



SHIRE

of

MEEKATHARRA

MINUTES

of

SPECIAL COUNCIL MEETING

held

AT THE COUNCIL CHAMBERS, MEEKATHARRA

on

FRIDAY 24 MAY 2019

COMMENCED AT 5:00PM

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1 DECLARATION OF OPENING/ ANNOUNCEMENT OF VISITORS

1.1 DECLARATION OF OPENING

The Shire President, Cr NL Trenfield declared the meeting opened at 5:00pm.

1.2 DISCLAIMER READING

No responsibility whatsoever is implied or accepted by the Shire of Meekatharra for any act, omission or statement or intimation occurring during this Meeting.

It is strongly advised that persons do not act on what is heard at this Meeting and should only rely on written confirmation of council's decision, which will be provided within fourteen (14) days of this Meeting.

The Shire President, Cr NL Trenfield, read the disclaimer out loud.

2 RECORD OF ATTENDANCE/ APOLOGIES/ APPROVED LEAVE OF ABSENCE

Members:

**Cr NL Trenfield
Cr PS Clancy
Cr HJ Nichols
Cr PW Curley
Cr AJ Binsiar**

**Shire President
Deputy Shire President**

Staff:

**Roy McClymont
Krys East**

**Chief Executive Officer
Deputy Chief Executive Officer**

Apologies:

**Cr MR Hall
Cr DK Hodder**

Approved Leave of Absence:

Nil

Observers:

Nil

3 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

4 PUBLIC QUESTION TIME

Nil

5 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

6 PETITIONS/ DEPUTATIONS/ PRESENTATIONS/ SUBMISSIONS

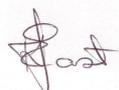
Nil

7 ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

Nil

8 REPORTS OF COMMITTEES AND OFFICERS**8.1 FINANCE**

Title/Subject:	2019 – 2020 SETTING OF THE ANNUAL RATE IN THE DOLLAR – SUBMISSION CONSIDERATION
Agenda/Minute Number:	8.1.1
Applicant:	McMahon Mining Title Services Pty Ltd
File Ref:	ADM 242
Disclosure of Interest:	Nil
Date of Report:	24 May 2019
Author:	Krys East Corporate Services Manager/DCEO
Senior Officer:	Roy McClymont Chief Executive Officer


Signature of Author


Signature Senior Officer

Summary/Matter for Consideration:

Council may consider a submission received concerning the proposed differential rating structure.

Attachments:

Copy of submission from McMahon Mining Title Services Pty Ltd 22 May 2019
Print out of links referred to in the above letter are available on request.

Background:

At its ordinary meeting held 13 April 2019, Council discussed a detailed report on rates and resolved as follows;

“That Council:

- *in arriving at the proposed differential rates in the dollar have attempted to balance the need for revenue to fund essential services and facilities with the desire to limit any increase on the ratepayer to affordable levels.*
- *acknowledge that it reviews its expenditure and considers efficiency measures as part of budget deliberations*
- *authorise that the following proposed rates in the dollar for differential rates be advertised for 21 days on or after 1st of May 2019 (as per Local Government Act 1995 Section 6.36).*

<i>Gross Rental values</i>	<i>8.8869 cents (no change)</i>	<i>Minimum \$400</i>
<i>UV Mining</i>	<i>19.6101 cents (no change)</i>	<i>Minimum \$350</i>
<i>UV Pastoral</i>	<i>7.4462 cents (no change)</i>	<i>Minimum \$350</i>

- *furthermore if no submissions are received at close of the advertising period, staff are to proceed with seeking Ministerial approval to allow for these rates to be adopted as part of the 2019/20 Budget adoption at the June 2019 Ordinary Council Meeting.*
- *adopts the Objects and Reasons for the 2019/20 differential rates as presented.*

*CARRIED 6/0
BY AN ABSOLUTE MAJORITY”*

As required, Council advertised its proposed differential rates on 1 May 2019 with a closing date for submissions of 23 May 2019.

One submission was received from McMahon Mining Title Services Pty Ltd.

In a submission received last year from McMahon Mining Title Services Pty Ltd, they requested Council consider a separate UV category with a lower rate in the dollar for Exploration/Prospecting Licences.

At the time McMahon suggested that differing levels of impact on Shire infrastructure and resources, comparative profit levels and cash flows are reasons to justify the requested change. They also stated that the Department of Mines will increase rents on mining tenements in 2018-2019 by 1.5% for exploration licenses and 6% for other mining tenements.

Council at a Special Meeting held on 30 May 2018 did consider separate UV categories and resolved as follows:

“That Council:

- *proceed with the differential rating model as proposed at the Ordinary Council Meeting held 20 April 2018 and as advertised.*
- *request Staff seek Ministerial approval to allow for these rates to be adopted as part of the 2018/19 Budget adoption at the June 2018 Ordinary Council Meeting.*

Further that McMahon Mining Title Services Pty Ltd be advised of this decision”.

Comment:

On the 22 May 2019 McMahon Mining Title Services Pty Ltd submitted a submission and requested Council consider the impact a proposed increase in rent of 1.5% for exploration licences and 6% for all other mining tenements the Department of Mines, Industry Regulation and Safety may impose from 1 July 2019 will have on the UV Mining rate revenue for 2019/20.

They state in their letter that *“Any increases in the rent therefore result in an increase in valuation and in turn an automatic increase in rates.”*

The following points are relevant to this matter and McMahon's reasoning:

1. Council's proposed rate in the dollar for UV Mining in 2019/20 remains the same as that imposed in 2018/19. McMahon Mining Title Services Pty Ltd commend the decision not to increase the rate in the dollar in their letter.
2. Rates modelling based on the Shire's rate data indicated the rates revenue from UV mining will decrease by \$77,885 or 2.2% on the previous year. This is if there is no change to values.
3. At the time of the rates modelling being undertaken there were 1054 assessments in the UV Mining category. The valuation is \$17,341,284 and actual rates raised will be \$3,456,752.84.
4. A rent rate increase of 1.5% for exploration licences and 6% for other mining tenements on the 1 July 2018 equated to an average valuation increase of 3.4% to exploration licences and 3.5% for all other mining tenements.
5. Based on the impact the rent increases had on the 1 July 2018 then if the same increase occurs again on the 1 July 2019 the UV Mining valuation will increase by \$603,311.43 to \$17,944,595 and rate revenue increased by \$102,244 (2.96% increase) to \$3,558,997.

	2018/19 Actuals	2019/20 (as per Synergy values 02.04.19)	2019/20 Calculated if rent increase occurs	\$ change between current and rent increase	% change between current and rent increase
Valuation	\$17,752,353	\$17,341,284	\$17,944,595	\$603,311	3.48%
Revenue	\$ 3,534,638	\$3,456,753	\$3,558,997	\$102,244	2.96%

- If there is no change to the rate in the dollar and rent increases are imposed on the 1 July 2019 then the number of properties on minimum will reduce from 325 to 317 which continues to comply with the Act.

Statutory Environment:

Local Government Act 1995 – Section 6.32 Rates and service charges.

“6.32. Rates and service charges

- (1) *When adopting the annual budget, a local government —*
 - (a) *in order to make up the budget deficiency, is to impose* a general rate on rateable land within its district, which rate may be imposed either —*
 - (i) *uniformly; or*
 - (ii) *differentially;*

and
 - (b) *may impose* on rateable land within its district —*
 - (i) *a specified area rate; or*
 - (ii) *a minimum payment;*

and
 - (c) *may impose* a service charge on land within its district.*

** Absolute majority required.*

- (2) *Where a local government resolves to impose a rate it is required to —*

- (a) *set a rate which is expressed as a rate in the dollar of the gross rental value of rateable land within its district to be rated on gross rental value; and*
 - (b) *set a rate which is expressed as a rate in the dollar of the unimproved value of rateable land within its district to be rated on unimproved value.*
- (3) *A local government —*
- (a) *may, at any time after the imposition of rates in a financial year, in an emergency, impose* a supplementary general rate or specified area rate for the unexpired portion of the current financial year; and*
 - (b) *is to, after a court or the State Administrative Tribunal has quashed a general valuation, rate or service charge, impose* a new general rate, specified area rate or service charge.*

** Absolute majority required.*

- (4) *Where a court or the State Administrative Tribunal has quashed a general valuation the quashing does not render invalid a rate imposed on the basis of the quashed valuation in respect of any financial year prior to the financial year in which the proceedings which resulted in that quashing were commenced.*

[Section 6.32 amended by No. 55 of 2004 s. 690.]”

Local Government Act 1995 – Section 6.33 Differential general rates

“6.33. Differential general rates

- (1) *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.*
- (2) *Regulations may —*
- (a) *specify the characteristics under subsection (1) which a local government is to use; or*
 - (b) *limit the characteristics under subsection (1) which a local government is permitted to use.*
- (3) *In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.*
- (4) *If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.*

- (5) *A differential general rate that a local government purported to impose under this Act before the Local Government Amendment Act 2009 section 39(1)(a) came into operation¹ is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.*

[Section 6.33 amended by No. 38 of 2005 s. 15; No. 17 of 2009 s. 39; No. 28 of 2010 s. 34.]”

Local Government Act 1995 – Section 6.35 Minimum payment

“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 lesser 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 subsections (2), (3) and (4) for that land.*
- (6) *For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (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.”*

Local Government Act 1995 – Section 6.36 Notice of certain rates.

“6.36. *Local government to give notice of certain rates*

- (1) *Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so.*
- (2) *A local government is required to ensure that a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).*
- (3) *A notice referred to in subsection (1) —*
 - (a) *may be published within the period of 2 months preceding the commencement of the financial year to which the proposed rates are to apply on the basis of the local government’s estimate of the budget deficiency; and*
 - (b) *is to contain —*
 - (i) *details of each rate or minimum payment the local government intends to impose; and*
 - (ii) *an invitation for submissions to be made by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters within 21 days (or such longer period as is specified in the notice) of the notice; and*
 - (iii) *any further information in relation to the matters specified in subparagraphs (i) and (ii) which may be prescribed;*

and

 - (c) *is to advise electors and ratepayers of the time and place where a document describing the objects of, and reasons for, each proposed rate and minimum payment may be inspected.*
- (4) *The local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.*
- (5) *Where a local government —*
 - (a) *in an emergency, proposes to impose a supplementary general rate or specified area rate under section 6.32(3)(a); or*
 - (b) *proposes to modify the proposed rates or minimum payments after considering any submissions under subsection (4),*

it is not required to give local public notice of that proposed supplementary general rate, specified area rate, modified rate or minimum payment.”

Policy Implications:

4.7.5 Budget Preparation

Budget/Financial Implications:

Not known

Strategic Implications:

Nil

Voting Requirements:

Absolute Majority

Officers Recommendation / Council Resolution:

Moved: Cr PS Clancy

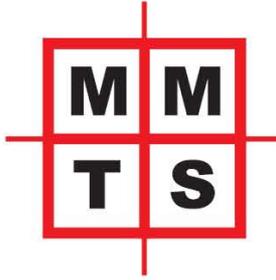
Seconded: Cr PW Curley

That Council:

- proceed with the differential rating model as proposed at the Ordinary Council Meeting held 13 April 2019 and as advertised.
- request Staff seek Ministerial approval to allow for these rates to be adopted as part of the 2019/20 Budget adoption at the June 2019 Ordinary Council Meeting.

Further that McMahon Mining Title Services Pty Ltd be advised of this decision.

**CARRIED 5/0
BY AN ABSOLUTE MAJORITY**



**McMAHON
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22 May 2019

Mr Roy McClymont
Chief Executive Officer
Shire of Meekatharra
PO Box 129
Meekatharra WA 6642

by email to: ceo@meekashire.wa.gov.au

Dear Sir

SUBMISSION - DIFFERENTIAL RATING 2019/20

Thank you for the opportunity to make a submission regarding the proposed rates for 2019-20.

We note that valuations provided by the Valuer General are used in calculating mining tenement rates, and these valuations are based on the rent imposed by the Department of Mines, Industry Regulation and Safety. Any increases in the rent therefore result in an increase in valuations and in turn an automatic increase in rates.

Effective from 1 July 2018, the Department increased the rent rate by 1.5% for exploration licences and 6% for all other mining tenements. From 1 July 2019, the Department will increase exploration licence rents by a further 1.5% and the rent of all other mining tenements by a further 6%. For reference, linked below are the Media Statement confirming the rental increases, the Department's Fees and Charges for 2018-19 information sheet and the *Mines and Petroleum Regulations Amendment (Fees and Charges) Regulations 2018* confirming the rents increased from 1 July 2018, and Part 4 of the State Budget Paper No.2 which refers to the additional revenue for mining tenement rental to be collected by the Department from 2019-20.

While we recognise and commend the decision not to propose an increase to the UV Mining rate in dollar and minimum for 2019-20, we write to draw attention to the increase in rates that will result from the increase in rents, so that it can be taken into account in your budget modelling in case any reductions can be considered as a result.

The resource sector is already one of the most significant contributors to the State's economy, with the WA Government receiving royalty revenue totalling \$5.8 billion in 2017-18 – a major proportion of the State's annual revenue. It is also one of the most significant employers in the State, with the WA minerals sector directly employing over 120,000 people in 2018.

To encourage the continued contributions made by the resources sector to the State economy it is critical that all government fees are set so as to reduce the cost of doing business in the State in the face of significant international competition wherever possible, and increase and incentivise investment in local exploration to discover vital new resources which benefit the whole of the State.

I would be happy to discuss this matter further on (08) 6467 7997.

Yours sincerely

A handwritten signature in black ink, appearing to be 'S' followed by a flourish.

Shannon McMahon
Director

- Media Statement:
<<https://www.mediastatements.wa.gov.au/Pages/McGowan/2018/05/McGowan-Government-to-continue-popular-exploration-scheme.aspx> >
- Department's Fees and Charges for 2018-19 information sheet:
<http://www.dmp.wa.gov.au/Documents/Minerals/Minerals-Feesandcharges_2018.pdf# >
- *Mines and Petroleum Regulations Amendment (Fees and Charges) Regulations 2018:*
<https://www.legislation.wa.gov.au/legislation/statutes.nsf/RedirectURL?OpenAgent&query=mrdoc_41012.pdf>
- Part 4 of the State Budget Paper No.2 (see pages 223 and 236):
<<https://www.ourstatebudget.wa.gov.au/2019-20/budget-papers/bp2/2019-20-wa-state-budget-bp2-part4.pdf?>>

**9 NEW BUSINESS OF AN URGENT NATURE – INTRODUCED BY
RESOLUTION OF THE MEETING**

Nil

**10 ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN
GIVEN**

Nil

11 CLOSURE OF MEETING

The Shire President, Cr NL Trenfield, declared the meeting closed at 5:02pm.