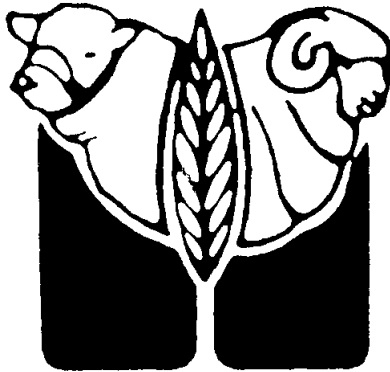


# MINUTES



SPECIAL MEETING  
TO HELD

THURSDAY, 10 AUGUST 2017  
COMMENCED AT 6.30PM

AT

SHIRE OF BOYUP BROOK  
ABEL STREET – BOYUP BROOK

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**1. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE PREVIOUSLY APPROVED**

**1.1 Attendance**

Cr G Aird - Shire President  
Cr K Moir - Deputy Shire President  
Cr P Kaltenrieder  
Cr E Muncey  
Cr T Oversby  
Cr E Rear

STAFF: Mr Alan Lamb (Chief Executive Officer)  
Mr Stephen Carstairs (Director of Corporate Services)  
Mrs Maria Lane (Executive Assistant)

**1.2 Apologies**

Cr J Imrie

**1.3 Leave of Absence**

**2. PUBLIC QUESTION TIME**

**2.1 Response to Previous Public Questions Taken on Notice**

**2.2 Public Question Time**

**3. APPLICATIONS FOR LEAVE OF ABSENCE**

#### 4. MATTERS REQUIRING A DECISION

##### 4.1 Special Rural Properties - UV and GRV Compared

<b>Location:</b>	Shire Boyup Brook
<b>Applicant:</b>	N/A
<b>File:</b>	FM/48/002
<b>Disclosure of Officer Interest:</b>	None
<b>Date:</b>	07 August 2017
<b>Author:</b>	Stephen Carstairs (Director Corporate Services) and Alan Lamb (Chief Executive Officer)
<b>Authorizing Officer:</b>	Alan Lamb (Chief Executive Officer)
<b>Attachments:</b>	Yes: Landgate's Comparison Working Sheet <i>Indicative GRV's For UV to GRV Proposal</i> for Special Rural Properties in the District.

##### SUMMARY

Council is requested to consider and accept Landgate's Comparison Working Sheet *Indicative GRV's for UV to GRV Proposal* for Special Rural Properties in the District.

##### BACKGROUND

During March and April 2017 Landgate reviewed 124 Special Rural properties in Boyup Brook and appraised them using aerial photography evidence, house and built structures plans, and year of construction information to derive estimates of their Gross Rental Values (GRV, and refer to Attachment 4.1). The intent of Landgate supplying this information to the shire was that it may be used for rate modelling and rate payer consultation purposes by the Shire of Boyup Brook.

Landgate determined that the total Unimproved Value (UV) of the 124 properties for 2016-17 was \$15,725,000 and at 0.007125 cents in the \$, then the total raw score of UV rates levied would amount to \$112,041. Relative to this method for measuring rates levied, Landgate estimated the total GRV of the 124 properties for 2016-17 to be \$928,344 and at 0.12244 cents in the \$, the total raw score of GRV rates levied would amount to \$113,667. Based on raw scores the Special Rural property sector would contribute only \$1,626 more to the total rates pool of the shire if the basis for measuring their rates was GRV.

To determine whether there is a real difference between the two (2) bases for calculating rates for these properties, the 2 sets of raw scores were compared using the *dependent t-test method* (null hypothesis being that the 2 raw scores are the same). The dependent t-test (also called the paired t-test or paired-samples t-test) compares the means of two related groups (i.e. paired data sets) to determine whether there is a statistically significant difference between their means. For the 2-tailed hypothesis for these raw scores  $t = 0.27$ , and the probability of the 2 sample sets being different would be very small (substantially less than 0.01).

When Minimum Rates is introduced, then for 2016-17 Special Rural properties would contribute substantially more (\$144,714) to the total rates pool if rated by the GRV method than if it were rated by the UV method (\$115,585). For the 2-tailed hypothesis  $t = -7.30$  for these paired (Minimum Rated) samples, and the probability ( $p = 0.00001$ ) of these samples being the same is very remote.

## **COMMENT**

The results of the Landgate's comparison of UV with GRV and the dependent t-tests tells us:

- that when comparing 2016-17 raw scores there's no effective difference in rating Special Rural Properties either by the UV method or GRV method; and
- the Special Rural sector would be disadvantaged i.e. be caused to contribute more to the total pool of rates collected, if in 2016-17 it were rated by the GRV (\$144,714) method rather than the UV (\$115,585).

## **CONSULTATION**

Alan Lamb (Chief Executive Officer)

## **STATUTORY OBLIGATIONS**

Nil

## **POLICY IMPLICATIONS**

Council's Rating Strategy applies, and currently it doesn't recognise that Special Rural UV properties would be rated differently from Rural UV properties.

## **BUDGET/FINANCIAL IMPLICATIONS**

This report has significance for the 2017-18 rating period.

## **STRATEGIC IMPLICATIONS**

Nil

## **SUSTAINABILITY IMPLICATIONS**

- **Environmental** – Nil
- **Economic** – Nil
- **Social** – Nil

## **VOTING REQUIREMENTS**

Simple majority

## **COUNCIL DECISION & OFFICER RECOMMENDATION - ITEM 4.1**

**MOVED: Cr Kaltenrieder**

**SECONDED: Cr Muncey**

**That Council:**

- 1. Receives Landgate's Comparison Working Sheet *Indicative GRV's for UV to GRV Proposal*.**
- 2. Determines not to rate Special Rural properties on the basis of GRV at this stage.**
- 3. Obtain accurate GRV valuations from the Valuer General for all special rural zoned areas with a view to making a determination on the basis of valuation for special rural zoned properties for the 2018/19 budget.**

**CARRIED 6/0**

**Res 100/17**

**Note:**

**Cr Kaltenrieder and Cr Muncey advised that they owned and occupied properties in a special rural zone and that any decision of Council on this matter may impact on the rates they pay.**

**It was noted that this was an interest in common with many other residents and that there were provisions in the Local Government Act relating to this. The Councillors remained in the Chambers and voted on the matter.**

**This is recorded to evidence their interest , and that it was declared at the meeting.**

## 4.2 Differential Rates - Revised 2017-18 Objects and Reasons

<b>Location:</b>	Shire Boyup Brook
<b>Applicant:</b>	N/A
<b>File:</b>	FM/48/011
<b>Disclosure of Officer Interest:</b>	None
<b>Date:</b>	06 August 2017
<b>Author:</b>	Stephen Carstairs (Director Corporate Services)
<b>Authorizing Officer:</b>	Alan Lamb (Chief Executive Officer)
<b>Attachments:</b>	Yes: 1. 03 Aug 2016 Dept of Local Gov and Communities correspondence: Differential General Rates 2016-17. 2. 04 Aug 2017 Dept of Local Gov and Communities correspondence: Revised Objects and Reasons to Special Meeting of Council <b>4. (Revised) Objects and Reasons for Proposed Differential Rates and Minimum Payments for the 2017-18 Financial Year.</b>

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### **SUMMARY**

Council is requested to consider and adopt revised Objects and Reasons for Proposed Differential Rates and Minimum Payments for the 2017-18 Financial Year.

### **BACKGROUND**

In August 2016 the then Department of Local Government and Communities (the Department) corresponded to the shire (Attachment 1) that:

*"... the Shire's Statement of Objects and Reasons will need to be improved..."*

The Department went on to propose:

- the Statement should clearly specify the object of each individual differential rating category and Minimum Payment;
- the reasons as to why the rate differs from the other categories and the benefits received by the ratepayers in the category; and
- that when defining reasons, the Shire should not consider a tax deduction as a reasonable justification.

As the shire's 2017-18 adopted Objects and Reasons did not comply with the above recommended improvements, on 04 August 2017 the Department corresponded with the shire (Attachment 2) that upon receiving a copy of the minutes of a Special Meeting of Council where revised 2017-18 Objects and Reasons were adopted, the shire could expect to receive (within a week) a response to their 90% complete application to the Minister for approval to levy differential rates that are more than twice the lowest general rate in the category.

### **COMMENT**

A revised and improved 2017-18 Statement Objects and Reasons (Attachment 3) is presented for Council's consideration.

**CONSULTATION**

Alan Lamb (Chief Executive Officer)

**STATUTORY OBLIGATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**BUDGET/FINANCIAL IMPLICATIONS**

Nil

**STRATEGIC IMPLICATIONS**

This revised 2017-18 Statement of Objects and Reasons seeks to better communicate with rate payers the considerations made by Council when proposing equitable rate contributions from each of the respective rating categories and sub-categories in the shire.

**SUSTAINABILITY IMPLICATIONS**

- **Environmental** – Nil
- **Economic** – Nil
- **Social** – Nil

**VOTING REQUIREMENTS**

Simple majority

**COUNCIL DECISION & OFFICER RECOMMENDATION - ITEM 4.2**

**MOVED: Cr Rear**

**SECONDED: Cr Oversby**

**That Council adopts the revised 2017-18 Statement of Objects and Reasons for Levying Differential Rates, as presented.**

**CARRIED 6/0**

**Res 101/17**



**4.3 Minutes of the Audit & Finance Committee Meeting**

**Location:** N/A  
**Applicant:** N/A  
**File:**  
**Disclosure of Officer Interest:** Nil  
**Date:** 7 August 2017  
**Author:** Alan Lamb - CEO  
**Attachments:** Yes – Minutes

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**BACKGROUND**

The Audit and Finance Committee meeting was held on 18 May 2017.

Minutes of the meeting are included in the attachments.

**COUNCIL DECISION & OFFICER RECOMMENDATION – Item 4.3**

**MOVED:** Cr Kaltenrieder

**SECONDED:** Cr Rear

**That the minutes of the Audit and Finance Committee meeting be received and the recommendations there in be adopted.**

**CARRIED 6/0**

**Res 102/17**

**5 CLOSURE OF MEETING**

There be no further business the Shire President, Cr Aird thanked all for attending and declared the meeting closed at 8.02pm.