

Special Council Meeting

27 May 2024

Agenda

Notice is hereby given of a Special Meeting of Council to be held in the Council Chambers, City of Kwinana Administration Centre commencing at 5.30pm.



Members of the public who attend Council meetings should not act immediately on anything they hear at the meetings, without first seeking clarification of Council's position. Persons are advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

Agendas and Minutes are available on the City's website www.kwinana.wa.gov.au



Order Of Business

1	Open	ing and Announcement of Visitors	3						
2	Welco	ome to Country and Acknowledgement of Country	3						
3	Dedication								
4	Atten	dance, Apologies, Leave(s) of Absence (Previously Approved)	4						
5	Public	C Question Time	4						
6	Recei	ving of Petitions, Presentations and Deputations	5						
	6.1	Petitions	5						
	6.2	Presentations	5						
	6.3	Deputations	5						
7		rations of Interest (Financial, Proximity, Impartiality – both Real and ived) by Members and City Officers	6						
8	Requ	ests for Leave of Absence	6						
9	Repo	rts – Economic	7						
	9.1	Consideration of Advertised Differential Rates Submissions and Request for Ministerial Approval of 2024/2025 Proposed Differential Rates and Minimum Payments	7						
10	Repo	rts of Elected Members							
11	-	ral Announcements							
12	•	of Meeting	23						

1 OPENING AND ANNOUNCEMENT OF VISITORS

Presiding Member to declare the meeting open and welcome all in attendance.

Presiding Member to announce that the Special Council Meeting is being live streamed and recorded in accordance with the City's Live streaming and Recording Council Meetings policy.

By being present at this meeting, members of the public consent to the City recording and livestreaming their image and/or voice.

2 WELCOME TO COUNTRY AND ACKNOWLEDGEMENT OF COUNTRY

COUNCILLOR BARRY WINMAR TO PRESENT THE WELCOME TO COUNTRY:

"NGULLAK NYINNINY KOORALONG KOORA NGULLAK NOITJ NIDJA NOONGAR BOODJAR. NOONGAR MOORT DJOORAPINY NYINNINY NIDJA NGULLA QUOPADOK NOONGAR BOODJAR KOORALONG.

FROM THE BEGINNING OF TIME TO THE END, THIS IS NOONGAR COUNTRY. NOONGAR PEOPLE HAVE BEEN GRACEFUL KEEPERS OF OUR NATION FOR MANY, MANY YEARS.

DJINANGINY KATATJIN DJOORAPINY NIDJA WEERN NOONGAR BOODJAR NGALLA MIA MIA BOORDA.

LOOK, LISTEN, UNDERSTAND AND EMBRACE ALL THE ELEMENTS OF NOONGAR COUNTRY THAT IS FOREVER OUR HOME.

KAYA WANDJU NGAANY KOORT DJOORPINY NIDJA NOONGAR BOODJAR DAADJALING WAANKGANINYJ NOONGAR BOODJAR.

HELLO AND WELCOME MY HEART IS HAPPY AS WE ARE GATHERED ON COUNTRY AND MEETING HERE ON NOONGAR COUNTRY

PRESIDING MEMBER TO READ THE ACKNOWLEDGEMENT OF COUNTRY:

"IT GIVES ME GREAT PLEASURE TO WELCOME YOU ALL HERE AND BEFORE COMMENCING THE PROCEEDINGS, I WOULD LIKE TO ACKNOWLEDGE THAT WE COME TOGETHER TONIGHT ON THE TRADITIONAL LAND OF THE NOONGAR PEOPLE AND WE PAY OUR RESPECTS TO THEIR ELDERS PAST AND PRESENT."

3 DEDICATION

Councillor Ivy Penny to read the dedication:

"May we, the Elected Members of the City of Kwinana, have the wisdom to consider all matters before us with due consideration, integrity and respect for the Council Chamber. May the decisions made be in good faith and always in the best interest of the greater Kwinana community that we serve."

4 ATTENDANCE, APOLOGIES, LEAVE(S) OF ABSENCE (PREVIOUSLY APPROVED)

Apologies:

Leave(s) of Absence (previously approved):

PUBLIC QUESTION TIME

In accordance with the *Local Government Act 1995* and the *Local Government (Administration) Regulations 1996*, any person may during Public Question Time ask any question.

In accordance with Regulation 6 of the *Local Government (Administration)*Regulations 1996, the minimum time allowed for Public Question Time is 15 minutes.
A member of the public who raises a question during Question Time is to state his or her name and address.

Members of the public must provide their questions in writing prior to the commencement of the meeting. A public question time form must contain all questions to be asked and include contact details and the form must be completed in a legible form.

Please note that in accordance with Section 3.4(5) of the *City of Kwinana Standing Orders Local Law 2019* a maximum of two questions are permitted initially. An additional question will be allowed by the Presiding Member if time permits following the conclusion of all questions by members of the public.

6 RECEIVING OF PETITIONS, PRESENTATIONS AND DEPUTATIONS

6.1 PETITIONS

A petition must –

be addressed to the Mayor;

be made by electors of the district;

state the request on each page of the petition;

contain at least five names, addresses and signatures of electors making the request; contain a summary of the reasons for the request;

state the name of the person to whom, and an address at which, notice to the petitioners can be given; and

be respectful and temperate in its language and not contain language disrespectful to Council.

The only motion which shall be considered by the Council on the presentation of any petition are –

that the petition be received;

that the petition be rejected; or

that the petition be received and a report prepared for Council.

6.2 PRESENTATIONS

In accordance with Clause 3.6 of the *Standing Orders Local Law 2019* a presentation is the acceptance of a gift, grant or an award by the Council on behalf of the local government or the community.

Prior approval must be sought by the Presiding Member prior to a presentation being made at a Council meeting.

Any person or group wishing to make a presentation to the Council shall advise the CEO in writing before 12 noon on the day of the meeting. Where the CEO receives a request in terms of the preceding clause the CEO shall refer it to the presiding member of the Council committee who shall determine whether the presentation should be received.

A presentation to Council is not to exceed a period of fifteen minutes, without the agreement of Council.

6.3 **DEPUTATIONS**

In accordance with Clause 3.7 of the *Standing Orders Local Law 2019*, any person or group of the public may, during the Deputations segment of the Agenda with the consent of the person presiding, speak on any matter before the Council or Committee provided that:

the person has requested the right to do so in writing addressed to the Chief Executive Officer by noon on the day of the meeting.

setting out the agenda item to which the deputation relates;

whether the deputation is supporting or opposing the officer's or committee's recommendation; and

include sufficient detail to enable a general understanding of the purpose of the deputation.

A deputation to Council is not to exceed a period of fifteen minutes, without the agreement of Council.

7 DECLARATIONS OF INTEREST (FINANCIAL, PROXIMITY, IMPARTIALITY – BOTH REAL AND PERCEIVED) BY MEMBERS AND CITY OFFICERS

Section 5.65(1) of the Local Government Act 1995 states:

A member who has an interest in any matter to be discussed at a council or committee meeting that will be attended by the member must disclose the nature of the interest —

in a written notice given to the CEO before the meeting; or at the meeting immediately before the matter is discussed.

Section 5.66 of the Local Government Act 1995 states:

If a member has disclosed an interest in a written notice given to the CEO before a meeting then —

before the meeting the CEO is to cause the notice to be given to the person who is to preside at the meeting; and

at the meeting the person presiding is to bring the notice and its contents to the attention of the persons present immediately before the matters to which the disclosure relates are discussed.

8 REQUESTS FOR LEAVE OF ABSENCE

9 REPORTS – ECONOMIC

9.1 CONSIDERATION OF ADVERTISED DIFFERENTIAL RATES SUBMISSIONS AND REQUEST FOR MINISTERIAL APPROVAL OF 2024/2025 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS

SUMMARY

This report has been prepared for Council to consider submissions received as part of the advertising of the proposed differential rates, and to authorise a request to the Minister for Local Government, Youth, Minister Assisting the Minister of Training and Workforce Development (Minister) to approve the proposed differential rates prior to the adoption of the rates through the budget process.

At the Ordinary Council Meeting of 24 April 2024, Council resolved to advertise the Statement of Objects and Reasons and proposed differential rates and minimum payments for the 2024/2025 financial year, in accordance with the Local Government Act 1995 (LG Act). The advertisement, that was arranged for placement in The West Australian newspaper and the Sound Telegraph newspaper on 1 May 2024, called for public submissions until the close of business on 23 May 2024. In addition to the public notices required by the LG Act, the City advertised the proposal to levy differential rates through social media, public notice section of the City's Spirit eNewsletter and the City's community engagement portal 'Love My Kwinana'.

Copies of the public notice and Statement of Objects and Reasons were made available for public inspection at the City's Administration Building, Darius Wells Library and Knowledge Centre and on the City's website. Landowners within the General Industry (UV) rate category were also written to regarding the proposed differential rate for their properties. At the expiration of the statutory advertising period, twelve submissions had been received.

OFFICER RECOMMENDATION

That Council:

- 1. Request the Chief Executive Officer proceed with the budget preparation based on the Statement of Objects and Reasons contained in Attachment A.
- 2. Authorise the Chief Executive Officer to proceed with the application for Ministerial Approval of the adopted differential rates for:
 - (a) GRV Vacant Minimum Payment; and
 - (b) GRV Vacant General Rates; and
 - (c) UV General Industrial General Rates.

DISCUSSION

The purpose of levying rates is to meet the City's budget requirements, guided by its objectives, strategies, and activities outlined in various plans. This revenue is essential for delivering services and community infrastructure each financial year. Rates income constitutes a significant portion of the City's revenue necessary to achieve these strategic goals.

The Long-Term Financial Plan (LTFP) is in the process of being reviewed due to the significant changes in the economic outlook for the past 3 years. The current LTFP which was adopted by Council on the 15 December 2021 had predicted 2025 CPI to be 2% and 3% for the Local Government Cost Index (LGCI), which were both very optimistic outlooks.

In February 2024 the headline CPI was 3.9%, which is still higher than RBA benchmark of 2 to 3%. The Local Government Cost Index (LGCI), as published by WALGA in April 2024 is now forecasted at 3.9% for June 2024. Although there is a decreasing trend in both the CPI and the LGCI Local Governments are still being impacted by increasing staff, material and contract costs which is impacting service delivery.

To provide financially sustainable services, the City relies on key metrics like the asset sustainability ratio. We have set an 80% target for this ratio in the 2021-2031 Strategic Community Plan. To maintain the renewals ratios for 2024/2025, we need a moderate rate increase of 0.3% above the LGCI to support the refurbishment of the City's Administration offices, which are nearing the end of their life cycle.

Officers are recommending an increase to the overall rates levy of 4.2%, which will result in rates income of \$51,973,845.

The City of Kwinana's 2024/2025 advertised proposed differential rates are provided in Table 1 and 2 below, with the rates income model shown at Table 4.

Table 1 – Advertised Proposed Differential Rate in the Dollar and Minimum Payments for GRV Rating Categories for 2024/2025

GRV Rate Categories	Minimum Payment (\$)	Rate in Dollar (\$)	Average Variation from 2023/2024 (RID)
Improved Residential	\$1,222	0.08846	4.03%
Improved Commercial & Industrial	\$1,592	0.10667	4.04%
Vacant	\$1,222	0.19415	4.04%

Table 2 – Advertised Proposed Differential Rate in the Dollar and Minimum Payments for UV Rating Categories for 2024/2025

UV Rate Categories	Minimum Payment (\$)	Rate in Dollar (\$)	Average Variation from 2023/2024 (RID)
General Industry	\$1,592	0.02029	4.04%
Rural	\$1,222	0.00528	3.98%
Mining & Industrial	\$1,592	0.00940	4.04%

Advertising of the proposed differential rates for 2024/2025 took place within The West Australian newspaper and the Sound Telegraph newspaper on 1 May 2024, with a copy of the public notice also available on the City's website. The City also used social media, the engagement platform *Love My Kwinana* and City's *Spirit* eNewsletter to inform the community of the Council's intention to levy differential rates. Ratepayers within the General Industry rate category was also written to separately regarding the proposed differential rates for their properties. The notice called for submissions to the proposal, with a closing date of 23 May 2024 (not less than 21 days).

In total twelve submissions were received. Consideration of these submissions is contained within Attachment B. Submissions were received via the Love My Kwinana engagement platform and via City's email address. The platform recorded 366 page visits, with 65 opening information contained on the page. Eight of the visitors decided to make a comment on the proposed rates. The additional 4 submissions were received via the City's email. The submissions are broken down into rating categories as per below.

Although the Regulations allow for comment to be made on any matter in response to a process of consultation on differential rates, it is relevant that the requirement to advertise proposed rates is only created where it is proposed that differential rates will be imposed (i.e., it is not a requirement that the City advertise rates normally, and the community can communicate with the City at any time on other matters.

Table 3 – Submissions

Rating Category	Quantity
GRV	
Improved Residential	12
Improved Commercial and Industrial	0
Vacant	0
UV	
General Industrial	0
Mining and Industrial	0
Rural	0
Total submissions	12

In summary, items raised by ratepayers as concerning them were:

- The proposed increases will add financial pressures to households already dealing with a rising cost of living.
- There is a perceived lack of services provided by the Council

Aside from the matters raised above the submissions have not specifically addressed any issues on the differential rating methodologies.

Impact on households during this time of increased cost of living

The City provides a number of services and facilities to the Kwinana community as planned for in the Strategic Community Plan (SCP) and contained in the LTFP. The demand for services and facilities also grows as the City's population grows, thereby impacting budgets. During consultation with the community, as part of the development of the SCP(2021-2031), it was identified that the Local Government Cost Index (LGCI) provides a better index for setting of rates, with forecasts based on the LGCI as it was at that point of time plus the cost of any new asset renewals.

Importantly, in order to maintain the levels of services agreed with the community, Council has to continue to invest in the context of extraordinary inflationary pressure. The LGCl index provided by WALGA, that assists local governments in forecasting real inflation of costs for services within the local government industry, forecast LGCl at 3.9% for the June 2024 quarter. An extra 0.3% has been included in the rate increase to account for the aging of the City's administration buildings.

The City continually reviews budgets and plans to maintain the agreed-upon levels of service with the community, ensuring services remain financially efficient and savings are made where possible. This approach acknowledges that the current cost of living increase is higher than it has been in many years. However, this strategy will impact the City's overall sustainability and will require management through further efficiencies. A key focus for ensuring the Council's financial sustainability has been prioritizing funding for asset renewal.

Lack of services

The City delivers services and facilities to the community in accordance with the LTFP, which integrates extensive feedback from all stakeholders, including ratepayers and residents. The SCP process revealed a high level of satisfaction with current services and little interest in expanding the existing service offerings. If the community desires new services, it would be essential to consult them regarding the desired service levels and their willingness to pay for these additional services.

Rates Modelling for 2024/2025

Table 4 below provides a summary of the proposed rates per rating category including property that would be subject to minimum and non-minimum payments.

Table 4 – Rates model based on rateable values as at 23 May 2024

Rating Information					2024/25	2024/25
_			Number		Budgeted	Budgeted
			of	Rateable	rate	total
Rate Description	Basis of valuation	Rate in	properties	value	revenue	revenue
		\$		\$	\$	\$
General rates						
Improved Residential	Gross rental valuation	0.08846	18,138	308,273,044	27,269,833	27,269,833
Improved Commercial and Industrial	Gross rental valuation	0.10667	594	137,496,767	14,666,780	14,666,780
Vacant	Gross rental valuation	0.19415	1,358	11,366,030	2,206,715	2,206,715
General Industrial	Unimproved valuation	0.02029	3	124,000,000	2,515,960	2,515,960
Mining and Industrial	Unimproved valuation	0.00940	43	54,017,000	507,760	507,760
Rural	Unimproved valuation	0.00528	137	214,885,000	1,134,593	1,134,593
Total general rates			20,273	850,037,841	48,301,641	48,301,641
		Minimum				
Minimum payment		\$				
Improved Residential	Gross rental valuation	1,222	2,050	25,565,932	2,505,100	2,505,100
Improved Commercial and Industrial	Gross rental valuation	1,592	64	614,289	101,888	101,888
Vacant	Gross rental valuation	1,222	813	3,967,815	993,486	993,486
General Industrial	Unimproved valuation	1,592	0	0	0	0
Mining and Industrial	Unimproved valuation	1,592	14	120,288	22,288	22,288
Rural	Unimproved valuation	1,222	11	1,051,700	13,442	13,442
Total minimum payments			2,952	31,320,024	3,636,204	3,636,204
Total general rates and minimum	payments		23,225	881,357,865	51,937,845	51,937,845

The Statement of Objects and Reasons is contained within Attachment A.

Recommendation

Officers recommend that the Council adopt a rate increase of 4.20% (as shown in Tables 1 and 2). It is considered that the proposed rate strikes a balance between maintaining community desired levels of service, while limiting the impact on financial sustainability and the cost of living impacts to the community. The proposed rate is based on a financially prudent approach while also requiring further efficiencies to be obtained.

Application to the Minister

Based on the proposed advertised differential rates, it is a requirement that the City seek approval of the Minister to impose differential rates for:

- 1. UV General Industrial rate in the dollar is more than twice the value of the lowest UV rating category, Rural.
- 2. GRV Vacant rate in the dollar is more than twice the value of the lowest GRV rating category, Improved Residential.
- 3. The number of properties on minimum payment within the Vacant rating category is more than 50% for that rating category.

It is recommended that Council resolve to request the Chief Executive Officer to proceed with preparing a draft budget, based on the differential rates in Tables 1 and 2, and to make the required application to the Minister.

STRATEGIC IMPLICATIONS

This proposal will support the achievement of the following outcome/s and objective/s detailed in the Strategic Community Plan and Corporate Business Plan.

Strategic Community Plan							
Outcome	Strategic Objective	Action in CBP (if applicable)	How does this proposal achieve the outcomes and strategic objectives?				
5 – Visionary leadership dedicated to acting for its community	5.1 – Model accountable and ethical governance, strengthening trust with the community	N/A – There is no specific action in the CBP, yet this report will help achieve the indicated outcomes and strategic objectives	Transparent and Accountable Reporting				

SOCIAL IMPLICATIONS

There are no social implications as a result of this proposal.

LEGAL/POLICY IMPLICATIONS

Local Government Act 1995 section 6.33(3) states:

Differential general rates

(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.

Local Government Act 1995 section 6.35 states:

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.

FINANCIAL/BUDGET IMPLICATIONS

The estimated rate revenue of \$51,937,845 as at 23 May 2024 directly impacts the funds available to deliver services and programs in the 2024/2025 budget.

ASSET MANAGEMENT IMPLICATIONS

There are asset management implications as a result of this report due to the delivery of City's services and programs being based on the amount of revenue that is included in the budget.

ENVIRONMENTAL/PUBLIC HEALTH IMPLICATIONS

There are environmental implications as a result of this report due to the delivery of City's services and programs being based on the amount of revenue that is included in the budget.

COMMUNITY ENGAGEMENT

The proposed rates were advertised by local public notice in The West Australian newspaper and in the Sound Telegraph newspaper on 1 May 2024, detailing each rate in the dollar and minimum payment. A submission period of 21 days was provided. Submissions closed at 5pm, 23 May 2024 and 12 submissions were received.

The following additional engagement also took place:

- Information was made available on the City's Website outlining the intention to raise differential rates and minimum payments and details on how to make a submission.
- Love My Kwinana engagement platform was also used to inform and collect submissions.
- Ratepayers within the General Industry (UV) rate category was also written to regarding the proposed differential rate for their properties.
- The City's Website News Item included an article on the 1 May 2024, encouraging ratepayers to make their submissions.
- A media release was printed in the local newspaper, Sound Telegraph, on 1 May 2024.
- Advertorial placed in the local newspaper, Sound Telegraph, on 1 May 2024.
- A social media post on the City's Facebook page appeared on 1 May 2024

ATTACHMENTS

- A. Statement of Objects and Reasons 2024-2025
- B. Submissions for 2024/2025



STATEMENT OF OBJECTS AND REASONS FOR DIFFERENTIAL RATE CATEGORIES 2024/2025

In accordance with section 6.36 of the *Local Government Act 1995* and the Council's "Notice of Intention to Levy Differential Rates and Minimum Payments", the following information details the objects and reasons for each of the proposed differential rating categories.

Summary

The following are the proposed Differential General Rates and Minimum Payments for the City of Kwinana for the 2024/2025 financial year, to be effective from 1 July 2024.

GRV Rate Categories	Minimum	Rate in \$	% Change
	Payment (\$)		
Improved Residential	1,222	0.08846	4.03%
Vacant	1,222	0.19415	4.04%
Improved Commercial and Industrial	1,592	0.10667	4.04%
V			
UV Rate Categories	Minimum	Rate in \$	% Change
	Payment (\$)		
General Industry	1,592	0.02029	4.04%
Rural	1,222	0.00528	3.98%
Mining and Industrial	1,592	0.00940	4.04%

The above rate model is estimated to yield \$51,937,845 in rate revenue based on the information current at 23 May 2024.

What are Rates?

Rates are a tax levied on all rateable properties within the boundaries of the City of Kwinana in accordance with the *Local Government Act 1995*. The overall objective of the proposed rates in the 2024/2025 Budget is to provide for the net funding requirements of the City's services, activities, financing costs and the current and future capital requirements of the City, after considering all other forms of revenue. The formulation of a rating system is about achieving a means by which Council can raise sufficient revenue to pay for the services it provides.

Throughout Australia, the basis of using property valuations has been found to be the most appropriate means of achieving rating equity; however, the achievement of a wholly equitable rating system for all properties, in all areas, is a difficult task if it is based on the property valuations alone. For this reason, there are refinement options made available, such as differential rating, that the City of Kwinana has elected to use.

In Western Australia, land is valued by Landgate (Western Australian Land Information Authority – a State Government agency) and those valuations are forwarded to each Local Government. Two types of values are calculated - Gross Rental Value (GRV) which generally



applies to urban, non-rural land; and Unimproved Value(UV) which generally applies to rural land.

Rating Provisions – Local Government Act 1995

The *Local Government Act 1995* sets out the basis on which differential general rates may be based as follows:

Section 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

Differential Rates - Local Government Act 1995

Section 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 operation 1 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.

Minimum Payments - Local Government Act 1995

Section 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.

Gross Rental Value (GRV)

It is Council's intention to complete the rate harmonisation process to achieve a simplified rating structure comprising the following GRV rating categories by 2024/2025:

- 1. Improved Residential
- 2. Vacant
- 3. Improved Commercial and Industrial

The rates in the dollar are based on the general valuation as supplied by the Valuer General's Office (VGO) in respect of gross rental values (GRV's) effective from 1 July 2023. The VGO is required to maintain valuations of all rateable land in Western Australia for rating and taxing purposes and rating valuations are updated every three (3) years known as a General Valuation. Every property is valued at a date set by the VGO and this is referred to as the Date of Valuation. Rating valuations are therefore assessed at a snapshot in time reflecting the property market for the local area at the same time. This ensures consistency and fairness in the allocation of rates.

The current GRV has a date of valuation of 1 July 2023 and was updated in the 2023/2024 rating year. The GRV is determined by collecting rental evidence to determine the fair rental value for each property. The rental value for a house or other GRV property will be influenced by factors such as age, construction, size, car shelters, pools and location. As the GRV is currently assessed every three years, despite possible changes to the rental market, the GRV remains fixed until the next general valuation.

Unimproved Valuation (UV)

Council has adopted the following differential general rating categories for UV properties:

- 1. UV General Industry
- 2. UV Mining and Industrial
- 3. UV Rural

The VGO determines unimproved values annually with a valuation roll provided to local governments. The City has received the revaluations for 2024 from the VGO for al UV properties and these will be reflected on the 2024/2025 rates notices.

Proposed Differential General Rates and General Minimum Payments

The following are the objects and reasons for each of the differential rating categories and minimum payments for the 2024/2025 financial year:

GRV Improved Residential



This differential rate category imposes a differential general rate on land valued on a gross rental value basis for rateable properties used for residential purposes where the zoning allows for residential use.

The object of this rate is to apply a base differential general rate to land zoned and used for residential purposes and to act as the City's benchmark differential rate by which all other GRV rated properties are assessed.

The reason for this rate is to ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the City.

The proposed rate in the dollar for this category is \$0.08846, with a minimum payment of \$1,222. It will be applied to 18,031 of the City's rateable properties and deliver 57.33% of the proposed rate income.

GRV Vacant

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is vacant land.

The object of this rate is to ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the City.

The proposed rate in the dollar for this category is \$0.19415, with a minimum payment of \$1,222. It will be applied to 2171 of the City's rateable properties and deliver 6.16% of the proposed rate income.

GRV Improved Industrial and Commercial

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is not used for residential purposes and is not vacant land.

The object of this rate category is to apply a higher differential rate so as to raise additional revenue to offset the increased costs associated with service provision to these properties.

The reason for this rate is that a higher differential rate is required to meet the higher level of service costs associated with Commercial and Industrial properties and the localities within which they are situated, including costs of:

- (a) provision and maintenance of transport and streetscape infrastructure including renewal/refurbishment infrastructure, car parking and traffic treatments; and
- (b) the management, administration and delivery of marketing activities aimed at enhancing the economic and social viability, and the general amenity of the Kwinana commercial and industrial areas.



The proposed rate in the dollar for this category is \$0.10667, with a minimum payment of \$1,592. It will be applied to 658 of the City's rateable properties and deliver 28.44% of the proposed rate income.

UV General Industry

This differential rate category imposes a differential general rate on land zoned for the purpose of General Industry under Local Planning Scheme No 2.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to or associated with properties in this category.

The reason for this rate is to meet a significant proportion of the additional costs involved in servicing properties within this rate category, which include but are not limited to major outlays for transport infrastructure maintenance and renewal/refurbishment and significant costs relating to monitoring of land use and environmental impacts.

The proposed rate in the dollar for this category is \$0.02029 cents, with a minimum payment of \$1,592. It will be applied to 3 of the City's rateable properties and deliver 4.84% of the proposed rate income.

UV Mining and Industrial

This differential rate category imposes a differential general rate on land valued on an unimproved value (UV) basis, which is:

- (a) zoned for the purpose of Rural B under Local Planning Scheme No 2; or
- (b) held or used for industrial, extractive industry or quarrying purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act* 2000; or
- (c) zoned for the purpose of Rural A under Local Planning Scheme No 2 and held or used for industrial, extractive industry or quarrying purposes.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to properties in this category.

The reason for this rate is the need to offset the higher level of costs associated in servicing these properties, including the costs of transport infrastructure maintenance and renewal/refurbishment, and costs relating to monitoring of land use and environmental impacts.

The proposed rate in the dollar for this category is \$0.00940, with a minimum payment of \$1,592. It will be applied to 57 of the City's rateable properties and deliver 1.02% of the proposed rate income.



UV Rural

This differential rate category imposes a differential general rate on land valued on an unimproved value (UV) basis which is predominantly used or held for rural pursuits, rural industry or intensive agriculture, and:

- (a) is not zoned for the purpose of General Industry under Local Planning Scheme No 2; or
- (b) is not zoned for the purpose of Rural B under Local Planning Scheme No 2; or
- (c) is not held or used for industrial, extractive industry or quarrying purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*.

The object of this rate category is to impose a differential rate commensurate with the rural use of land, which additionally is to act as the City's benchmark differential UV rate and is considered to be the base rate by which all other UV rated properties are assessed.

The reason for this rate is to ensure that all ratepayers on rural land make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the City.

The proposed rate in the dollar for this category is \$0.00528, with a minimum payment of \$1,222. It will be applied to 148 of the City's rateable properties and deliver 2.21% of the proposed rate income.

Minimum Payment

The City proposes to impose following minimum payments for each differential rating category:

GRV Rate Categories	Minimum	
	Payment (\$)	
GRV Improved Residential	1,222	
GRV Vacant	1,222	
GRV Improved Commercial and Industrial	1,592	
UV General Industry	1,592	
UV Mining and Industrial	1,592	
UV Rural	1,222	

The object of the minimum payment is to ensure that all ratepayers make an equitable contribution to rate revenue, to provide for the net funding requirements of the City's services, activities, financing costs, and current and future capital requirements as outlined in the Strategic Community Plan and Corporate Business Plan.

Each minimum payment has increased by 4.20%.

Submiss on No.	i Assessment		Submission Received Via	Q5 (Please tell us if you Support or Object to the advertised Differential Rates Categories)		Response Detail
1	23529	Improve Residential	Love My Kwinana	I object as it is being presented	is going to drive people to bankruptcy or worse, suicide, people will be leaving the area in droves. Renters will also be slugged with higher rents to cover the higher rates.	As the population within the City grows, the demand for services also grows and the City is required to provide more services such as maintenance of parks, community infrastructure, roads, footpaths, street lighting etc. The City is constantly reviewing budgets and long term financial plans to ensure that we are providing an adequate level of services and that savings are made where possible. The City makes a concerted effort to reduce costs wherever possible to minimise the impact on the ratepayers but without reducing the level of services. However, local governments are also subject to inflationary pressures which impacts on the cost of delivering services to the community, plus the City's capital work programmes. The Local Government Cost Index (LGCI) reflects the costs for wages, construction, and other services and is a better reflection of the cost increases that local government encounter. LGCI is forecasted at 3.9% for June 2024. However, separate to this, the City is required to maintain their assets at an optimal level and therefore additional capital renewal is required for ageing assets hence, an additional 0.3% has been added to the LGCI to reflect the current rate increase. Despite seeking to adhere to the the Long Term Financial Plan adopted by Council in December 2021, Council has decided that a 4.20% benchmark increase was necessary in minimising the impact on ratepayers while still achieving financial sustainability. The Long Term Financial plan for the City has subsequently been updated and will be tabled to council in June 2024, also the City has commenced its Community consultation process for it's major review of the Strategic Community Plan and would appreciate your valued input in the strategic direction of the City.
2	21042	Improve Residential	Love My Kwinana	I object as it is being presented	It is too high during this economic hard time. We don't see much cost work that is directly beneficial to us	Rate increases are based on the cost of delivering services and capital work programmes for the community. The Council had previously advised that rate increase would be based on the Local Government Cost Index (LGCI) for WA plus any specific capital works. In relation to the service against the cost residents of Wandi have access to all the facilities of the City, including the library, Requatic, sporting facilities and playgrounds, in addition to the more general management of roads, planning control and public health services. Wandi has a local, high-quality community facility, providing community buildings, and specialist hobby areas.
3	9145	Improve Residential	Love My Kwinana	I object as it is being presented	After many debates last year as to why the footpaths and any other future planning within Kwinana all stops at the now closed Bombay blvd. I was informed main roads where in charge of footpaths yet I see 894,000 is currently being spent on 1.2km of shared footpath in the town centre. When I questioned why we don't have any public parks or public transport or any other services for that matter, within our area (Marri park) all of which the rest of Kwinana receive, I was informed that we don't need them because we are rural. That in itself is a blatant contradiction. Will Marri Park be again considered residential and start to receive all the benefits that the rest of Kwinana on residential rates? Or will we be expected to pay full residential rates and again not receive or even see in planning projection, any future developments within my area. Why was the special rural rate removed?	The State Government, who manage Thomas Road, made a significant investment into a connection to the Marri Park area through the construction of wide sealed shoulders/bike lanes, on Thomas Road. This approach to providing pedestrian and cycling access to Marri Park was agreed with a representative committee of Marri Park residents, Main Roads, the City, and the local member of Parliament. As part of the dualling of Thomas Road up to Bombay Bvd, a Principal Shared Path (PSP) has been constructed. As more of Thomas Road is upgraded, the PSP will be extended by Main Roads.
4	3796	Improve Residential	Love My Kwinana	I object as it is being presented	People even find difficulties on grocery shopping and how we can afford more.	As the population within the City grows, the demand for services also grows and the City is required to provide more services such as maintenance of parks, community infrastructure, roads, footpaths, street lighting etc. The City is constantly reviewing budgets and long term financial plans to ensure that we are providing an adequate level of services and that savings are made where possible. The City makes a concerted effort to reduce costs wherever possible to minimise the impact on the ratepayers but without reducing the level of services. However, local governments are also subject to inflationary pressures which impacts on the cost of delivering services to the community, plus the City's capital work programmes. The Local Government Cost Index (LGCI) reflects the costs for wages, construction, and other services and is a better reflection of the cost increases that local government encounter. LGCI is forecasted at 3.9% for June 2024. However, separate to this, the City is required to maintain their assets at an optimal level and therefore additional capital renewal is required for ageing assets hence, an additional 0.3% has been added to the LGCI to reflect the current rate increase. Despite seeking to adhere to the the Long Term Financial Plan adopted by Council in December 2021, Council has decided that a 4.20% benchmark increase was necessary in minimising the impact on ratepayers while still achieving financial sustainability. The Long Term Financial plan for the City has subsequently been updated and will be tabled to council in June 2024, also the City has commenced its Community consultation process for it's major review of the Strategic Community Plan and would appreciate your valued input in the strategic direction of the City.
5	1140	Improve Residential	Love My Kwinana	I object as it is being presented		As the population within the City grows, the demand for services also grows and the City is required to provide more services such as maintenance of parks, community infrastructure, roads, footpaths, street lighting etc. The City is constantly reviewing budgets and long term financial plans to ensure that we are providing an adequate level of services and that savings are made where possible. The City makes a concerted effort to reduce costs wherever possible to minimise the impact on the ratepayers but without reducing the level of services. However, local governments are also subject to inflationary pressures which impacts on the cost of delivering services to the community, plus the City's capital work programmes. The Local Government Cost Index (LGCI) reflects the costs for wages, construction, and other services and is a better reflection of the cost increases that local government encounter. LGCI is forecasted at 3.9% for June 2024. However, separate to this, the City is required to maintain their assets at an optimal level and therefore additional capital renewal is required for ageing assets hence, an additional 0.3% has been added to the LGCI to reflect the current rate increase. Despite seeking to adhere to the the Long Term Financial Plan adopted by Council in December 2021, Council has decided that a 4.20% benchmark increase was necessary in minimising the impact on ratepayers while still achieving financial sustainability. The Long Term Financial plan for the City has subsequently been updated and will be tabled to council in June 2024, also the City has commenced its Community consultation process for it's major review of the Strategic Community Plan and would appreciate your valued input in the strategic direction of the City.
6	21436	Improve Residential	Email	N/A	I own & live in 5 Windell Street, Parmelia, WA -6167. What would be basis of rate calculation? What's my GRV please as per LandGate. Please could you explain how is Differential rate impact me?	Your rates are based on two factors:- the valuation of each property as assessed by the Valuer General (a division of Landgate - a State Government Department), and the rate-in-the-\$ set by Council each year at budget time in July. Your GRV as provided by landgate is \$20,540. Differential rating allows a Council to impose differential general rates on rate payerson the basis of Equity Consideration and 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 b. planning scheme or improvement scheme in force under the Planning and Development Act 2005; or c. a purpose for which the land is held or used as determined by the local government; or d. whether or not the land is vacant land; or e. any other characteristic or combination of characteristics prescribed.

7 23	3252 I	Improve Residential		I object as it is being presented	property be rented. I can't afford to even finish sealing the plaster in my home. I haven't painted no paving etc In fact no improvements done to my home yet as soon as it was built I was paying the same as people that have finished everything. I can't even rent out a room as I don't have internet connected which everyone wants. It also doesn't look at factors like banks to refinance have said because I haven't done improvements value of home hasn't gone up. Also their putting it up before August when last GVU was done. Theres talk about cancelling verge collections etc. Money is wasted on things like the silly path that is being built across from me. Wanting to change bin sizes etc. More houses are being built and land flattened which has disrupted my sleep for night shift and rates will be collected for all those blocks also. I just think things need to be looked at more realistically in these hard times.	Valuation of each property is assessed by Valuer General at Landgate. This valuation is then provided to the council to be used for Rating purpose. Any concerns on property valuation to be addressed with landgate wereby you can submit objection to the Valuer General Offices. Local government rates are calculated proportionate to the valuation of each property to ensure that each property owner contributes to the cost of services provided by the local government. The rate in the dollar is set by the local government and in basic terms, it is calculated by dividing the total proposed expenditure by the total property valuations. This method of calculating rates has been used since the inception of local governments and has proven to be the fairest and most consistent method available to local governments. Council collects rates from residents and businesses in the city to help fund local infrastructure and services. How the rates are set across the different rating categories is based on a number of principles with one being the benefit principle and the correlation between consumption / benefit of infrastructure and services and the rate burden rather than the amount they can earn. All residents have access to all the facilities of the City, including the library, Requatic, sporting facilities and playgrounds, in addition to the more general management of roads, planning control and public health services.
8 34	456 I	Improve Residential	,	I object as it is being presented	· ·	All residents have access to all the facilities of the City, including the library, Requatic, sporting facilities and playgrounds, in addition to the more general management of roads, planning control and public health services. As the population within the City grows, the demand for services also grows and the City is required to provide more services such as maintenance of parks, community infrastructure, roads, footpaths, street lighting etc. The City is constantly reviewing budgets and long term financial plans to ensure that we are providing an adequate level of services and that savings are made where possible.
9 16	6880 I	Improve Residential		I object as it is being presented	high inflation and relevant benchmarks like the CPI or Local Government Cost Index (LGCI). Refer to the following table. LTFP 2023 to 2026 2024/25 planned amount - \$48,925,642 Corporate Business Plan 2021 to 2025 2024/25 planned amount - \$48,066,000 2022/23 Advertised rates - \$44,786,258 2023/24 Advertised rates - \$47,682,055 2023/24 Budgeted rates (Last Year) - \$48,733,255 2024/25 Rates Advertised - \$51,563,393, Note the following statement from the 24 April 2024 meeting minutes. "When implementing its rating strategy as part of the LTFP, Council considered the key values contained within Rating Policy Differential Rates (s.6.33) March 2016 (Rating Policy) released by Department of Local Government and Communities and Industries), being: Objectivity, Fairness and Equity, Consistency, Transparency and Administrative Efficiency	As the population within the City grows, the demand for services also grows and the City is required to provide more services such as maintenance of parks, community infrastructure, roads, footpaths, street lighting etc. The City is constantly reviewing budgets and long term financial plans to ensure that we are providing an adequate level of services and that savings are made where possible. The City makes a concerted effort to reduce costs wherever possible to minimise the impact on the ratepayers but without reducing the level of services. However, local governments are also subject to inflationary pressures which impacts on the cost of delivering services to the community, plus the City's capital work programmes. The Local Government Cost Index (LGCI) reflects the costs for wages, construction, and other services and is a better reflection of the cost increases that local government encounter. LGCI is forecasted at 3.9% for June 2024. However, separate to this, the City is required to maintain their assets at an optimal level and therefore additional capital renewal is required for ageing assets hence, an additional 0.3% has been added to the LGCI to reflect the current rate increase. Despite seeking to adhere to the the Long Term Financial Plan adopted by Council in December 2021, Council has decided that a 4.20% benchmark increase was necessary in minimising the impact on ratepayers while still achieving financial sustainability. The Long Term Financial plan for the City has subsequently been updated and will be tabled to council in June 2024, also the City has commenced its Community consultation process for it's major review of the Strategic Community Plan and would appreciate your valued input in the strategic direction of the City.
10 16	6515 I	Improve Residential		I object as it is being presented	2024/25 Rates Advertised \$51,563,393Adopted per 24 April 2023 Council meeting. Note the	

11	7705	Improve Residential	Love My Kwinana	I object as it is being presented	(including Improved Special Residential) but is discriminated against in relation to provision of infrastructure (eg good roads with proper markings, road drainage, street lighting etc) and is lumped with a Telecommunications tower on Wandi Dr, may we not have the lesser rural rates? With regard to the tower, COK's policy states that towers shall be generally located in Industrial, Commercial and	Rural rate coding (unimproved rates category) is only available for primary producer properties, not large lot residential properties. Under the Local Government Act, residential properties, including those on large lots (note that a Special Rural planning zoning is unrelated to the legal categorisation of land under the Local Government Act), are required to be rated under the Gross Rental Value property valuation approach. Property valuations include amenity factors, including roads, footpaths and streetlighting. Accordingly, these factors have already been taken into account. A new rate code to apply a further discount to these properties will result in other properties having to pay more, without any extra amenity benefit. The Telstra tower proposal is unrelated to a decision about rates. Local Government is required to assess any planning application presented under the Local Planning Scheme. The outcome of the application will be made on its planning merits (in accordance with planning law), in the context of community feedback that provides planning justifications for or against the proposal.
12	7705	Improve Residential	Love My Kwinana	I object as it is being presented		

- 10 REPORTS OF ELECTED MEMBERS
- 11 MAYORAL ANNOUNCEMENTS
- 12 CLOSE OF MEETING