



Agenda

Special Council Meeting to be held Thursday 11 August 2022

**Commencing at 4.30pm in Council Chambers, 15 Adam Street,
Nannup**

PUBLIC COPY

For the purpose of:

- Consideration of Submission Differential Rating Proposal 2022-2023
- Authorisation to pursue land and housing development opportunities
- CEO Review 2022 and Contract Renewal

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Contents

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS/ACKNOWLEDGEMENT OF COUNTRY:	2
2. ATTENDANCE/APOLOGIES:	2
2.1 ATTENDANCE	2
2.2 APOLOGIES	2
3. PUBLIC QUESTION TIME:	2
4. MEMBERS ON LEAVE OF ABSENCE AND APPLICATIONS FOR LEAVE OF ABSENCE:	2
4.1 APPROVED LEAVE OF ABSENCE	2
4.2 APPLICATION FOR A LEAVE OF ABSENCE	2
5. CONFIRMATION OF MINUTES:	2
6. ANNOUNCEMENTS FROM PRESIDING MEMBER:	3
7. DISCLOSURE OF INTEREST:	3
8. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN:	3
9. PRESENTATIONS/DEPUTATIONS/PETITIONS:	3
10. REPORTS BY MEMBERS ATTENDING COMMITTEES:	3
11. REPORTS OF OFFICERS:	4
11.1 – Consideration of Submissions for Differential Rating Proposal 2022-23.....	4
11.2 – Authorisation to pursue land and housing development opportunities in Nannup	12
12 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN:	14
13. MEETING MAY BE CLOSED:	14
13.1 MATTERS FOR WHICH THE MEETING MAY BE CLOSED:	14
13.1 - Confidential Item – Chief Executive Officer Performance Review 2022 and Contract Renewal.....	14
14. CLOSURE OF MEETING:	14

SHIRE OF NANNUP
NOTICE OF SPECIAL COUNCIL MEETING

To be held at the Council Chambers
Thursday 11 August 2022 at 4.30 pm

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS/ACKNOWLEDGEMENT OF COUNTRY:

Shire President to declare the meeting open and welcome the public gallery.

Shire President to acknowledge the traditional custodians of the land, the Wardandi and Bibbulmun people; paying respects to Elders past, present and emerging.

2. ATTENDANCE/APOLOGIES:

2.1 ATTENDANCE

2.2 APOLOGIES

3. PUBLIC QUESTION TIME:

4. MEMBERS ON LEAVE OF ABSENCE AND APPLICATIONS FOR LEAVE OF ABSENCE:

4.1 APPROVED LEAVE OF ABSENCE

Nil.

4.2 APPLICATION FOR A LEAVE OF ABSENCE

Nil.

5. CONFIRMATION OF MINUTES:

Nil.

6. ANNOUNCEMENTS FROM PRESIDING MEMBER:

Nil.

7. DISCLOSURE OF INTEREST:

Division 6: Sub-Division 1 of the *Local Government Act 1995*. Care should be taken by all Councillors to ensure that a financial/impartiality interest is declared and that they refrain from voting on any matter, which is considered to come within the ambit of the Act.

Where a member has disclosed a financial or proximity interest in an item, they must leave the Chamber for consideration of that item.

Where a member has disclosed an impartiality interest in an item, they may remain in the Chamber. The member is required to bring an independent mind to the item and decide impartially on behalf of the Shire of Nannup and its community.

The Shire of Nannup Declaration Register is on our website [here](#).

8. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN:

9. PRESENTATIONS/DEPUTATIONS/PETITIONS:

Nil.

10. REPORTS BY MEMBERS ATTENDING COMMITTEES:

11. REPORTS OF OFFICERS:

AGENDA NUMBER & SUBJECT:	11.1 – Consideration of Submissions for Differential Rating Proposal 2022-23
LOCATION/ADDRESS:	Shire of Nannup
NAME OF APPLICANT:	Shire of Nannup
FILE REFERENCE:	RAT 1
AUTHOR:	David Taylor – Chief Executive Officer
REPORTING OFFICER:	David Taylor – Chief Executive Officer
DISCLOSURE OF INTEREST:	Nil
DATE OF REPORT:	16
ATTACHMENTS:	11.1.1 – Differential Rating Proposal 2022/2023 Statement of Objectives & Reasons 11.1.2 – Submissions received

BACKGROUND:

Local governments impose rates on the properties within their district to raise revenue to fund the services and facilities provided to residents and visitors.

The quantum of rates payable is determined by three factors: the method of valuation of the land, the valuation of the land and improvements, and the rate in the dollar applied to that valuation by the local government.

Land is rated according to its unimproved value for land used predominantly for rural purposes or gross rental value for land used predominantly for non-rural purposes.

The Valuer General values the land in accordance with the provisions of 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.

A local government may impose a single general rate which applies to all of the properties in the unimproved value or gross rental value category. Alternatively the local government can distinguish between land in either category on the basis of its zoning, use or whether it is vacant land (or other characteristic set out in regulations), or a combination of these factors, and apply a differential general rate to each.

Each differential rating category has a minimum payment that is applied to ensure those properties with a lower Rate in the \$ calculation make a fair and equitable contribution to the Shire's rate revenue. A minimum payment is levied when calculating a rate liability by using the rate in the dollar multiplied by a properties valuation it is equal to or less than the minimum payment.

Example – UV General Property

Rate in the Dollar	0.004529
Valuation	\$200,000
Rate Liability	\$905.80
Minimum Payment	\$1,050
Charge on Rates Notice	\$1,050

The implementation of a differential rating system across all rateable properties is being considered to fairly and equitably spread the rate burden required for services, initiatives and facilities provided.

Council at its Ordinary Council Meeting in June 2022 endorsed the public advertising of the below differential rating model:

Differential Rate	Rate in the \$	Minimum Payment
GROSS RENTAL VALUATION PROPERTIES		
GRV General	0.093450	1,129
GRV Industrial	0.100125	1,198
GRV Short Term	0.100125	1,198
UNIMPROVED VALUATION PROPERTIES		
UV General	0.004529	1,050
UV Plantations	0.004794	1,398

(NOTE: Council when adopting the annual budget may vary the above proposed rate in the dollar and minimum payment.)**

Gross Rental Valuation (GRV) Differential Categories

GRV General (including GRV General, GRV Special Rural, GRV Rural Tourism)

The objective of this category is to apply a differential general rate and minimum payment to land zoned, used, or held for residential/rural residential purposes and to ensure that all ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefit of residents. This category is to act as the Shire's benchmark differential rate and minimum payment 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 Shire.

The rate in the dollar increase is 6.0% a minimum rate increase of 6.0% for this category. Please note that variations will occur between individual properties as it is directly linked to the unique valuations attributed to those properties.

GRV Short Term

The objective of this category is to apply a differential rate and minimum payment to land used or held for short-term accommodation purposes. This includes lodging houses, bed and breakfasts, self-contained accommodation, caravan and camping grounds. It is to ensure that all ratepayers make a reasonable contribution towards the overall services and facilities provided and maintained by the Shire for the benefit of residents and visitors.

The reasons for this rate is in order to maintain fairness and equity with the funding of tourism development, marketing and event related projects throughout the district.

The rate in the dollar increase is 12.5% a minimum rate increase of 12.5% for this category. Please note that variations will occur between individual properties as it is directly linked to the unique valuations attributed to those properties.

GRV Industrial

The objective of this category is to apply a differential rate and minimum payment to land zoned or used or held for Industrial purposes and to ensure that all ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefit of residents.

The reason for this rate is in order to assist with the funding contribution towards the ongoing maintenance and provision of works and services within the Shire.

The rate in the dollar increase is 12.5% and a minimum rate increase of 12.5% for this category. Please note that variations will occur between individual properties as it is directly linked to the unique valuations attributed to those properties.

Unimproved Valuation (UV) Differential Categories

UV General

The objective of this category is to apply a base differential general rate to land zoned or used or held typically for bona-fide farming and to ensure that all ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefit of residents. This category is to act as the Shire's benchmark differential rate by which all other UV 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 Shire.

The rate in the dollar increase is 11% a minimum rate decrease of -11% for this category. Please note that variations will occur between individual properties as it is directly linked to the unique valuations attributed to those properties. The minimum rate was required to be

decreased in order to comply with the *Local Government Act 1995* stating that a minimum rate is not permitted to apply to more than 50% of properties within the category.

UV Plantations

The objective of this category is to apply a base differential general rate to land used or held typically for plantations purposes and to ensure that all ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefit of residents.

The reason for this rate is to ensure that all ratepayers make a fair and reasonable contribution towards the ongoing maintenance and provision of works and services, particularly roadworks maintenance and renewal throughout the Shire.

The rate in the dollar increase is 17.5% and a minimum rate increase of 17.5% for this category. Please note that variations will occur between individual properties as it is directly linked to the unique valuations attributed to those properties.

COMMENT:

The Shire wrote to each property owner within the three newly proposed categories below and the following submissions were received, these can be found in Attachment 11.1.2.

Category	Number of properties in category	Number of submissions received
GRV - Short Term	31	3
GRV - Industrial	15	0
GRV - Plantation	52	13

GRV – Short Term

The summary of reasons for objecting were;

1. Increasing rates for properties that have short term accommodation goes against the tourism focus that the Shire has been encouraging and investing into over the years.
2. Tourism has flow on benefits to all businesses within the Shire so it is questioned why the Shire didn't apply the differential rate to all business as a commercial category.
3. If the Council is seeking a balance between self-contained accommodation and long term rentals, then the Shire should increase rates immediately for the self-contained accommodation.
4. Some properties are also the place of full-time residence for the owners and isn't solely for short term accommodation.

UV – Plantation

The summary of reasons for objecting were;

1. Other industries – other agricultural industries such as dairy, horticulture and graziers should have the same rates applied as they also have heavy haulage road use. Plantations and these other agricultural industries should be treated as a single class.
2. Harvest Rotations – plantations are harvested on rotation, approximately 7-10 year cycles and have far less road use in between, whereas truck movements for dairy operations are daily.
3. The Shire is double dipping as the RAV Permit system is already applied to heavy vehicle road users and as a component of that permit approval conditions are placed whereby the permit holder is required to do maintenance on the road network during use and repairs at the end of haulage to return to the same standard prior to the commencement of harvest. The Shire is also requiring permit holders to contribute to upgrades of Shire road infrastructure.
4. Plantations are a form of bona-fide farming and shouldn't be classified differently to other farming operations.
5. Approach does not include calculation data to justify the differential rating proposal.
6. The proposal is not in alignment with WA State Government policy and priorities to address the timber shortages in the State's construction industry and as a major climate change mitigation action in the WA Climate Change policy.
7. Those bearing a higher rate burden should receive greater benefits from Council activities, this higher benefit is not clear.
8. Not all of the individual property is under plantation with parts of properties containing pasture and/or native vegetation.
9. Plantations harvests can be scheduled for when the road conditions are suitable whereas horticultural/dairy operations use the road in any state causing more damage to the road network.
10. Plantations don't pose as high a fire risk as private bush properties, state forest, river reserve or other reserves in the Shire.

Concession Consideration

Considering the reasons for objections, it is proposed a concession off the GRV –Short Term rate and UV – Plantation rate is offered to owners of Short Term Accommodation and Plantation Properties;

GRV – Short Term

Where a property is also the place of full-time residence for the owners therefore isn't solely for short term accommodation.

A property being used as a place of full-time residence is classified as GRV – General. A property being used for short term accommodation purposes is classified as GRV – Short Term. It is reasonable to consider applying a concession to properties that hybrid both classifications. Properties that have this hybrid assessment are currently classified under GRV – Short Term in its fullness. When compared to a normal place of residence, these hybrid properties are deriving a short term accommodation income through tourist visitation therefore making it reasonable for them to contribute more towards the rate burden than one that is not.

It is recommended that these properties with a hybrid nature remain classified as GRV – Short Term and are offered a concession of 3% off the rate in the dollar. The concession is not offered to the GRV – Short Term minimum rate.

To receive the 3% concession the property owner will be required to complete a statutory declaration and demonstrate their property is also their primary place of residence.

UV – Plantation

This consideration is where a properties use of the arable area is a mixture of plantation and non-plantation.

A property that is not being used for plantation is classified UV – General. A property being used for plantation is classified UV – Plantation. It is reasonable to consider applying a concession to properties that hybrid both classifications. A property that is used for both plantation and non-plantation purposes is currently classified as UV – Plantation in its fullness. The Valuer General assess the Unimproved Values of these classifications differently with pastured land values being much higher than those which are being used for plantation, therefore the properties that are hybrid under the UV – Plantations classification in its fullness is going to pay more than a property of the same size that is full plantation due to the higher valuation applied to those pastured parts of the land.

It is recommended that these properties with a hybrid nature remain classified as UV – Plantation and are offered a concession to be applied to the rate in the dollar. The concession is not offered to the UV – Plantation minimum rate.

1. Offer a concession of 4% to owners who demonstrate 75%+ of the arable area is not used for plantation.
2. Offer a concession of 2.5% to owners who demonstrate between 50% to 75% of the arable area is not used for plantation.
3. Offer a concession of 1% to owners who demonstrate between 25% - 50% of the arable land is not used for plantation.

To receive the concession the property owner will be required to complete a statutory declaration and demonstrate a portion of their property arable land (excludes bush and undeveloped land) is not used for plantation.

STATUTORY ENVIRONMENT:

Local Government Act 1995 Section 6.33

Local Government (Financial Management) Regulations 1996

POLICY IMPLICATIONS:

Shire of Nannup – Differential Rating Proposal 2022/2023

FINANCIAL IMPLICATIONS:

No concession applied

The full implementation of the proposed differential rating proposal with no concession applied will generate an overall revenue increase of approximately \$137,340 or 7.37% when compared to the previous financial year.

Concession applied

This is unknown at this time due it being on an application basis.

STRATEGIC IMPLICATIONS:

Annual Budget process and consideration

VOTING REQUIREMENTS:

Absolute Majority

OFFICER RECOMMENDATION:

That Council;

1. Considers the submissions relating to proposed differential rating category Gross Rental Valuation – Short Term.
2. Considers the submissions relating to proposed differential rating category Unimproved Valuation – Plantation.

3. Notes nil submissions received for proposed differential rating category Gross Rental Valuation – Industrial.
4. Offer a concession of 3% off the Gross Rental Valuation – Short Term rate to owners of Short Term properties who complete a statutory declaration that their property is also their primary place of residence.
5. Offer a concession off the Unimproved Value – Plantation rate to owners of Plantation properties who complete a statutory declaration and demonstrate a portion of their properties arable land (excludes bush and undeveloped land) is not used for plantation as per below;
 - a. Offer a concession of 4% to owners who demonstrate 75%+ of the arable area is not used for plantation.
 - b. Offer a concession of 2.5% to owners who demonstrate between 50% to 75% of the arable area is not used for plantation.
 - c. Offer a concession of 1% to owners who demonstrate between 25% - 50% of the arable land is not used for plantation.
4. To be eligible for a concession relating to Part 4 and Part 5 of this motion owners of properties need to apply within 35 days of the rates being raised.

AGENDA NUMBER & SUBJECT:	11.2 – Authorisation to pursue land and housing development opportunities in Nannup
LOCATION/ADDRESS:	Shire of Nannup
NAME OF APPLICANT:	Shire of Nannup
FILE REFERENCE:	ADM 22
AUTHOR:	David Taylor – Chief Executive Officer
REPORTING OFFICER:	David Taylor – Chief Executive Officer
DISCLOSURE OF INTEREST:	Nil
DATE OF REPORT	9 August 2022
ATTACHMENT:	Nil

BACKGROUND:

The Shire of Nannup through its soon to be released Investor Prospectus is encouraging private landowners to develop infill to create more appropriate land parcels and housing within Nannup. These types of housing can vary from community, aged, seniors, lifestyle and general smaller lot living.

There is an opportunity for the Shire too actively pursue development opportunities too:

1. Lead by example for promote development.
2. Set a standard of the kind of development we want to see.
3. Bring some confidence to the market for in-fill.
4. The Shire directly brings more land to the Nannup market.

OFFICER COMMENT:

Within the current market properties are frequently coming to the market as the confidence is high. There are not many new parcels of land being developed and brought to market, therefore creating a shortage and limiting Nannup's growth. There is also no one developing smaller lot parcels which are suitable for seniors looking to downsize or aged housing.

There are opportunities for the Shire to actively pursue properties that are suitable for development that fit within the land and housing needs within the community. By doing this the Shire can actively bring these land parcels and/or dwellings to the market. This will mean the Shire is actively addressing the land and housing crisis that is being experienced along with addressing the needs for community housing that is not currently available in Nannup, such as seniors/downsizing.

This item is to obtain approval for the Chief Executive Officer to actively pursue opportunities when they arise and enter into purchase agreements of which will be 'subject to Council endorsement' for a final decision.

STATUTORY ENVIRONMENT:

Local Government Act 1995

POLICY IMPLICATIONS:

Nil.

FINANCIAL IMPLICATIONS:

Minimal incidental costs.

Final approval will be required to come back to Council for a decision.

STRATEGIC IMPLICATIONS:

Extracts from the Shire of Nannup Strategic Community Plan 2017-2027.

Our Council Leadership

VOTING REQUIREMENTS:

Simple Majority

OFFICER RECOMMENDATION

That Council approve the Chief Executive Officer to actively pursue land and housing development opportunities within Nannup and enter into purchase agreements and bring those agreements to Council for a final decision.

12 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN:**13. MEETING MAY BE CLOSED:**

13.1 MATTERS FOR WHICH THE MEETING MAY BE CLOSED:

AGENDA NUMBER & SUBJECT:	13.1 - Confidential Item – Chief Executive Officer Performance Review 2022 and Contract Renewal
LOCATION/ADDRESS:	Shire of Nannup
NAME OF APPLICANT:	Shire of Nannup
FILE REFERENCE:	Employee File
AUTHOR:	David Taylor – Chief Executive Officer
REPORTING OFFICER:	David Taylor – Chief Executive Officer
DISCLOSURE OF INTEREST:	Financial – Chief Executive Officer
DATE OF REPORT	9 August 2022
ATTACHMENT:	13.1.1 – Confidential - Nannup CEO Review 2022 13.1.2 – Confidential - Proposed New Contract of Employment D Taylor

**Financial Interest – Chief Executive Officer. The Chief Executive Officer has an interest in this matter as it relates to employment.

13.2 PUBLIC READING OF RESOLUTIONS THAT MAY BE MADE PUBLIC:**14. CLOSURE OF MEETING:**

Attachments

Item #	Attach	Title
11.1	1	Differential Rating Proposal with objections & reasons 2022-23
	2	Submissions