



murchisonshire

Ancient land under brilliant skies

Agenda for the Ordinary Meeting of the

Murchison Shire Council

To be held in the Council Chambers, Carnarvon Mullewa Road, Murchison,
on Thursday **27 April 2023**, commencing at 12 Noon.

Ancient land under brilliant skies

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ATTACHMENTS

1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

Shire President declared the meeting open at

2 RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

Present

Councillors

Cr R Foulkes-Taylor
Cr A Whitmarsh
Cr E Foulkes-Taylor
Cr M Fowler
Cr G Mead

Staff

Bill Boehm – CEO
William Herold – Works Manager

Apologies

Travis Bate (RSM) – Financial Accountant

Leave of Absence

Cr Q Fowler

3 CONFIRMATION OF MINUTES

3.1 Ordinary Council Meeting – 23 March 2023

Background

Minutes of the Ordinary Meeting of Council have previously been circulated to all Councillors.

Recommendation

That the minutes of the Ordinary Council meeting held on 23 March 2023 be confirmed as an accurate record of proceedings.

Voting Requirements:

Simple Majority

Council Decision		
Moved: Cr	Seconded: Cr	
Carried/Lost	For	Against

4 DISCLOSURE OF INTERESTS

5 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

6 STANDING ORDERS

Matter for Consideration

It has been customary practice in the interests of a productive meeting in relation to the Conduct of Members during debates for the Council suspend Standing Orders 8.2 (Limitation on Number of speeches) and 8.3 (Duration of Speeches) under Local Law 2001. To facilitate this, the following recommended resolution is required.

Recommendation

That the following Local Law-Standing Orders 2001 be stood down:

- 8.2 Limitation on the number of speeches
- 8.3 Duration of speeches

Voting Requirements

Simple Majority

Council Decision		
Moved: Cr	Seconded: Cr	
Carried/Lost	For	Against

7 PUBLIC QUESTION TIME

8 NEXT MEETING

Thursday 25 May 2023

9 APPLICATIONS FOR LEAVE OF ABSENCE

10 URGENT BUSINESS

11 NOTICE OF ITEMS TO BE DISCUSSED BEHIND CLOSED DOORS

Item 17.1.1 Account Listings Paid since the last list was presented to Council

12 ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION

13 PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS

Separate Deputations / Presentations from the following are scheduled

CSIRO and SKAO.

DFES Fire Management

14 ANNOUNCEMENTS CONCERNING MEETINGS ATTENDED

14.1 Shire President

14.2 Councillors

15 REPORTS OF COMMITTEES

Nil

16 WORKS

16.1 Works Report

File: 12.42
Author: William Herold – Works Manager
Interest Declared: No interest to disclose
Date: 21 April 2023
Attachments: Nil

Construction Crew

Like the entire works department, the construction crew have had a rather disjointed month. We had the very welcome rain event which pulled up works on the construction job. The ALUBS festival also required some of the crew for several days. They then headed off on their Easter break. They returned on Monday 17th April to assist with the post festival clean up and then resumed on the widening job on the Carnarvon-Mullewa Road. Hopefully we can now get our teeth into this job and make good progress to the end of this financial year.

Maintenance Crew

Like construction they were affected by weather and the festival. They were in fact rained in at Byro and the only way out was by grader. They had completed from the north boundary on the Carnarvon Mullewa Road back to the Byro homestead when the rain arrived. Their movements going forward will be determined by the damage we find east of the Murchison River when we can safely cross.

ALUBS Festival

I believe a fairly successful festival took place in spite of several challenges coming our way. Congratulations to all involved. I would like to take the opportunity to thank the Shire staff who were involved especially our three lady staff members, Lisa, Vicki and Robyne who stepped up and made things happen quietly behind the scenes, without them there would have been many nervous moments.

Rain Event

Certainly, a very welcome event from the pastoral point of view, however we do appear to have suffered some reasonable road damage. My initial estimate is somewhere around the \$5 million mark from what I have heard and the little I have been able to see so far. This is surely the biggest river we have seen since 2010. I hope to give a more accurate update at the Council meeting.

SKAO Road Upgrade

Walladar made a start on this project starting at the intersection of Boolardy Wooleen Road and Wooleen Mt Wittenoom Road. Then it rained and work came to a halt in spite of some valiant effort to get things going and a rather innovative way of crossing the Twin Peaks crossing. I believe it is all systems go at last.

Flood Damage

Flood 8 (AGRN951) and Flood 9 (AGRN974)

Both packages headed off on their Easter break when the rain arrived. Both returned on Monday 17th April to find most of their work impacted. I hope to give a more up to date report of the situation at Council meeting.

Meanwhile we continue to follow up with status of grant payments. Whilst there have been some improvements delays of between 72 and 171 days have thus far been experienced. This has stretched our cashflow. Recent approach released a \$1.4m payment. Discussions with DFES indicate that they have been allocated additional funding for internal resources to improve the turnaround times for claims. It is understood other mechanisms are being explored. Wider improvements are a separate matter

Flood 10 (AGRN1021) March-April 2022 Event

We are still waiting advice as to approval for last year's event. Preliminary notification was lodged on 5 April 2022 and detailed claim submitted on 22 June 2022. Responses to various requests for clarification have also

been promptly addressed as they arise. We are still waiting advice following our most recent update request of 14 April 2023

Flood 11 (AGRN????) March-April 2023 Event

Preliminary notification for recent March-April 2023 event was lodged with DFES on 19 April 2023. A number of other neighbouring Shires have also lodged their formal notifications

Beringarra-Cue Road

Rowe Contractors have completed their work and de-mobbed from site. I have not been there since the rain event but the feedback I have received from Mileura is very positive and our real road design has pretty much done what we expected it to do. My thanks to Justin for the work he did.

Settlement Power

Petro Min Engineers have been engaged in conjunction with Hosken Electrical to come up with the design of the new power upgrade. So far Geoff Mitchell of Petro Min Engineers seems to be a practical fairly hands on type which is refreshing.

Formal design and documentation proposal with an estimated cost of \$130,950 covers Replacement of the Site Main Switchboard and New Power Station Design and Engineering.

Meanwhile recent extended outage in the Settlement has been traced to a portion of cable located east of the CEO's residence. This will also need to be addressed as part of the design and if possible, undertaken as soon as practicable as only a short-term fix is currently in place. At this stage exact details are unknown but an expense of \$50,000 could be anticipated.

Whilst a future budget allocation was foreshadowed for 2023/24 at the March Budget Review no allocation was proposed for 2022/23.

For these works to proceed now as suggested a budget variation will be required as per part 2 of the Recommendation below.

Water Upgrade

Initial works were also disrupted by the rain and rivers. 8 May 2023 is now the kick off date for Murchison Plumbing and Gas.

Recommendation

That Council resolve that

- 1 The Works Report be noted
- 2 Council amends the 2022/23 Budget to include expenses associated with the design and documentation of an upgrade to the Settlement Power Station and replacement of a section of existing power cable within the Settlement.

Voting Requirements

Recommendation 1 Simple Majority
Recommendation 2 Absolute Majority

Council Decision		
Moved: Cr	Seconded: Cr	
Carried/Lost	For	Against

17 FINANCE

17.1 Accounts Paid since the last list was presented to Council

File: 4.37.1
Author: Bill Boehm – Chief Executive Officer
Interest Declared: No interest to disclose
Date: 21 April 2023
Attachments: 17.1.1 EFT & Cheque Details for March 2023 (Elected Members Only)

Matter for Consideration

The *Local Government (Financial Management) Regulations 1996 Regulation 13* requires that if the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, then the CEO is to prepare a list of accounts paid by the CEO for each month and present this to the next ordinary meeting of the Council after the list has been prepared and have this list recorded in the minutes of the meeting.

A list of payments presented in accordance with *Regulation 13* of the *Local Government (Financial Management) Regulations 1996* made since the last report to Council is attached.

Strategic Implications

None

Policy Implications

None

Budget/Financial Implications

Nil

Consultation

Nil

Recommendation

- 1 That that pursuant to LGA s5.23(2)(b) & (e) of the *Local Government Act 1995* that attachment 17.1.1 EFT & Cheque Details for March 2023 be discussed behind closed doors
- 2 That Council receive and note attachment 17.1.1 EFT & Cheque Details for March 2023 and that the accounts since the last report to Council, as provided to Councillors be recorded in the minutes as being presented to Council.

Voting Requirements

Simple Majority

Item to be Discussed behind closed doors

Council Decision		
Moved: Cr	Seconded: Cr	
Carried	For	Against

The meeting was moved to behind closed doors at

Motion to open the meeting to the public

Council Decision		
Moved: Cr	Seconded: Cr	
Carried/Lost	For	Against

The meeting was moved out of closed doors at

Decisions Disclosed from the Closed Section of Meeting associated with Attachment Item 17.1

Council Decision		
Moved: Cr	Seconded: Cr	
Carried/Lost	For	Against

17.2 Financial Activity Statements 31 March 2023

File: 2.6
Author: Travis Bate (RSM) – Financial Accountant
Interest Declared: No interest to disclose
Date: 20 March 2023
Attachments: 17.2.1 Monthly Management Financial Report March 2023

Matter for Consideration

The Local Government (Financial Management) Regulations 1996 Regulation 34 requires that local government report monthly and prescribes what is required to be reported. Council is required to consider and receipt the Monthly Financial Statements.

Comment

These statements are being presented to meet a statutory obligation to have each month's end and report presented within the following two months.

Budget/Financial Implications:

Reports showing year to date financial performance allow monitoring of actual expenditure, revenue and overall results against budget targets.

Consultation

RSM Australia

Recommendation

That Council note the financial statements as presented for the period ending 31 March 2023 as attached.

Voting Requirements

Simple Majority

Council Decision		
Moved: Cr	Seconded: Cr	
Carried/Lost	For	Against

17.3 2023 Rating Strategy Review

File:	3.1
Author:	Bill Boehm – Chief Executive Officer
Interest Declared:	No interest to disclose
Date	23 April 2023
Attachments:	17.3.1 Regional Rates Benchmarking Comparison April 2023 17.3.2 Local Rates Scenarios – April 2023

Matter for Consideration

Review of Council's Rating Strategy on a long-term policy basis.

Background & Legislative Provisions

It is incumbent on the Shire administration, for equity reasons to ensure that differential rating proposals are highly equitable amongst ratepayer groupings, optimise total rate yields and are legally compliant.

Whilst the consideration of rates and the supporting objects and reasons for differential rates is an annual event given the COVID19 influence and zero rate increase scenario in 2020/21 and expansive COVID 19 changes to Council's operating environment, it is considered prudent to further expand on the 2021/22 and 2022/23 resets and continue with a more "eyes wide open review" but on a long term basis.

The legislative provisions for rating are lengthy and complex. The following relevant summary highlights relevant legislative provisions under the *Local Government 1995* that are provided as a snap shot as part of this Rating Strategy Review

Rateable Land – s6.26

Except as provided all land within a district is rateable land. Exemptions include:

- ~ Land which is the property of the Crown and used or held for a public purpose.
- ~ Land owned by the local government and used for that purpose by the local government.
- ~ Land used exclusively for charitable purposes.
- ~ Land which is exempt from rates under any written law
- ~ Land which is declared by the Minister to be exempt from rates.

Basis of Rates – s 6.28

Land is rated according to the method of valuation as determined by the Minister. ie

- ~ unimproved value for land use predominately for rural purposes (UV); or
- ~ gross rental value for land used predominately for non-rural purposes (GRV).

Rates are based on valuations under the *Valuation of Land Act 1978*. The local government sets a rate in the dollar which is applied to this valuation to give the rates liability for each property.

Mining Valuations and Rates – s6.29

Unless otherwise provided for mining tenements under the *Mining Act 1978* or permit drilling leases or licences under the *Petroleum and Geothermal Energy Resources Act 1967* are rated on unimproved value.

Rates and Service Charges - s 6.32

Rates are established at the time Council adopts its budget to make up the budget deficiency. The following may be imposed:

- ~ a general rate imposed either uniformly or differentially.
- ~ a special area rate of minimum payment and
- ~ service charges

Where a rate is imposed it is required to be expressed rate in the dollar of the gross rental value of rateable land or on the unimproved value of rateable land depending on the circumstances.

Differential General Rates – s6.33

A local government may impose a single general rate which applies to all the properties in the unimproved value or gross rental value category; or alternatively, the local government can distinguish between land in either category on the basis of its zoning, use or whether or not it is vacant land (or a combination of these factors) and apply a differential rate to each.

Ministerial approval is required where a differential rate which is more than twice the lowest differential rate is to be imposed by it.

Limit on Revenue from General Rates – s 6.34

Unless otherwise approved by the Minister the amount shown in the annual budget as being yielded from general rates shall be within 90 and 110% of the budget deficiency.

Minimum Payment – s 6.35

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. A minimum payment is to be a general minimum but, must ensure that the general minimum is imposed on not greater than —

- ~ 50% of the total number of separately rated properties in the district; or
- ~ 50% of the number of properties in each category being land rated on gross rental value, unimproved value to each differential rating category where a differential general rate is imposed.

A minimum payment is not to be imposed on more than the prescribed percentage separately rated properties or the number of properties rated under gross rental value, (GRV), unimproved value (UV) or in each differential rate category where this is imposed. The current prescribed limits are set under the *Local Government Financial Regulations 1996*.

There is no restriction on the proportion of properties subject to the minimum providing the minimum is not more than \$200. If the minimum is over \$200, no more than half of the properties (50%) can be subject to the minimum unless the differential rating category is for vacant land **and** Ministerial approval is granted.

Local Government to give notice of certain rates – s6.36

Before imposing any differential general rates or a minimum payment applying to a differential rate category a local government is to

- ~ give local public notice of its intention to do so.
- ~ prepare a document describing the objects of, and reasons for, each proposed rate and minimum payment and to publish the document on the local government's official website.
- ~ provide opportunity to receive and hear any submissions.

Service Charges – s 6.38

The money from any service charge imposed on owners or occupiers can only be used to meet the cost of providing a specific service. Under the *Local Government Financial Regulations 1996* prescribed works include property surveillance and security, television and radio rebroadcasting, underground electricity, and water.

Rates Charges on Land- s 6.43

Subject to the *Rates and Charges (Rebates and Deferrals) Act 1992*, rates remain a charge on the land.

A Value and Principle Approach

Through the Local Government Act 1995, Part 6, the Western Australian Parliament has conferred upon local government the power to levy and collect property tax in the form of rates. Property taxes with rare exemptions, are not fees for service or relate to directly or indirectly an any specific services provided by the Shire. Just like income tax they are a just that, a tax; with the property owner responsible for paying, although it is doubtful whether all ratepayers would necessarily see this in this light.

The application of Councils rate and budget setting are partly outlined in the Minister's policy approach when exercising his / her discretionary powers in relation to Minimum Payments, and differential rating with key values of **objectivity, fairness and equity, consistency, transparency, and administrative efficiency** required to be demonstrated. So long as Council meets these criteria the rating regime should comply.

However, this does not really provide much guidance when it comes to determining matters such as the levels and nexus between differential rates and minimums or any specific justification.

As with all taxation systems there are various well-established principles that have been applied in other local government jurisdictions. Some of these seem to have been included in the above values but perhaps the most useful in this regard a few points to consider.

Does the tax burden fall appropriately across different classes of ratepayers? Equity is a subjective concept that is difficult to define. What is considered fair for one person may be considered unfair for another. There are two main equity concepts used to guide the development of rating strategies (and taxation more generally): namely the Benefit Principle (Horizontal Equity) and Capacity to Pay Principle (Vertical Equity).

Benefit Principle

Taxpayers should receive some benefits from paying tax, but not necessarily to the extent of the tax paid. Ratepayers in similar situations should pay similar amounts (ensured mainly by accurate property valuations undertaken in a consistent manner, their classification into homogenous property classes and the right of appeal against valuation).

Example of this is the application of a fixed charge or minimum rate component of a rating system; although the minimum payment example applies on a 'sliding' scale and unlike the fixed charge is not applied equally to all ratepayers.

In many local government jurisdictions this must be applied the same across all differential rate sectors whilst in Western Australia it can vary between differential rates sectors, although in doing so it could be argued that it weakens this principle.

Capacity to Pay Principle

In levying taxes, the ability of the taxpayer to pay the tax must be considered. Those who are better off should pay more than those worse off (the rationale applies for the use of progressive and proportional income taxation. It implies a "relativity" dimension to the fairness of the tax burden).

Example of this is the rate in the \$ component and differential rate classification. How this is balanced is open to question. Benchmarking with other local governments are a useful exercise although only this provides a guide.

Rating Nuances

A few rating issues.

- (a) There is a common misconception that rates are directly set by property values when in fact they are only derived in part from them after Council has considered a raft of budget and equity considerations.
- (b) If property values increase generally due to market forces by say 10%, rarely do rates increase by that amount and if property values decline, rates do not normally reduce. In each instance the rate in the \$ and potentially the minimum rate is adjusted.
- (c) Property valuations are a surrogate for income when it comes to the application of the Capacity to Pay Principle, even though this may not reflect in a personal sense. Just because a property valuation is higher than another doesn't necessarily mean that owner has an actual greater capacity to pay, just that on proportional basis they will attract under this principle a larger proportion of rates levied.
- (d) For properties that have a perpetual life and continue to exist from one year to the next, when property valuations increase through market forces, in reality there is no change to the rates base. If, however, a property has its GRV expanded by a capital development or subdivision or say a new tenement or changes it rating category then that is often termed "natural growth." If that element is not segmented for analysis purposes, then a rates base does not grow, adversely affecting the financial capacity of the local government and leads to new "growth" ratepayers subsidising old ones. This situation also applies reverse where a property such as a mining tenement or lease ceases to exist and disappears from the rates base

As a result, any increase in the rate should be express in terms of a % revenue increase "*excluding natural decline or growth.*" However, for UV properties that situation is less clear as there is no easy identifiable increase through natural growth as would be the case for GRV or Capital Values which apply in other rating systems.

- (e) For properties such as in the mining sector that do not have a perpetual life and are often highly speculative and can come and go regularly, property numbers and valuations from year can vary markedly. This makes it more difficult to treat in the same manner as perpetual life properties in part as the use of the capacity pay principle may be relatively short lived and often any rates levied do not necessarily remain a charge on the land. Yet the entire value of the infrastructure and services provided by the Shire are also available to all ratepayers regardless and invariably this can only be addressed through differential rating. Not unreasonably high to very high differentials would be expected.
- (f) With perhaps the exception of perpetual life mining type properties given the vagaries and variables of valuations, differential rates, minimum rates and rates in the \$, the best and least unreliable comparator is properties actual rates from one year to another and on sector and a district wide basis the average rate in a sector.

Benchmarking

Like previous years, benchmarking included comparisons with neighbouring Shires. In 2021/22 the depth of analysis was expanded with the addition of two additional sparsely populated Shires more akin in makeup with Murchison. A far more expansive comparison was then undertaken. Last year five (5) additional comparators of which three (3) specifically relate to Murchison. This year this analysis has been further expanded upon.

As indicated in the attached (*Regional Rates Benchmarking Comparison*), whilst such an exercise is far from perfect and not conclusive there are common themes.

Like all local governments the Grants Commission undertakes a more systematic amongst other things to establish an average local governments rate capacity and with it an assessed level applied to each local government. This analysis is also presented.

The following attached Tables and graphs are attached. Summary comments are also shown.

Sector Comparisons

fig 1 Rate Revenue by Sector \$

Murchison is way and far the smallest rate base.

fig 2 Rate Revenue by Sector %

In % terms the Mining contribution Murchison appears well within the parameters compared to others.

fig 3 Average Rate by Sector \$

The average mining rates paid in Murchison on the surface are well outside those of other Shires giving an opposite picture to fig 2 but as shown in fig 8 can partly be explained by the small size of the mining sector compared to other local governments.

fig 4 Rate Cents in \$ by Sector

The Pastoral and Mining Exploration Rates in the \$ appear low compared to others. However as indicated under points (a) and (f) above under Rating Nuances; rates in the \$ are not a good comparator per say.

fig 5 Rate Highest Rate in \$ v Pastoral Rate in the \$

The Mining Rate differential for Murchison appears and is very high compared to others but as other figs show there are a range of relevant reasons. The Threshold triggering requirements to obtain Ministerial Approval is also shown.

fig 6 % of ratepayers based on Minimum Payment

No major difference compared to others in the region.

fig 7 Min UV Rates Comparison \$

Min UV Rates for Murchison appear within the parameters of others. However, the amount is really a function of the rates base and equity considerations

fig 8 No of Pastoral Properties vs Others

The small numbers for Murchison appear to reflect our relatively small pastoral rates base compared to others. By comparison mining and other sectors elsewhere are very much larger in number

fig 9 UV Rates Comparison as % of Rates Base.

In % terms the Pastoral sector in Murchison appears to contribute to greater extent than other areas most likely reflecting the lack of GRV rates

fig 10 Min Rates

Min Rates for Murchison are within parameters of others. However, the amount is really a function of the rates base and equity considerations

fig 11 Grant Commission 3 Year Average Rates Assessments (\$)

Grants Commission have assessed Murchison as having significant capacity to lift rates in the pastoral sectors but also conversely reduce rates in the mining sector. However, this situation is not dissimilar to most other Shires.

fig 12 Grants Commission 3 Year Average Rates Comparison (%)

Grants Commission have assessed Murchison as having significant capacity to lift rates in the pastoral sectors but also conversely reduce rates in the mining sector. However, this situation is not dissimilar to most other Shires.

fig 13 Non-Current Assets (\$)

fig 14 Depreciation Non-Current Assets

Figs 13 & 14 shows a general snapshot of the value of assets that each Shire is required to manage and provides some broad context to the comparison as rate revenue is a significant source of own source funds. By comparison Murchison has a moderately large infrastructure component to manage but as shown in fig 1 has the equally smallest rate base by some measure.

fig 15 Rates as a % of Depreciation.

This highlights the importance of lifting overall levels of rate revenue as the proportion is very low, especially as there will be likely increase in new or upgraded assets which will need to be funded and replaced over time.

Murchison Comparisons

fig 16 Murchison Grants Commission 3 Year Average Yearly Comparison (\$)

This shows the continued effects of the previous policy approach where the distribution of rate revenue with increases in the pastoral sector over the past three years. Whilst rates from the mining sector have increased in total this was result if an increase in the numbers of mining tenements

fig 17 Average Rates Yearly Comparison \$

This shows the start of a policy approach to lift the quantum of rate revenue, in part as outlined by the Grants Commission Analysis in figs 11 and 12 but in doing so distribute rate revenue across sectors with increases in the Pastoral and Prosecting & Exploration Sector but with a reduction in the Mining Sector

fig 18 Murchison Differential Rates Yearly History

This shows empirically a reduction in the ratio of differentials between the mining and pastoral sectors over time

The following observations are also noted.

- ~ The Mining Rate appears on the surface to be too high in comparison and makes up a much higher percentage of the rate base than compared to other areas.
As outlined in *DLGSC Rates Detailed Discussion Paper* a differential of 4 times the lowest differential rate has been suggested instead of the current level requiring rates to obtain Ministerial approval. This implies a recognition that large differentials are not exceptional
- ~ As shown Murchison's rate base is very very much smaller by some margin in comparison with others. Other Shires also have larger numbers within the Other (Mining and Other GRV) than Murchison. By contrast Murchison has a more infrastructure to manage relative to out rates base so the current differences are in part explainable.
- ~ Even though the Pastoral Rate makes up a small percentage of the rates base the average rate appears low in comparison and in 2021/22 a program to lift this commenced. Given the apparent and arguable over reliance on the mining sector, lifting the pastoral rates is appropriate. As indicated in the attached comparative local analysis a continuation of this strategic approach but in an accelerated manner is considered essential.

Local Rates Rationale

Whilst benchmarking with Shires provides a useful guide, modelling local rates and changes in valuations needs to be undertaken. This is done on an annual basis once details of new valuations arrive.

Under the current methodology Local Government has limited options available to with respect to raising rates but needs to ensure long term financial sustainability it being incumbent that a long-term strategic approach be undertaken.

Essentially one can only control the controllables. For instance, local government it can only control through its decision-making aspects such as what it spends its money on, what fees and charges it can levy and what rates are derived. Virtually all other aspects a local government can address by way of influence, not direct control.

For Murchison like all local governments Rates are by and far the largest component in revenue raising. Whilst rates are small compared with grant revenue nevertheless, they are essential, and yield should be maximised.

Rationale to lift rate revenue is justified amongst other things for the following reasons

- 1 As indicated in the previous analysis in a number of figures there is a significant inequity between the current mining and pastoral rate. The current differential of 5.05 (even though reducing) is too large. When one considers that the rating methodology ignores capital improvements, which are mainly only applicable to pastoral properties, then this inequity is further compounded.

- 2 The current differentials based on average rates shows a significantly distorted picture.

Rating Sector	Rate cents in \$	Ratio	Average Rate \$	Ratio
Pastoral	4.9	1.0	2,313	1.0
Mining	24.6	5.02	36,249	15.67
Exploration & Prospecting	9.3	1.92	2,259	0.98

- 3 The current average rate for a pastoral property of \$2,313 is virtually the same as for Prospecting and Exploration but pales into insignificance compared the average rates of \$36,250 for a mine. Arguably Pastoral properties have more opportunity to benefit from Shire works than others.
- 4 Mining rate revenue is \$398,744 which is 64% of the rates base derived from just 11 properties. Such a heavy dependence is a potential risk.
- 5 The proportion of rate revenue as related to Councils recurrent works is extremely low. This makes Murchison more reliant than many on external grants such as grants commission, roads and flood damage and represents a potential risk financially if funding in these aspects are reduced.
- 6 Most local governments will improve the levels of service and undertake new works and upgrade assets. This in itself partly justifies an increase in rates. In our instance we have already substantially increased our asset base through new works and have an expanded works program to deliver. This provides ample justification for significant increases in rates.

Strategic Rates Approach

It is essential that from a policy perspective option for future rate scenarios are explored.

In this regard attached are details of three specific rating scenarios which show various ways for Council to consider when setting rates for each financial year. There are also other variations available. These scenarios are merely illustrative.

In this analysis rates modelling has been undertaken on a rate base and valuations that applied when setting rates for 2022/23. Changes in valuations and potential growth that may arise annually, or any new valuations have not been factored in.

Three Scenarios have been shown as follows:

Scenario 1	Traditional Increases. Minimal change in Mining Differential with some lift in rate revenue
Scenario 2	Reduction in Mining Differential over time with moderate lift in Rate revenue
Scenario 3	More rapid in Reduction in Mining Differential with substantial lift in rate revenue

Scenarios 2 and 3 substantially increase rates revenue in a quicker time period. Scenario 3 puts more effort in the early years which has a far greater effect long term. This approach is similar to the approach undertaken by the Shire of Upper Gascoyne who are most akin to Murchison and who in 2022/23 increased rates by over 100%.

Comments

At this particular point in time there is no need to formally adopt any scenario, but I believe the issues, potential solutions and rational and case for substantive change is clear.

This report will, however, provide supporting evidence for next year's budget considerations and rate setting and the anticipated application to the Minister to approve next year's Differential Rates.

It will importantly feed into Councils 3-year budget approach and long-term financial plan, a draft of which is near completion

Sustainability Implications

Environmental There are no known significant environmental considerations.
Economic There are significant economic considerations.
Social There will potentially be impacts on social considerations.

Policy Implications

Nil. This report however will assist in an improved policy setting framework

Recommendation

That Council note the Chief Executive Officers 2023 Rating Strategy Review Report and the intention that will be used to inform as part of Council considerations when setting rates as part of future budgets.

Voting Requirements

Simple Majority

Council Decision		
Moved: Cr	Seconded: Cr	
Carried/Lost	For	Against

18 DEVELOPMENT

18.1 Wooleen Woolshed Kitchen Building Relocation and Redevelopment

File: 10.3
Author: Bill Boehm - Chief Executive Officer
Phil Swain - Environmental Health Officer / Building Surveyor
Interest Declared: No interest to disclose
Date: 24 April 2023
Attachments: Nil

Background

At the October 2021 Council Meeting Development Application 01/2021 for the proposed relocation of the Wooleen Woolshed Kitchen Building to the Wooleen Station Homestead was approved.

Since this time substantial progress in relocating the building has been made and the applicant is seeking to undertake fit out works details of which were not known at the time the application was approved.

Matter for Consideration

Whilst Council does not require building permits for building works undertaken within the Shire and any installation needs to meet Health requirements in relation to food business aspects, never the less the approved Development Application requires an amendment.

Ordinarily approval for such a matter would be delegated to the Chief Executive Officer but in our instance, there appears to be no formal delegation in place, hence this Agenda Item.

Council's Environmental Health Officer / Building Surveyor will provide a formal report at the Meeting.

18.2 Ancient Lands Under Brilliant Skies Festival

File: 13.2
Author: Bill Boehm – Chief Executive Officer
Interest Declared: No interest to disclose
Date: 24 April 2023
Attachments: Nil

Matter for Consideration

Brief Update of Ancient Lands Under Brilliant Skies Festival (ALUBSF) Activities

Update

By now we all realise that inaugural Ancient Lands Under Brilliant Skies Festival (ALUBSF) undertaken on the weekend of 15-16 April 2023 has been and gone.

The Working Group and many others are to be congratulated for putting on a very successful festival event which from all accounts was extremely well received. Obviously, numbers were down due to the high river but nevertheless feedback has been extremely positive. Opportunities were also taken up to obtain video footage through Destination WA and to have the Festival professionally photographed. All of this work will become usable by the Shire moving forward and is opportune given we haven't much in place.

There will be a number of lessons learnt from the aftermath and in this regard the Working Group will soon meet for a debrief with a report to then follow. A survey has also been instituted to assist in this deliberation.

For Information

19 ADMINISTRATION

Nil

20 CEO ACTIVITY REPORT

File:

Author: Bill Boehm – Chief Executive Officer

Interest Declared: No interest to disclose

Date 24 April 2023

Attachments: Nil

General

The following update of activities is provided.

Date	Activity
21.03.2023	Road Asset Management. ALUBS Festival Working Group Meeting. Technical Working Group Meeting remotely via Teams
22.03.2023	Road Asset Management LTFP
23.03.2023	Road Asset Management LTFP. Council Meeting. Council Minutes and follow up actions
24.03.2023	TOIL. Attend to emails
27.03.2023	Portion Travel from Perth to Mt Magnet to attend Roads for Rehydration Meeting
28.03.2023	MEG Meeting in Mt Magnet. Travel back to Murchison
29.03.2023	Provide comments to MRWA Technical Working Group Updated Manual. Meeting and update with Works Manager. Attend to update of materials for Auditor. Grants Commission Update response wrt Murchison additional costs. Start follow up for Rating of Miscellaneous Mining Tenement Licences
30.03.2023	Plant Replacement Program. COVID Sick. Work from home
31.03.2023	Provide comments to MRWA Technical Working Group Updated Manual. Meeting and update with Works Manager. Attend to update of materials for Auditor. Grants Commission Update response wrt Murchison additional costs. Start follow up for Rating of Miscellaneous Mining Tenement Licences
1.04.2023 to 2.04.2023	LTFP & Settlement Infrastructure Asset Work. COVID Sick. Work from home
3.04.2023	LTFP & Settlement Infrastructure Asset Work. COVID Sick. Work from home Telephone catch ups with Works Manager and Shire President. Telephone Touch base with John McCleary (Shire of Gascoyne) and Travis Bate (RSM)
4.04.2023	LTFP & Settlement Infrastructure Asset Work. COVID Sick. Work from home Telephone catch up with Works Manager. ALUBS Festival Work
5.04.2023	LTFP & Settlement Infrastructure Asset Work. Follow up Miscellaneous Mining Tenement Rates. LGIS Insurance Return. Meeting with Works Manager. Electrical Upgrade follow up. Floods 11 Follow Up.
6.04.2023	TOIL. Pick up Shire Vehicle in Perth
7.04.2023	Good Friday Public Holiday
8.04.2023	WALGA Murchison Country Zone CEO Report
10.04.2023	Easter Monday Public Holiday
12.04.2023	Rates Info follow up. ALUBS Festival Working Group Meeting via Zoom. Emails incl briefing for Shire President. Telephone catchup with Phil Swain. Roads to Recovery Quarterly Report
13.04.2023	Administration and emails. Festival Work. Budget LTFP and Asset Work
14.04.2023	LTFP and Asset Work. DFES Flood Damage follow up work
15.04.2023 to 16.04.2023	ALUBS Festival Assistance
17.04.2023	Budget LTFP and Asset Work. Meeting / catchup with Works Manager
18.04.2023	Budget LTFP and Asset Work. Flood Damage Preliminary Notification Work
19.04.2023	Budget LTFP and Asset Work. Finalise and lodge Flood Damage Preliminary Notification. Follow up on Audit queries
20.04.2023	Budget LTFP and Asset Work. Roadhouse Recruitment
21.04.2023 to 24.04.2023	Agenda Work. Rates Comparison Work.

Recommendation

That Council note the CEO's Activity Report.

Voting Requirements

Simple Majority

Council Decision		
Moved: Cr	Seconded: Cr	
Carried/Lost	For	Against

21 OTHER ITEMS TO BE DISCUSSED BEHIND CLOSED DOORS

Nil

22 MEETING CLOSURE

The Shire President closed the meeting at.