | | |
| GRV properties | | 1,363 | 47 | 240,410 | 64,061 |
| UV - Rural | | 1,233 | 432 | 75,570,751 | 532,656 |
| UV - Plantations | | 1,850 | 1 | 118,000 | 1,850 |
| Total minimum payments | | | 480 | 75,929,161 | 598,567 |
| Total general rates and minimum payments | | | 1,334 | 745,998,132 | 4,237,862 |

(**NOTE: Council when adopting the annual budget may vary the above proposed rate in the dollar and minimum payment.)

Shire of Boyup Brook Strategic Community Plan 2021 – 2031

| | | |
|---|------------------------|--|
|  | Key Imperatives | Built Environment |
| | Outcome | Provide sustainable infrastructure that serves the current and future needs of the community. |
| | Objective | Construct/redevelop community and sporting facilities in a manner that maximises their life span, capacity and function. |
|  | Outcome | Provide sustainable infrastructure that serves the current and future needs of the community. |
| | Objective | Increase road safety, improve road infrastructure and networks. |
|  | Key Imperatives | Economic Development |
| | Outcome | Support a strong and inclusive economy. |
| | Objective | Maintain road networks to attract investment that will create jobs and support growth. |
| | Key Imperatives | Governance and Organisation |
| | Objective | Demonstrate effective leadership, advocacy and governance. |

| | | |
|---|------------------------|--|
|  | Outcome | Provide transparent decision making that meets our legal and regulatory obligations, reflects the level of associated risk, and is adequately explained to the community. |
| | Key Imperatives | Governance and Organisation |
|  | Objective | Improve financial stability. |
| | Outcome | A rate yield increase supports financial sustainability to enable the Shire to continue offering the services, facilities and infrastructure required for the community to thrive. |

Other Strategic Links

Long Term Financial Plan 2017-2027.

The financial principles and strategies identified on page 22 and 28 of the 2013-23 LTFP.

Strategic Community Plan 2021-2031.

Local Planning Strategy 2023-2038.

Statutory Environment

Section 6.32 of the *Local Government Act 1995* provides that a local government, in order to make up the budget deficiency, is to impose a general rate on rateable land that may be imposed uniformly or differentially.

Section 6.33 of the *Local Government Act 1995* provides that a local government may impose differential general rates according to a number of characteristics.

Section 6.33 (1) of the *Local Government Act 1995* outlines “A local government may impose differential general rates according to any, or a combination, of the following characteristics:

- a. the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the *Planning and Development Act 2005*; or
- b. a purpose for which the land is held or used as determined by the local government; or
- c. whether or not the land is vacant land; or
- d. any other characteristic or combination of characteristics prescribed.”

Section 6.33 (3) of the *Local Government Act 1995* outlines “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.”

As the highest UV sub-category rate is less than twice the lowest, Ministerial approval is not required.

Section 6.34 states that a local government cannot without the approval of the Minister raise an amount of general rates that exceeds 110% of the budget deficiency or is less than 90% of the budget deficiency.

“ 6.35. Minimum Payment

(1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.

(2) A minimum payment is to be a general minimum but, subject to subsection (3), a less minimum may be imposed in respect of any portion of the district.

(3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than –

(a) 50% of the total number of separately rated properties in the district; or

(b) 50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.

(4) A minimum payment is not to be imposed on more than the prescribed percentage of –

(a) the number of separately rated properties in the district; or

(b) the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.

(5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsection (2), (3) and (4) in respect of each of the following categories –

(a) to land rated on gross rental value; and

(b) to land rated on unimproved value; and

(c) to each differential rating category where a differential general rate is imposed.

[Section 6.35 amended by No.49 of 2004 s. 61s]

Section 53 of the *Local Government (Financial Management) Regulations 1996* sets the Prescribed amount in Relation to Minimums.

53. *Amount prescribed for minimum payment (Act s. 6.35(4))*

The amount prescribed for the purposes of section 6.35(4) is \$200.”

Section 6.36(1) of the *Local Government Act 1995 (Act)* states:

"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."

The Act prescribes the information to be included in the public notice and requires a local government to consider any submissions received before imposing the proposed rates.

Section 6.36 of the *Local Government Act 1995*.

Sustainability and Risk Considerations

The financial sustainability principles and strategies identified on page 30 of the 2013-23 LTFP have been adhered to.

Economic – (Impact on the Economy of the Shire and Region)

Failing to maintain Shire-owned assets and infrastructure will result in higher costs over time. Funding maintenance is essential not only to preserve the structural integrity of the assets but also to safeguard their functionality and usability. This includes road networks, bridges and drainage.

Social – (Quality of life to community and / or affected landowners)

Nil

Policy Implications

Nil

Risk Management Implications

Shire of Boyup Brook's commitment to the identification and management of risks that may impact the achievement of its business objectives.

| Risk Level | Comment |
|-------------------|---|
| High | Council would be contravening the <i>Local Government Act 1995</i> and <i>Local Government (Financial Management) Regulations 1996</i> if this item was not presented to Council. |

Consultation

Darren Long, DL Consulting.

Kim Dolzadelli, Executive Manager Corporate Services, Shire of Nannup.

Resource Implications

Financial

Upon adoption of the 2025/2026 Annual Budget, the proposed rates in the dollar will generate sufficient rate revenue to deliver a balanced budget.

Workforce

Nil

End

7. Closure

There being no further business the meeting closed at 8:55am.

Presiding Member

Date
