



# **AGENDA**

Ordinary Council Meeting

Thursday, 28 July 2016  
11:00 am

To be held in the Council Chambers, Hack St Sandstone



## ORDINARY COUNCIL MEETING NOTICE PAPER

**Thursday, 28 July 2016 – 11:00 am**

Dear President and Councillors,

An Ordinary Meeting of Council is called for Thursday, 28 July 2016, in the Council Chambers, Hack Street, Sandstone, commencing at 11:00 am.

### **Councillors please note:**

A Briefing Session will be held at the conclusion of the Council Meeting. A separate agenda has been issued for this Session.

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**Sean Fletcher**  
A/Chief Executive Officer

Friday, 22 July 2016

### **PUBLIC QUESTION TIME**

A 15 minute public question time is available to allow members of the public the opportunity of submitting questions to Council on matters concerning them. Questions should be submitted in writing prior to the meeting. The questions will be addressed by the President or their nominated person. Where an answer cannot be given at the meeting, a reply will be given in writing subsequent to the meeting.

Discussion will not be allowed.



### **DISCLAIMER**

*No responsibility whatsoever is implied or accepted by the Sandstone Shire Council for any act, omission, statement or intimation occurring during Council/Committee meetings or during formal/informal conversations with staff. The Sandstone Shire Council disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission, statement, intimation or otherwise occurring during Council/Committee Meetings or discussions. Any person or legal entity that acts or fails to act in reliance upon any statement does so at that person's or legal entity's own risk.*

*In particular but without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence or permit, any statement or limitation of approval made by an Elected Member or by a Staff Member of Sandstone Shire Council during the course of any Meeting is not intended to be and is not to be taken as notice of approval from the Sandstone Shire Council. The Sandstone Shire Council warns that anyone who has an application lodged with the Sandstone Shire Council must obtain and only should rely on **WRITTEN CONFIRMATION** of the outcome of the application including any conditions attaching to the decision made by the Sandstone Shire Council in respect of the application.*

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**Sean Fletcher**  
**A/Chief Executive Officer**

22 July 2016

Hack Street, SANDSTONE WA 6639  
Tel (08) 9963 5802; Fax (08) 9963 5852  
E-mail: [ceo@sandstone.wa.gov.au](mailto:ceo@sandstone.wa.gov.au)



**WRITTEN DECLARATION OF INTEREST IN MATTER BEFORE COUNCIL**

**NOTE: USE ONE FORM PER DECLARATION**

I, (1) \_\_\_\_\_ hereby declare an interest in the following item to be considered by Council at its Meeting to be held on (2) \_\_\_\_\_ and regarding

Agenda item (3) \_\_\_\_\_

The type of interest I wish to declare is (4)

- Financial pursuant to Sections 5.60A of the Local Government Act 1995
- Proximity pursuant to Section 5.60B of the Local Government Act 1995
- Indirect Financial pursuant to Section 5.61 of the Local Government Act 1995
- Impartiality pursuant to Regulation 11 of the Local Government (Rules of Conduct) Regulation 2007

The nature of my interest is (5)

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

The extent of my interest is (6)

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

I understand that the above information will be recorded in the Minutes of the Meeting and recorded by the Chief Executive Officer in an appropriate Register.

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

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

RECEIVED BY: \_\_\_\_\_  
 (Chief Executive Officer)

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

- (1) Insert your name.
- (2) Insert the date of the Council Meeting at which the item it to be considered.
- (3) Insert the Agenda Item Number and Title.
- (4) Tick the box(es) to indicate the type of interest (for explanation, see the extracts overleaf from the Act.
- (5) Describe the nature of your interest.
- (6) Describe the extent of your interest (if seeking to participate in the matter under the s.5.68 of the Act)

**Financial pursuant to Section 5.60A of the Local Government Act 1995**

**s5.60A Financial Interest**

For the purpose of this Subdivision, a person has a financial interest in a matter if it is reasonable to expect that the matter will if dealt with by the local government, or an employee or committee of the local government or member of the council of the local government, in a particular way, result in a financial gain, loss, benefit or detriment for the person.

*[Section 5.60A inserted by No. 64 of 1998 s. 30; amended by No. 49 of 2004 s. 50.]*

**Proximity pursuant to Section 5.60B of the Local government Act 1995**

**s5.60B Proximity Interest**

- (1). For the purposes of this Subdivision, a person has a proximity interest in a matter if the matter concerns –
  - (a). a proposed change to a planning scheme affecting land that adjoins the person's land;
  - (b). a proposed change to zoning or use of land that adjoins that person's land; or
  - (c). a proposed development (as defined in section 5.63 (5)) of land that adjoins the person's land.
- (2). In this section, land ("**the proposal land**") adjoins a person's land if –
  - (a). the proposal land, not being a thoroughfare, has a common boundary with the person's land;
  - (b). the proposal land, or any part of it, is directly across a thoroughfare from, the person's land; or
  - (c). the proposal land is that part of a thoroughfare that has a common boundary with the person's land.
- (3). In this section a reference to a person's land is a reference to any land owned by the person or in which the person has any estate or interest.

*[Section 5.60B inserted by No 64 of 1998 s. 30.]*

**Indirect Financial pursuant to Section 5.61 of the Local Government Act 1995**

**s5.61 Indirect Financial Interest**

A reference in this Subdivision to an indirect financial interest of a person in a matter includes a reference to a financial relationship between that person and another person who requires a local government decision in relation to the matter.

**Impartiality pursuant to Regulation 11 of the Local Government (Rules of Conduct) Regulation 2007**

**reg 11 Disclosure of Interest**

- (1). In this regulation –  
Interest means an interest that could, or could reasonably be perceived to; adversely affect the impartiality of the person having the interest arising from kinship, friendship or membership of an association.
- (2). A person who is a council member and who has an interest in any matter to be discussed at a council or committee meeting attended by the member must disclose the nature of the interest –
  - (a). in a written notice given to the CEO before the meeting;
  - or
  - (b). at the meeting immediately before the matter is discussed.

- (3). Sub-regulation (2) does not apply to an interest referred to in section 5.60 of the Act.
- (4). Sub-regulation (2) does not apply if –
  - (a). A person who is a council member fails to disclose an interest because the person did not know he or she has an interest in the matter; or
  - (b). A person who is a council member fails to disclose an interest because the person did not know the matter in which he or she had an interest would be discussed at the meeting and the person disclosed the interest as soon as possible after the discussion began.
- (5). If, under sub-regulation (2)(a), a person who is a council member discloses an interest in a written notice given to the CEO before a meeting then –
  - (a). Before the meeting the CEO is to cause the notice to be given to the person who is to preside at the meeting; and
  - (b). At the meeting the person presiding is to bring the notice and its contents to the attention of the persons present immediately before a matter to which the disclosure related is discussed.
- (6). If –
  - (a). Under sub-regulation (2)(b) or (4)(b) a person's interest in a matter is disclosed at a meeting; or
  - (b). Under sub-regulation (5) (b) notice of a person's interest in a matter is brought to the attention of the persons present at a meeting.

The nature of the interest is to be recorded in the minutes of the meeting.

***Describe the extent of your interest (If seeking to participate in the matter under s.5.68 of the Act)***

**s5.68 Councils and Committees may allow Members disclosing interests to participate etc. in Meetings**

- (1). If a member has disclosed, under section 5.65, an interest in a matter, the members present at the meeting who are entitled to vote on the matter
  - (a). may allow the disclosing member to be present during any discussion or decision making procedure relating to the matter; and
  - (b). may allow , to the extent decided by those members, the disclosing member to preside at the meeting (if otherwise qualified to preside) or to participate in discussions and the decision making procedures relating to the matter if –
    - (i) the disclosing member also discloses the extent of the interest; and
    - (ii) those members decide that the interest –
      - (I) is so trivial or insignificant as to be unlikely to influence the disclosing member's conduct in relation to the matter; or
      - (II) is common to a significant number of electors or ratepayers
- (2). A decision under this section is to be recorded in the minutes of the meeting relating to the matter together with the extent of any participation allowed by the council or committee.
- (3). This sections does not prevent the disclosing member from discussing, or participating in the decision making process on, the question on whether an application should be made to the Minister under section 5.69.



## SHIRE OF SANDSTONE ELECTED MEMBER'S REQUEST FORM

Councillor's Name: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/2016

**Urgency:** Low / Medium / High / Strategic

Road / Public Building / Area: \_\_\_\_\_

Request: \_\_\_\_\_

Description: \_\_\_\_\_

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**OFFICE USE ONLY:-----**

Action Taken: \_\_\_\_\_

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Comment: \_\_\_\_\_

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Completed: \_\_\_\_/\_\_\_\_/2016

Signature: \_\_\_\_\_

Inspected and/or authorised by: \_\_\_\_\_  
(Chief Executive Officer)

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## Councillor's Claim for Sitting Fees and Travel

Councillor \_\_\_\_\_

Creditor No \_\_\_\_\_

<i>Date</i>	<i>Meeting</i>	<i>Sitting Fees</i>	<i>Travel Km's</i>	<i>Amount</i> 74 cents per km
Date of Meeting	Type of Meeting	\$170/ \$340	No of km's	Office Use
	<b>Full Council</b>			

Fees payable are in accordance with the Local Government Act (5.98) – Administration Regulations (30)

Total		Total
<input style="width: 100%;" type="text"/>		<input style="width: 100%;" type="text"/>
04109	Line Item 370	04100
		TOTAL: <input style="width: 100%;" type="text"/>

### OTHER MEETINGS ATTENDED IN THE MONTH

Date	Meeting	Km's	Vehicle supplied?

If this form is not filled out correctly with all information the claim will be rejected.

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

Calculations Checked \_\_\_\_\_ Date \_\_\_\_\_

Goods Received / Payment Approved \_\_\_\_\_

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**ORDINARY COUNCIL MEETING HELD ON 28 July 2016**  
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## AGENDA and STAFF REPORTS

### ORDINARY COUNCIL MEETING HELD IN COUNCIL CHAMBERS, SANDSTONE ON THURSDAY, 28 July 2016

#### 1 DECLARATION OF OPENING AND ANNOUNCEMENT OF ANY VISITORS

The Presiding Member, Cr Bethel Walton (Shire President) to declare the Meeting open at 11.00 am.

##### 1.1 Visitors Nil

#### 2 ANNOUNCEMENTS FROM THE PRESIDING MEMBER AND/OR COUNCILLORS (without discussion unless otherwise determined)

Nil

#### 3 ATTENDANCE

##### 3.1 Present

###### Elected Members

Cr B (Bethel) Walton	Shire President (and Presiding member of this Meeting)
Cr C (Carol) Hodshon	Deputy Shire President
Cr F (Freda) May	
Cr K (Kerry) Key	
Cr J P Bennett	

###### Staff Members

Mr Sean Fletcher	A/Chief Executive Officer
Mr Rob Moss	Works Supervisor
(Ms Rhonda Miles or Ms Margaret Duhig – observer)	

##### 3.2 Apologies

Nil

##### 3.3 Approved Leave of Absence

##### 3.4 Visitors/Observers

Nil

#### 4 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

**5 APPLICATIONS FOR LEAVE OF ABSENCE**

Nil

**6 DECLARATIONS OF INTEREST**

**6.1 Declarations of Financial Interest**

**6.2 Declarations of Proximity Interest**

**6.3 Declarations of Indirect Financial Interest**

**6.4 Declarations of Impartiality Interest**

**7 PUBLIC QUESTION TIME**

Nil

**8 CONFIRMATION OF MINUTES FROM PREVIOUS MEETING**

**8.1** That the Minutes of the Ordinary Meeting of Council held on 23 June 2016 be confirmed as a true and accurate record of proceedings.

**COUNCIL RESOLUTION /16**

**MOVED: Cr**

**SECONDED: Cr**

**That the Minutes of the Ordinary Meeting of Council held on 23 June 2016 are confirmed as a true and accurate record of proceedings.**

**NOT/CARRIED (??)**

**9 PRESENTATIONS**

**9.1 Petitions**

Nil

**9.2 Presentations**

Nil

**9.3 Deputations**

Nil

**9.4 Delegates/Councillor's Reports**

Nil

## 10 OFFICERS REPORTS

### 10.1 CHIEF EXECUTIVE OFFICER'S REPORTS

#### 10.1.1 Integrated Planning and Reporting

**Agenda Reference:** CEO 7/16 - 01  
**Location/Address:** Shire of Sandstone  
**Name of Applicant:** Shire of Sandstone  
**Disclosure of Interest:** Nil  
**Date of Report:** 15 July 2016  
**File No:**  
**Previous References:** OCM 23 June 2016: 10.1.1  
**Author:** **Sean Fletcher, Acting Chief Executive Officer**



**Signature of Author:** \_\_\_\_\_

#### **Summary**

The purpose of this report is to advise Council on the status of the Shire's Integrated Planning and Reporting.

#### **Attachments**

Nil

#### **Background**

The Workforce Plan has yet to have its interim review. The Department of Local Government and Communities has yet to provide feedback on this plan, and it would appear that this will not be forthcoming in the near future.

The major review of the Shire's Integrated Planning and Reporting documents is due in 2017.

#### **Comment**

The author, time permitting, may be able to complete the interim review of the Work Force Plan before finishing his current term with the Shire of Sandstone.

## Time To Implement Required Changes to IPR Documents

The updated timeline to implement the required changes is as follows:

Plan	Who	Cost	Feb	Mar	Apr	May	Comments
SCP	CEO						<ul style="list-style-type: none"> <li>Changes adopted 2 June 2016</li> </ul>
CBP	CEO						<ul style="list-style-type: none"> <li>Changes adopted 2 June 2016</li> </ul>
LTFP	CEO	\$5,000					Queries by the Department on a number of ratios addressed
AMP	CEO						<ul style="list-style-type: none"> <li>Changes adopted 2 June 2016</li> </ul>
WFP	CEO						The Workforce Plan requires an interim review

### Legend

	Indicator
Time required	
In progress	
Completed	
Revised due date	

### Consultation

Nil

### Statutory Environment

*Local Government Act 1995* – Section 5.56 - Planning for the Future. A local government is to ensure that its plans are made in accordance with any regulations made.

*Local Government (Administration) Regulations 1996* – Division 3 Planning for the Future. This division sets out the finer detail regarding Integrated Planning and Reporting including the SCP, CBP, LTFP, AMP and WFP.

### Policy Implications

Nil

### Financial Implications

Nil

### Strategic Implications

As discussed in the body of this report.

### Voting Requirements

Simple majority



**Officer Recommendation**

That Council accepts the July 2016 report on the status of the Shire of Sandstone's Integrated Planning and Reporting documents.

**COUNCIL RESOLUTION**

**X/16**

**MOVED: Cr**

**SECONDED: Cr**

That Council accepts the July 2016 report on the status of the Shire of Sandstone's Integrated Planning and Reporting documents.

**CARRIED/NOT CARRIED (X/X)**

## 10.1.2 Status Report Update – July 2016

**Agenda Reference:** CEO 7/16 - 02  
**Location/Address:** Shire of Sandstone  
**Name of Applicant:** Shire of Sandstone  
**Disclosure of Interest:** Nil  
**Date of Report:** 15 July 2016  
**File No:**  
**Previous References:** OCM 23 June 2016  
**Author:** Sean Fletcher, Acting CEO

**Signature of Author:**



### Summary

The purpose of this report is to advise Council on the status of its decisions from previous Council meetings.

### Attachments

10.1.2A Status Update June 2016

### Background

It is important that the Council receives an update on the outcome of its resolutions on a regular basis.

### Comment

As per the comments in the body of this report.

### Consultation

Nil

### Statutory Environment

Nil

### Policy Implications

Nil

### Financial Implications

Nil

### Strategic Implications

Nil

## Voting Requirements

Simple majority

### Officer Recommendation – Item 10.1.2

That Council accepts the Status Update for July 2016

**COUNCIL RESOLUTION**

**X/16**

**MOVED:** Cr

**SECONDED:** Cr

That Council accepts the Status Update for July 2016 including Attachment 10.1.2A

**CARRIED/NOT CARRIED (X/X)**

## 10.2 FINANCIAL REPORTS

### 10.2.1 FINANCIAL STATEMENTS FOR MONTHS OF JUNE 2016

**Location:** Shire of Sandstone  
**Applicant:** Shire of Sandstone  
**Disclosure of Interest:** Nil  
**Date of Report:** 15 July 2016  
**File No:**  
**Previous References:** OCM 23 June 2016  
**Author:** Sean Fletcher, A/Chief Executive Officer

**Signature of Author:**



#### Summary

The Statement of Financial Activity reports for the month ending 30 June 2016 is presented to Council in accordance with *Regulations 34 of the Local Government (Financial Management) Regulations 1996*. Councillors will note a significant increase in the levels of deposits in the two Municipal Accounts. This is because we have rolled two large International Money Market investments back into the Municipal Accounts pending reinvestment with BankWest Geraldton, which has now occurred.

#### Attachments

10.2.1A: Monthly Financial Report for the period ended 30 June 2016  
10.2.1B: New Term Deposits

#### Background

The Financial Management Regulations require a monthly statement of financial activity to be presented to Council. It is good financial practice for Council to conduct regular monthly monitoring of (operating and capital) revenue and expenses.

#### Summary of Funds – Shire of Sandstone as at: 30 June 2016

Municipal Cheque Account - On-line (BWA)	\$2,602,705.26
Municipal Investment Account – On-line (BWA)	\$1,203,495.11
Trust Fund (Bank West)	\$6,123.26
Bankwest Geraldton Term Deposits	\$5,064,016.26

#### Consultation

- Finance Officer
- Bankwest Geraldton – Mel Stiles

### **Statutory Environment**

*Local Government (Financial Management) Regulations 1996 - Regulations 34 (1A) and 17.*

The Regulations require a Local Government to prepare each month a statement of financial activity, accompanied by relevant documents and that this information must be presented to Council at an ordinary meeting within 2 months after the end of the month.

### **Policy Implications**

4.2 – Surplus Funds Investment

### **Financial Implications**

Please refer to the comments in the body of this report.

### **Strategic Implications**

Nil

### **Voting Requirements**

Simple Majority

### **Officer Recommendation – Item 10.2.1**

That Council accepts the Statement of Financial Activity for the month of June 2016 as presented, including the attachments 10.2.1A Monthly Financial Report for June 2016.

**COUNCIL RESOLUTION**                      ??/16

**MOVED:** Cr

**SECONDED:** Cr

**That Council accepts the Statement of Financial Activity for the month of June 2016 as presented, including the Attachment 10.2.1A Monthly Financial Report for June 2016 and Attachment 10.2.1B New Term Deposits.**

**NOT/CARRIED (??)**

<b>10.2.2 ACCOUNTS UPDATE FOR THE MONTH OF MAY 2016 (includes Credit Cards, the Caravan Park and Fuel Sales)</b>
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**Location:** Shire of Sandstone  
**Applicant:** Shire of Sandstone  
**Disclosure of Interest:** Nil  
**Date of Report:** 11 June 2016  
**Author:** **Rhonda Miles – Finance Officer**  
**Senior Officer:** **Sean Fletcher – A/Chief Executive Officer**

**Signature of Author:** \_\_\_\_\_

### **Summary**

Presented for Council's information is the list of accounts paid in the month from the Municipal Fund and Trust Fund in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996*. Payments made through the corporate credit cards as well as income from the Caravan Park and Fuel Sales are included as attachments.

### **Attachments**

- 10.2.2A to C: The list of accounts (EFT and cheque payments) is attached which will enable Council to see the payments made to the Shire's creditors.
- 10.2.2D to F: Payments via Credit Cards (CEO and Works Supervisor), Caravan Park Income and Fuel Sales Income.

### **Background**

Council has delegated to the CEO the exercise of its power under Financial Management Regulation 12 to make payments from Municipal Fund and Trust Fund.

The *Financial Management Regulations (Regulation 13 (3))* requires a schedule of payments made through the Shire's bank accounts to be presented to Council. The lists include details for each payment made incorporating the payee's name, amount of payment, date of payment and a brief transaction description.

### **Comment**

Invoices supporting all payments are available for inspection. Queries regarding any payment should be made through the CEO to the staff who handle the financial transactions prior to this meeting.

All invoices and vouchers presented to Council have been certified as to receipt of the goods or services and that the amounts shown were due for payment.

### **Consultation**

Nil

## **Statutory Environment**

*Local Government Act 1995*

*Financial Management (Local Government) Regulations 1996 – Regulation 12*

*Financial Management (Local Government) Regulations 1996 – Regulation 13*

Please, also refer to the comments in the Background Section.

## **Policy Implications**

Payments have been made under Council delegation.

## **Financial Implications**

Funds were available to meet the expenditure.

## **Strategic Implications**

Nil

## **Voting Requirements**

Simple majority

## **Staff Recommendation – Item No. 10.2.2**

That Council receives the June 2016 accounts paid as presented:

### Municipal Fund

- Municipal printed cheque numbers 105050-105060 totalling \$21,075.96
- EFT Payment Numbers 4600-4681 totalling \$802,997.51
- Superannuation \$18,573.13

### Trust Fund:

- Trust printed cheques numbers 205008-205010 totalling \$926.85

### Payroll EFT:

June 2016 - \$27,258.00, \$29,611.49 and \$28,757.00 totalling \$85,626.49

### Credit Cards:

EFT 4640 totalling \$2,476.38 (included in 10.2.2B)

**COUNCIL RESOLUTION**

**??/16**

**MOVED: Cr**

**SECONDED: Cr**

That Council receives the June 2016 accounts paid as presented:

**Municipal Fund**

- Municipal printed cheque numbers 105050-105060 totalling \$21,075.96
- EFT Payment Numbers 4600-4681 totalling \$802,997.51
- Superannuation \$18,573.13

**Trust Fund:**

- Trust printed cheques numbers 205008-205010 totalling \$926.85

**Payroll EFT:**

June 2016 - \$27,258.00, \$29,611.49 and \$28,757.00 totalling \$85,626.49

**Credit Cards:**

EFT 4640 totalling \$2,476.38 (included in 10.2.2B)

**NOT/CARRIED (??)**



### 10.2.3 ADOPTION OF DIFFERENTIAL RATES AND MINIMUM RATES 2016/17

**Agenda Reference:** FIN 07/16 – 03  
**Location/Address:** Shire of Sandstone  
**Name of Applicant:** Shire of Sandstone  
**Disclosure of Interest:** Nil  
**Date of Report:** 19 July 2016  
**File No:**  
**Previous References:** OCM 23 June 2016: Item 10.2.3  
**Author:** Sean Fletcher, Acting CEO



**Signature of Author:** \_\_\_\_\_

#### Summary

Council is requested to adopt a 3% rate increase for 2016/17 that imposes the minimum rates and differential general rates on Gross Rental and Unimproved Values specified for the 2016/17 financial year. Council is also requested to authorise the CEO to make a submission to the Minister for Local Government and Communities seeking his approval regarding the imposition of the differential rates and minimum rates. Council is once again asked to impose the 3.5% rate discount to those who pay their rates within 14 days.

#### Attachments

- 10.2.3A: The Statement of Objects and Reasons for Differential Rates and Minimum Payments for 2016/17
- 10.2.3B: MMTS – Submission Regarding Intention to Levy Differential Rates 2016/2017

#### Background

At the ordinary meeting on 23 June 2016, Council considered, in line with the Department of Local Government and Communities Rating Policy, its intent to impose differential rates for 2016/17.

Such a consideration represents a conscious decision by Council to undertake the redistribution of the rate burden in the district by imposing a higher impost on some ratepayers and a lower impost on others. To this end, the objects and reasons were reviewed by Council and authorised the CEO (Acting) to advertise them accordingly. Council's resolution was as follows:

**COUNCIL RESOLUTION****54/16****MOVED: Cr F May****SECONDED: Cr K Key**

That Council:

1. In accordance with section 6.36 of the *Local Government Act 1995*, authorises the CEO to advertise through local public notice the Shire of Sandstone's intent to adopt the following rates in the dollar and minimum rates for the differential categories specified for the 2016/17 financial year:

Rate Category	No of Properties	2015-16 Rate in \$	2015-16 Minimum Rates	2015-16 Budgeted Revenue \$	2016/17 Proposed Rate in \$	2016-17 Proposed Minimum Rates	2016-17 Budgeted Revenue \$
<b>GRV</b>	34	6.4239		14,244	6.61666		14,671
<b>Townsite (Residential and Commercial)</b>	31 Min		200.00	6,000		200.00	6,200
<b>GRV Mining/Transient Workforce Facilities</b>	4 0 Min	33.8630	200.00	24,388	34.487920	200.00	25,120 0
<b>UV Rural</b>	19 1 Min	5.5424	310.00	38,807 310	5.70860	315.00	39,971 315
<b>UV Mining (Tenements)</b>	89 46 Min	26.1052	305.00	787,203 14,570	25.21649	315.00	810,790 15,007
<b>Discounts</b>				(11,000)			(11,857)
<b>Write offs</b>				(10,000)			
<b>Totals</b>	<b>224</b>			<b>864,522</b>			<b>900,231</b>

2. The Local Public Notice referred to in Point 1 is to contain the Objects and Reasons for Differential Rates and Minimum Payments as set out in Attachment 10.2.3A.
3. Authorises the CEO to make application to the Minister for Local Government and Communities for approval to adopt the differential rating strategy for those categories that exceed 2:1 as outlined in Point 1 including:
- GRV Mining/Transient Workforce Facilities.
  - UV Mining.
  - However, this is subject to no submissions being received in response to the Local Public Notice specified in Point 1 and Point 2.

**CARRIED (4/0)**

Following resolution 54/16, the author advertised through local public notice, the Shire of Sandstone's intent to adopt the rates in the dollar and minimum rates for the differential categories specified for the 2016/17 financial year. This included using the following mediums:

- Advertising in a special edition of the Bush Telegraph;
- Posting the notice on the Shire's notice board;
- Making copies of the Objects and Reasons available at the Shire Office and on the Shire website;
- Providing a copy of the Objects and Reasons to those who requested a copy.

At the close of the submission period at 4:00 PM on 18 July 2016, the Shire received one submission. This was from McMahon Mining Title Services Pty Ltd (MMTS). Council is now required to evaluate the submission, and the Shire is then to advise the Minister for Local Government and Communities accordingly.

A copy of the submission is provided in Attachment 10.2.3B.

### **Comment**

The submission provided by MMTS seeks a fairer treatment regarding the rate burden for those conducting exploration or prospecting within the Shire of Sandstone.

MMTS acts for a number of exploration and prospecting companies which are concerned by the high rate proposed for exploration/prospecting licences.

In essence, MMTS argues that the proposed UV Mining rate fails to recognise the vast difference between mining operations and the exploration activities and their respective impact on Shire infrastructure. This includes the argument that exploration activities have far less impact on Shire infrastructure and also exploration companies have far less financial resources than mining companies.

MMTS writes that the mining and exploration sector has suffered significantly from "plummeting commodity prices that has resulted in massive unemployment, reduced international competitiveness and capital investment, lower discovery rates, lower grades and deeper deposits, and higher production and operating costs. Companies have implemented extensive cost-cutting programs to maintain viability, with exploration expenditure hit hardest". MMTS also points out that exploration expenditure is at its lowest since 2006-07.

MMTS argues further that with prospecting licences, the State charges \$0.20 in rent as opposed to the amount that the Shire proposes of \$0.2521649 for the same property. MMTS comments further "It seems somewhat illogical that the cost for the primary rate granted by the State Government to minerals on its land is less than a secondary Local Government fee for the right to access its infrastructure – infrastructure we note all other ratepayers and visitors are entitled to access".

In response to the comments by MMTS, the author can advise Council (as it would be aware), that the Valuer General is responsible for the valuation of all properties within a local government's district. Further to this, the Valuer General in accordance with the *Valuation of Land Act 1978*, determines the value of land according to its' purpose or use. In otherwords, if mining is conducted on a tenement, then the value of the land in question would be much

higher than if the same tenement was used for exploration purposes. This means that once the UV Mining rate in the dollar is applied, the exploration/prospecting tenements will pay less in rates than a tenement that has mining occurring on it.

Finally, the State through the Local Government Act, expects local governments to the best of their ability to provide services and facilities within its district. This means the local government in the first instance picks up the full cost for providing activities including local road infrastructure. The Shire through 2016 has already seen the impact that the heavier than expected rain activity has had on its roads, including the damage caused by exploration vehicles and plant accessing these roads during the times that these roads are closed due to the rainfall impact.

It should be noted that in the author's considered opinion, if the State was to provide such services and facilities in lieu of local government, the exploration/prospecting licences would be charged at a significantly higher rate.

In conclusion, it is the author's recommendation that Council after consideration of the submission from MMTS proceeds with adopting the differential rates and minimum rates strategy as proposed for 2016/17. The remaining criteria regarding the imposition of rates such as the due dates and applicable interest rate charges will be implemented with the adoption of the 2016/17 Budget.

## **Consultation**

- Council at the Budget Briefing Session 19 July 2016;
- Finance Officer.

## **Statutory Environment**

### *Local Government Act 1995:*

Section 6.32 – Rates and service charges. When adopting the annual budget, a local government in order to make up the budget deficiency, is to impose a general rate on rateable land within its district. This can either be uniformly or differentially and must be made by way of an absolute majority.

As Council is only considering the intent to adopt differential rates at this stage, and advertising the objects and reasons accordingly, the decision required is by way of a simple majority regarding today's matter.

Section 6.33 – A local government may impose differential general rates according to the following characteristics: zoning category, purpose of the land, whether or not the land is vacant or any other prescribed purpose.

Section 6.35 – Minimum payments for each differential category is to be applied.

Section 6.36 – A local government is to give local public notice of its intent to adopt differential rates, including the objects and reasons for doing so.

Section 6.46 – Discounts. Absolute Majority required.

*Local Government (Financial Management) Regulations 2006:*

Regulation 23 – The annual budget is to include the objects and reasons for adopting differential rates.

Regulation 52A – Characteristics prescribed for differential rates – relevant district. In essence deals with matters where there have been changes to the district.

*Valuation of Land Act 1978*

Definition of Unimproved Value (UV)

Schedule 2 Fees and Rents:

- 5 – Annual rent of mining lease per hectare or part of one hectare = 17.05;
- 7 - Annual rent of prospecting licence per hectare or part of one hectare (minimum of \$25) = 2.50

**Policy Implications**

The Shire has historically applied a rate discount of 3.5% for all rates paid within 14 days of the date of issue of the rates notice.

**Financial Implications**

The raising of rates is used to help fund Council activities for the year. The expected increase in the level of revenue for 2016/17 based on a rate increase of 3% is \$35,709. This can be seen as follows:

Rate Category	No of Properties	2015-16 Rate in \$	2015-16 Minimum Rates	2015-16 Budgeted Revenue \$	2016/17 Proposed Rate in \$	2016-17 Proposed Minimum Rates	2016-17 Budgeted Revenue \$
<b>GRV Townsite (Residential and Commercial)</b>	34	6.4239		14,244	6.61666		14,671
	31 Min		200.00	6,000		200.00	6,200
<b>GRV Mining/Transient Workforce Facilities</b>	4	33.8630		24,388	34.487920		25,120
			200.00	0		200.00	0
<b>UV Rural</b>	19	5.5424		38,807	5.70860		39,971
	1 Min		310.00	310		315.00	315
<b>UV Mining (Tenements)</b>	89	26.1052		787,203	25.21649		810,790
	46 Min		305.00	14,570		315.00	15,007
<b>Discounts</b>				(11,000)			(11,857)
<b>Write offs</b>				(10,000)			
<b>Totals</b>	<b>224</b>			<b>864,522</b>			<b>900,231</b>

**Table Two: Expected Increase of Income from Rates for 2016/17**

A discount of 3.5% applies to all rates paid within 14 days of the date of issue of the rates notice. The Shire has 29 non-rateable properties in the District.

With modelling applied, it can be seen that the minimums for GRV Townsite, GRV Mining/Transient Workforce Facilities will not change (\$200). However, the minimums for all UV properties will increase from \$310 to \$315.

It should be noted that as properties change hands during the course of the year, the value of the property may change leading generally to an increase in corresponding rate revenue. This has not traditionally been budgeted for by the Shire of Sandstone.

CPI for the March 2016 Quarter was 2.9%, down from 3.1% for the previous quarter.

### Strategic Implications

The Shire's Corporate Business Plan recognises that the revenue raising options available to a small remote country Shires such as the Shire of Sandstone are limited by a small rates base that is to a large extent mining based and therefore subject to substantial fluctuations and limited opportunities for other income earning activities.

The rate assumption (expected increase) in the Shire's Long Term Financial Plan for 2016/17 is a rate increase of 4%. The author is suggesting for 2016/17 that the rate increase is 3% to keep in line with changing economic circumstances.

## Voting Requirements

Absolute Majority

### Officer Recommendation – Item 10.2.3

That Council:

1. Pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995*, adopts a 3% rate increase for 2016/17 that imposes the following minimum rates and differential general rates on Gross Rental and Unimproved Values specified for the 2016/17 financial year:

Rate Category	No of Properties	2016/17 Rate in \$	2016-17 Minimum Rates	2016-17 Budgeted Revenue \$
<b>GRV (Residential and Commercial)</b>	34	6.6167		14,671
	31 Min		200.00	6,200
<b>GRV Mining/ Transient Workforce Facilities</b>	4	34.4879		25,120
	0 Min		200.00	0
<b>UV Rural</b>	19	5.7086		39,971
	1 Min		315.00	315
<b>UV Mining (Tenements)</b>	89	25.2165		810,790
	46 Min		315.00	15,007
<b>Discounts Write offs</b>				(11,857)
<b>Totals</b>	<b>224</b>			<b>900,231</b>

2. Authorises the CEO to apply to the Minister for Local Government for the approval of the differential rates and minimums as provided in Point 1.
3. In accordance with s6.46 of *the Local Government Act 1995* authorises the CEO to apply a discount of 3.5% to ratepayers who have paid their rates and service charges in full, including any arrears, on or before 14 days of the date of issue of the rate notice.

**COUNCIL RESOLUTION****??/16****MOVED: Cr****SECONDED: Cr**

That Council:

1. Pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995*, adopts a 3% rate increase for 2016/17 that imposes the following minimum rates and differential general rates on Gross Rental and Unimproved Values specified for the 2016/17 financial year:

Rate Category	No of Properties	2016/17 Rate in \$	2016-17 Minimum Rates	2016-17 Budgeted Revenue \$
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	31 Min		200.00	6,200
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	0 Min		200.00	0
<b>UV Rural</b>	19	5.7086		39,971
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<b>UV Mining (Tenements)</b>	89	25.2165		810,790
	46 Min		315.00	15,007
<b>Discounts Write offs</b>				(11,857)
<b>Totals</b>	<b>224</b>			<b>900,231</b>

2. Authorises the CEO to apply to the Minister for Local Government for the approval of the differential rates and minimums as provided in Point 1.
3. In accordance with s6.46 of *the Local Government Act 1995* authorises the CEO to apply a discount of 3.5% to ratepayers who have paid their rates and service charges in full, including any arrears, on or before 14 days of the date of issue of the rate notice.

**NOTCARRIED/CARRIED BY ABSOLUTE MAJORITY (??)**



**10.3 HEALTH, BUILDING and TOWN PLANNING**

Nil

**10.4 WORKS and SERVICES**

Nil

**11 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**12 QUESTIONS FROM MEMBERS WITHOUT NOTICE**

Nil

**13 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING**

Nil

**14 MEETING ITEMS CLOSED TO THE PUBLIC**

**13.1 Meeting Closed to the Public**

Nil

**13.2 Public Reading of Resolutions to be made Public**

Nil

**TIME and DATE of NEXT MEETING**

The next scheduled Ordinary Council Meeting will be held on Thursday 25 August 2016.

**15 CLOSURE OF MEETING**

There being no further business, the Shire President closed the meeting at \_\_\_\_\_pm.

**CERTIFICATION**

I, \_\_\_\_\_, certify that the Minutes of the Meeting held on 28 July 2016, as shown, were confirmed as a true and accurate record at the Meeting held on 25 August 2016.

\_\_\_\_\_  
**(Presiding Member)**

Date: 25 August 2016