

SHIRE OF DENMARK

# Special Council Meeting

# AGENDA

**11 JUNE 2024**

TO BE HELD IN COUNCIL CHAMBERS, 953 SOUTH COAST  
HIGHWAY, DENMARK, ON TUESDAY, 11 JUNE 2024,  
COMMENCING AT 4.00PM.



**Contact Us**

953 South Coast Highway, Denmark WA 6333

*Correspondence to:*

Post Office Box 183, DENMARK WA 6333

Phone: (08) 9848 0300 | Email: [enquiries@denmark.wa.gov.au](mailto:enquiries@denmark.wa.gov.au)

Website: [www.denmark.wa.gov.au](http://www.denmark.wa.gov.au)

Facebook: shireofdenmark

## Contents

1.	DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS .....	3
2.	RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE .....	3
3.	ANNOUNCEMENT BY THE PERSON PRESIDING .....	3
4.	PUBLIC QUESTION TIME.....	3
4.1	PUBLIC QUESTIONS .....	3
5.	REPORTS OF OFFICERS .....	4
5.1	2024/2025 DIFFERENTIAL RATES AND MINIMUM PAYMENT .....	4
6.	MATTERS BEHIND CLOSED DOORS .....	9
7.	CLOSURE OF MEETING .....	9

**1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

**2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE**

MEMBERS:

- Cr Kingsley Gibson (Shire President)
- Cr Jan Lewis (Deputy Shire President)
- Cr Clare Campbell
- Cr Donna Carman
- Cr Nathan Devenport
- Cr Jackie Ormsby
- Cr Janine Phillips
- Cr Aaron Wiggins
- Cr Dominic Youel

STAFF:

- David King (Chief Executive Officer)
- Kellie Jenkins (Executive Manager Corporate Services)
- Rob Westerberg (Director Infrastructure and Assets)
- Claire Thompson (Governance Coordinator)

APOLOGIES:

ON LEAVE OF ABSENCE:

ABSENT:

VISITORS:

DECLARATIONS OF INTEREST:

Name	Item No	Interest	Nature

**3. ANNOUNCEMENT BY THE PERSON PRESIDING**

**4. PUBLIC QUESTION TIME**

**4.1 PUBLIC QUESTIONS**

In accordance with Section 5.24 of the Local Government Act 1995, Council conducts a public question time to enable members of the public to address Council or ask questions of Council.

For a Special Meeting of Council, such as this, **they must however relate to the item(s) on the Agenda.**

Questions from the public are invited and welcomed at this point of the Agenda.

Should you wish to address Council please note that the Presiding Person (the Shire President) may have to limit the time of individual speakers in order to allow sufficient time for all speakers present at the meeting to address Council. The rules of this process and the time allocated will be determined by the Presiding Person at the Meeting dependent upon the indicative number of speakers.

Questions from the Public

**5. REPORTS OF OFFICERS**

**5.1 2024/2025 DIFFERENTIAL RATES AND MINIMUM PAYMENT**

<b>File Ref:</b>	FIN.1
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	31 May 2024
<b>Author:</b>	Kellie Jenkins, Executive Manager Corporate Services
<b>Authorising Officer:</b>	Kellie Jenkins, Executive Manager Corporate Services
<b>Attachments:</b>	5.1 – Rating Proposal – Statement of Objects and Reasons

**IN BRIEF**

- For Council to endorse proposed differential general rates and the minimum payment for the 2024/2025 financial year for the purposes of giving public notice.

**VOTING REQUIREMENTS**

1. Simple majority.

OFFICER RECOMMENDATION		ITEM 5.1
That Council approves the following differential rates and minimum payment for advertising in accordance with Section 6.36 of the Local Government Act 1995:		
Differential Rate Category	Proposed 2024/2025 Rate in Dollar (\$)	Proposed 2024/2025 Minimum Payment (\$)
<b>Gross Rental Value (GRV)</b>		
Non-Rural Improved	0.118117	1,443
Holiday Purposes	0.230328	1,732
Vacant	0.235484	1,412
<b>Unimproved Value (UV)</b>		
Rural	0.004042	1,658
Rural - Additional Use Holiday	0.005255	2,155
Rural - Additional Use Commercial	0.006871	3,150

**LOCATION**

2. Nil

**BACKGROUND**

3. The Shire of Denmark (Shire) imposes differential rates based on the purpose for which the land is held or used. Prior to imposing differential general rates when Council adopts its 2024/2025 budget, in accordance with section 6.36 of the Local Government Act 1995, the Shire is required to give local public notice of its intention to do so.
4. The differential general rates and minimum payment for the 2023/2024 financial year were as follows:

Differential Rate Category	2023/2024 Rate in Dollar (\$)	2023/2024 Minimum Payment (\$)
<b>GRV</b>		
Non Rural Improved	0.112065	1,369
Holiday Purposes	0.145685	1,643
Vacant	0.223419	1,340
<b>UV</b>		
Rural	0.004016	1,573
Rural - Additional Use Holiday	0.005220	2,045
Rural - Additional Use Commercial	0.006827	2,989

**DISCUSSION / OFFICER COMMENTS**

5. The proposal to increase rates by 2% above the annual Consumer Price Index (CPI) in addition to property growth for the 2024/2025 period is to ensure that the Shire's budget remains responsive to inflationary pressures and adequately addresses the needs of the community. The CPI increase of 3.4% will maintain the current level of services and infrastructure. The additional 2% is for the renewal, maintenance, and upgrade of existing assets. This investment will sustain the community's infrastructure and protect our community's wellbeing and enhanced community pride.
6. The proposal to increase rates by 2% above the annual CPI in addition to property growth will result in an increased rate revenue of 8.3% for the 2024/2025 period. The following table shows the increased revenue across the different rate categories.

Differential Rate Category	2023/2024 Rate Revenue (\$)	Proposed 2024/2025 Rate Revenue (\$)	Change (%)
<b>Gross Rental Value (GRV)</b>			
Non-Rural Improved	5,330,981	5,700,955	6.9
Holiday Purposes	361,263	551,496	52.7
Vacant	738,214	749,139	1.5
<b>Unimproved Value (UV)</b>			
Rural	1,556,839	1,641,545	5.4
Rural - Additional Use Holiday	67,740	85,202	25.8
Rural - Additional Use Commercial	93,907	96,178	2.4
	<b>8,148,944</b>	<b>8,824,516</b>	<b>8.3</b>

**Factors Contributing to Revenue Increase Exceeding 2% of Annual CPI**

7. Development of previously vacant land has contributed to the growth of the GRV non rural improved rate category, leading to a 1.06% rise in rate revenue.
8. To address valuation disparities, a rate increase is proposed (95% above the standard non-rural improved rate) for GRV holiday purposes rateable properties. This is due to their significantly higher gross rental income when compared to regular residential properties.
9. There has been a notable 17% increase in the number of properties falling under the Rural- additional use holiday rate category, leading to a 26% rise in rate revenue.

**Growth of Rateable Properties**

10. The number of rateable properties has increased during 2023/2024 due to developments and subdivisions of land by individual landowners across the Shire. The following table shows that growth in rateable properties for five years.

Year	No. of Properties	Property Increase	Increase %
2023/2024	4179	12	0.29%
2022/2023	4167	29	0.70%
2021/2022	4138	23	0.56%
2020/2021	4115	19	0.46%
2019/2020	4096	10	0.24%

11. The following table shows that growth in rateable properties by rate category.

Differential Rate Category	2022/2023	2023/2024
<b>GRV</b>		
Non Rural Improved	2912	2942
Holiday Purposes	156	153
Vacant	428	408
<b>GRV Total</b>	<b>3496</b>	<b>3503</b>
<b>UV</b>		
Rural	626	627
Rural - Additional Use Holiday	24	28
Rural - Additional Use Commercial	21	21
<b>UV Total</b>	<b>671</b>	<b>676</b>
<b>Total Properties</b>	<b>4,167</b>	<b>4,179</b>
<b>Property No. Increase</b>		<b>12</b>

### Revaluation

12. The basis of valuation is either Gross Rental Value (GRV) or Unimproved Value (UV). For non rural properties, the GRV is used and for rural properties, the UV is used. The GRV is an estimate of the rent a property could earn in a year. The UV refers to the site value of the property.
13. The Valuation of Land Act 1978 empowers the Valuer General (Landgate) to conduct general valuations on a Gross Rental Valuation (GRV) basis within Western Australia at such times and frequency as is considered necessary (every 3 to 6 years) and Unimproved Valuation (UV) properties on an annual basis. Values are determined relative to sales and rentals at 1 August of the preceding year.
14. There is no GRV revaluation to impact the 2024/2025 rating year with the next to take effect for the 2025/2026 financial year. Landgate undertook its last annual review of UV valuations on 1 August 2023, with these valuations proposed to take effective from 30 June 2024.
15. The 2024 revaluation of UV properties, effective from 1 July 2024, valued on a UV basis resulted in an overall valuation average increase of 3.93%.
16. Landgate has advised the overall variation to unimproved valuations.

*“Sales analysis supports lifting Unimproved Values within the Shire of Denmark. The increases are varied with larger farming properties being significantly impacted. The increases to the rural smallholdings and non-agricultural holdings were less significant with a number of ‘bushblock’ type holdings having their unimproved values reduced. There has also been some degree of variation in the unimproved values to improve co-ordination between some holdings. Some variations to individual assessments may have occurred either as a product of the valuation process and/or inclusion of updated information”.*

17. Rates levied on individual properties are determined by multiplying the UV value determined by the Valuer General by the rate in the dollar adopted by Council. Given the

average in UVs, it is necessary for the rate in the dollar set by Council to be reduced for Rural Rate Category to deliver an average 2% above CPI increase in rates.

18. The rate in the dollar and minimum payment proposed for 2024/2025 are detained in the table below.

Differential Rate Category	Proposed 2024/2025 Rate in Dollar (\$)	Proposed 2024/2025 Minimum Payment (\$)
<b>Gross Rental Value (GRV)</b>		
Non-Rural Improved	0.118117	1,443
Holiday Purposes	0.230328	1,732
Vacant	0.235484	1,412
<b>Unimproved Value (UV)</b>		
Rural	0.004042	1,658
Rural - Additional Use Holiday	0.005255	2,155
Rural - Additional Use Commercial	0.006871	3,150

**Rating Proposal**

19. The Rating Proposal for 2024/2025, includes the statement of objects and reasons for the proposed differential rates and minimum payments. The objects and reasons provide a brief explanation of the key differences between rate categories, as per Attachment 5.1.

**CONSULTATION AND EXTERNAL ADVICE**

20. Local public notice, no earlier than 1 May 2024, which details each rate in the dollar and minimum payment and make available the Objects and Reasons for the differential taking categories.

**STATUTORY / LEGAL IMPLICATIONS**

21. Local Government Act 1995

Section 6.36 – Local government to give notice of certain rates.

Section 6.36 (1) 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.

**STRATEGIC / POLICY IMPLICATIONS**

**Rating Equity Policy**

22. The report and officer recommendation are consistent with Council’s adopted Rating Equity Policy P030105.



## **FINANCIAL IMPLICATIONS**

### **Long Term Financial Plan**

23. The 2024-2033 Long Term Financial Plan (LTFP) was endorsed by Council in April 2024. Revenue from rates is structured to consider both the consumer price index (CPI) and addressing the funding gap for asset renewal. In line with asset renewal priority, total rates revenue is set to grow 8% in 2024/2025, followed by four years of total rate revenue at 2% above the LTFP forecasted CPI.

## **OTHER IMPLICATIONS**

### **Environmental**

24. There are no known significant environmental implications relating to the report or officer recommendation.

### **Economic**

25. In 2023/2024 Australia experienced another increase in inflation, with the Consumer Price Index (CPI) rising to 3.4% by March 2024. This increase is consistent with the upward trend in CPI rates observed in recent years, especially in Perth. The consistent rise in inflation has influenced the cost of living and the availability of goods and services, placing pressure on local economic resources. Both communities and local governments are contending with the financial challenges posed by these fiscal conditions. The Australian Bureau of Statistics reported a 3.6% rise in the CPI over the twelve months leading to the March 2024 quarter, showing a slight reduction from the previous quarter's 4.1% increase. This data reflects the broader economic challenges that Australia is facing amidst ongoing inflationary pressure.

### **Social**

26. There are no known significant social considerations relating to the report or officer recommendation.

## **RISK MANAGEMENT**

27. A risk assessment has been undertaken per the Shire's Risk Management Governance Framework, and no risks have been identified in relation to the officer recommendation or the report.

## **6. MATTERS BEHIND CLOSED DOORS**

Nil

## **7. CLOSURE OF MEETING**