



Shire of  
Serpentine  
Jarrahdale

# Special Council Meeting

## Confirmed Minutes

1.00pm

Monday, 14 December 2020

**Purpose:** To consider correspondence received from the Minister for Local Government dated 8 December 2020 regarding the rating equity project adopted by Council at the 20 July 2020 Ordinary Council Meeting.

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#### In Person

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6 Paterson Street, Mundijong WA 6123  
Open Monday to Friday 8.30am-5pm (closed public holidays)



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



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The purpose of this Special Council Meeting is to discuss and, where possible, make resolutions about items appearing on the agenda. Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on the basis of such decision or on any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting. Persons should be aware that the provisions of the *Local Government Act 1995* (Section 5.25(1)(e)) and *Council's Standing Orders Local Law 2002 (as amended)* – Part 14, Implementing Decisions. No person should rely on the resolutions made by Council until formal advice of the Council resolution is received by that person.

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### Councillor Attendance Register

In accordance with Ordinary Council Meeting, 16 December 2019, Resolution OCM293/12/19, clause 5 – “That Council requests the Chief Executive Officer maintain a Councillor Attendance Register recording Councillor Attendances at Ordinary Council Meetings, Special Council Meetings and Policy Concept Forums”.

#### Council October 2019 -

Date	Type	Cr Rich	Cr Atwell	Cr Byas	Cr Coales	Cr Dagostino	Cr Denholm	Cr McConkey	Cr Strange	Cr Strautins
30/11/20	PCF	✓	✓	✓	A	✓	✓	✓	✓	✓
23/11/20	SCM	✓	✓	✓	✓	A	✓	✓	✓	✓
23/11/20	PCF	✓	✓	✓	✓	A	✓	A	✓	✓
16/11/20	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
02/11/20	PCF	A	✓	✓	✓	A	✓	✓	✓	✓
19/10/20	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
05/10/20	PCF	✓	✓	✓	✓	✓	✓	✓	✓	✓
21/09/20	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
07/09/20	PCF	✓	✓	✓	✓	✓	✓	A	✓	✓
24/08/20	PCF	✓	✓	✓	✓	A	A	✓	A	✓
17/08/20	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
03/08/20	PCF	✓	✓	✓	✓	✓	✓	✓	✓	✓
27/07/20	SCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
20/07/20	OCM	✓	✓	✓	✓	✓	✓	✓	✓	A
06/07/20	PCF	✓	✓	✓	✓	A	✓	✓	✓	✓
22/06/20	SCM	✓	✓	✓	✓	✓*	✓	✓	✓	✓
15/06/20	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
18/05/20	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
23/03/20	SCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
16/03/20	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
24/02/20	PCF	✓	✓	✓	A	✓	✓	✓	✓	✓
17/02/20	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓



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03/02/20	PCF	✓	A	✓	✓	A	✓	✓	✓	✓
03/02/20	SCM	✓	A	✓	✓	A	✓	✓	✓	✓
16/12/19	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
18/11/19	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
04/11/19	PCF	✓	✓	✓	✓	✓	✓	✓	✓	✓
28/10/19	SCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
21/10/19	SCM	✓	✓	✓	✓	✓	✓	✓	✓	✓

\* Councillor Dagostino was an apology for the Special Council Meeting on 22 June 2020, but attended the resumed Special Council Meeting on 29 June 2020 from 7.00pm to 7.05pm, before Declaring an Interest and leaving the meeting.

**A – Apology**  
**LOA – Leave of Absence**  
**NA – Non Attendance**



Minutes of the Special Council Meeting of the Shire of Serpentine Jarrahdale held on Monday, 14 December 2020 in the Council Chambers, Civic Centre, 6 Paterson Street, Mundijong.

The Shire President, Councillor Rich declared the meeting open at 1.00pm and welcomed Councillors, and Staff, and members of the gallery, and acknowledged that the meeting was being held on the traditional land of the Noongar People and paid her respects to the Traditional Owners, Elders Past, Present and Emerging.

The Shire President, Councillor Rich acknowledged and welcomed past Councillor Mrs Sandra Hawkins and Mrs Alyssa Hayden MLA, Member for Darling Range.

The purpose of this Special Council Meeting is to consider correspondence received from the Minister for Local Government dated 8 December 2020 regarding the rating equity project adopted by Council at the 20 July 2020 Ordinary Council Meeting.

This is a significant matter.

I have received apologies from Cr Coales and Cr McConkey who are unable to attend today's meeting due to prior work commitments. I have also received an apology from Cr Dagostino due to a family funeral.

Today's Special Council will be conducted according to the Agenda.

In a moment I will ask for each member of the public who has submitted a public question to ask their question at the lectern

I will then ask each member of the public who has submitted a statement for today's meeting to make their statement.

Following the public question and statement period, Council will consider the matter.

Reflecting the importance of today's topic, in accordance with clause 10.8 of the Standing Orders, each Councillor wishing to speak on the matter will be provided the opportunity.

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## Minutes

### 1. Attendances and apologies (including leave of absence):

**Councillors:** M Rich.....Presiding Member  
D Atwell  
M Byas  
R Coales (from 1.23pm)  
B Denholm  
L Strange  
D Strautins

**Officers:** Mr P Martin.....Chief Executive Officer  
Ms H Sarcich.....Deputy CEO / Director Community and  
Organisational Development  
Mr F Sullivan .....Director Corporate Services  
Mr A Trosic .....Director Development Services  
Mr S Harding .....Director Infrastructure Services  
Dr K Parker .....Manager Governance  
Ms D Baker...Acting Manager Communication and Customer Engagement  
Ms A Sealy .....Business Systems Analyst - CRM (Minute Taker)

**Apologies:** Councillor K McConkey  
Councillor M Dagostino

**Observers:** Members of the Gallery – 60  
Members of the Public through audio broadcast - 13  
Media – 1

### 2. Public question time:

#### 2.1 Public questions

##### **Public questions commenced at 1.05pm.**

The Presiding Member, Councillor Rich called forward Karen and Steve White to present their submitted Public Questions. As Mr and Mrs White were not in attendance at the meeting, the Presiding Member advised that a response to their questions will be sent to them.

##### **Nelson Rae, Lot 67 Gloaming Way, Darling Downs WA 6122**

I've heard lots of talk about the disagreement on whether or not my property is rural. I believe it has been shown from several sources that we are a rural community.

My question is: -

If it is legally shown that we are "Rural", is this the end of the Shire's drive to increase our rates or will they simply pursue other means to get their money from us?



A telephone call to the Shire led to me being told that rates would both go up and down and I should wait to see. It is now evident that the vast majority of properties will have increased rates.

I refuse to believe that the Shire did not run these numbers before entering into the drive to "review rates".

I disagree strongly with the proposal and suggest that the Council is now looking foolish.

*Response (Director Corporate Services)*

*It is important to note that it is the Minister for Local Government that determines if you are Rural for the purpose of rating. Therefore, it is the Minister that decides whether an Unimproved Value is used for rating or a Gross Rental Value.*

*The Local Government Act requires he make that assessment having regard for predominant use. The Act does not provide a legal definition for predominant use.*

*The Minister has provided the following example in his guideline issued to Local Governments about assessing predominant use.*

*A house is situated on a two-hectare property. On the property, there is a vegetable patch and some fruit trees. The occupier also keeps livestock, including a cow, two sheep, two horses and several chickens and ducks. There is no doubt some rural activities are undertaken on the property. However, these activities are undertaken on a small scale. The produce is mainly for personal consumption. Although from time to time the occupier may sell some produce at a roadside stall, the occupier is not deriving his/her livelihood from "working the land". The predominant use can be said to be residential.*

*Significantly, this rating equity exercise is not really about whether a property is rural or not, but the adhoc manner in which valuations have been ascribed in the past resulting in similar properties, many times on the same street, paying significantly different amounts of rates.*

*This exercise seeks simply to put everyone on the same basis of rating calculation so that a sensible assessment of an equitable distribution of the rating burden can be undertaken.*

**Caroline Dennison, 55 Little Place, Cardup WA 6122**

**Question 1**

Should the Shire succeed in applying the "revised" rating system, given the considerable size of the increases, then will the Shire apply them incrementally over a period of, say 5 years (ie if the total increase is \$1,000 then \$200 per annum for 5 years)? This method would ease, marginally, the amount of financial shock to ratepayers?

*Response (Director Corporate Services)*

*It is the Minister for Local Government that determines if the change in valuation methodology will proceed.*



*The Minister requires a decision regarding the timing of any implementation of valuation be made by Council at the same time that Council decides to recommend to the Minister that a change be made.*

*The timing of any implementation is a matter that Council can determine.*

#### Question 2

Given the publicly available information that the Shire has net liquid assets of \$19m (ie Cash etc) and stands to make a profit of \$6m this year, will the Shire advise what the proposed rate increases revenue will be spent on and what percentage of those ratepayers affected by the increases will benefit from the expenditure?

*Response (Director Corporate Services)*

*In regard to the \$19 million in cash I am actually unsure where this figure is derived from.*

*Currently Council holds cash assets of \$35 million. \$12 million in Reserves for future projects and \$23 million in municipal funds.*

*The nature of Local Government finance is that Rates are collect at the beginning of the year and spent throughout the year, in this way it is not unexpected that the Shire should have a high cash reserve at this time of the year.*

*In regard to the \$6 million profit figure, again I am unsure where this figure is derived from.*

*Another name for Profit or Loss is change in Net Assets. In private enterprise the Asset you are attempting to increase is cash which is subsequently taken out as dividends.*

*For the Shire, the profit shows up as New Fire Trucks, New Roads, New Parks, New Footpaths, New Drains.*

*In short new community infrastructure on and in the ground.*

*It is Councils role to determine where any new funds might be utilised but essentially, they could be used to either redistribute the rate burden on one end of the scale or change service levels to the community at the other end.*

#### **Stuart Pottinger, address withheld**

#### Question 1

Is there to be a review of the equity of services received by different ratepayers by zoning?

*Response (Director Corporate Services)*

*No.*

*Rates are a tax, not a fee for service.*

*Like there is no identifiable link between taxes imposed by State a federal government entities and services they provide nor is there a readily identifiable link between Rates and Local Government Services.*



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*This can be illustrated by an example of library, all have access but only some participate, many local government services are of this nature.*

Question 2

If not, why not to ensure all ratepayers are afforded the equal delivery or access to services?

*Response (Director Corporate Services)*

*As above.*

Question 3

Will the Shire boundary amalgamation review be revisited?

*Response (Director Corporate Services)*

*I have no knowledge of this.*

**Bruce Hilliard, address withheld**

Question 1

Noting that the letter from the Minister for Local Government; Heritage; Culture and the Arts (Ref 66-14523 dated 8 December 2020) has specifically mandated that ‘now is not the time to be adding an unnecessary financial burden on the community’, what are the Council’s short, medium and long term intents in relation to their proposed changes to the rating methods. The provision of detailed and binding commitments will be important in ensuring that the community and the Shire of Serpentine-Jarrahdale can work together to identify and implement the most appropriate way forward. Consequently, at the Special Council Meeting on 14 December 2020 the Councillors and Shire representatives are requested to explain in detail their approach to their constituents.

*Response (Director Corporate Services)*

*At this point in time Councils project plan provides for officers to collect and collate objections to the proposal to change valuation methodology of some properties into a Council report for their deliberation and potential recommendation to the State Government.*

*During Council’s deliberations they will be requested to determine any phasing in timetable.*



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**Jackie Dines, address withheld**

**Question 1**

Does the Council understand the emotional distress it has caused many ratepayers, thrusting this very badly managed attempt to raise rates onto nearly a third of ratepayers in the Shire, given the current economic conditions, and does the Council really believe that a rate rise of this proportion in one rating period is fair and equitable?

*Response (Director Corporate Services)*

*The Shire holds deep empathy for the community it governs but we face a Byford suburb that has 410 properties or 5.68% of the suburb in mortgage stress which means they are more than 3 months behind on mortgages payments.*

*Over the last 3 years Council has diligently worked to reduce cash operating costs which for the last completed financial year are \$0.5 million less than 3 years ago and this proposal is yet another step that could be taken to assist those in our community in most need.*

**Question 2**

Has the Council considered an extra differential rating category for these properties, which means they could then have a different rate in the \$ to the 'GRV improved' rate applied?

*Response (Director Corporate Services)*

*Since at least the year 2000 the Shire did impose a Rural Living differential rate on properties between 4,000 and 40,000 that was approximately 23% higher than the general rural rate but was phased out over the period 2014 to 2018.*

*This may be a matter which is discussed with the Government depending upon what Council decides today.*

**Question 3**

What are the implications for the ESL charges from DFES, given that the GRV rated properties pay more than the UV properties due to the availability of professional fire fighters versus volunteer brigades?

*Response (Director Corporate Services)*

*Over 1900 of the 2400 properties potentially affected by this proposal, already have their ESL levies calculated using the GRV valuation methodology.*

**Councillor Coales arrived at the meeting at 1.23pm.**



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**Lee Bond, Box 44, Armadale WA 6112**

Question 1

What has been the total cost for all matters relating to this rate increase and rating change since April 2020?

*Response (Director Corporate Services)*

*\$24,000 plus Officer time.*

Question 2

Why was this Special Meeting specifically called at 1pm today knowing that many people would not be able to attend, and some Councillors would also not be able to attend?

*Response (Shire President)*

*In their correspondence dated 8 December 2020, the Minister requested that the matters raised be considered by Council urgently. As such, Council was asked to consider the matter before tonight's Ordinary Council Meeting.*

*Several alternative dates and times were considered but each brought the own challenges. Reflecting the importance of the topic, I decided that a dedicated Special Council Meeting would be most appropriate. I selected this approach to accommodate the likely public interest, given the COVID-19 restrictions, and enable Council to give due consideration to the other important matters on the agenda for the Ordinary Council Meeting.*

*In respect to the day selected, Mondays are typically the day where Council business is conducted. Holding a meeting in the early evening on Monday prior to the Ordinary Council meeting was not considered logistically practicable as the Special Council Meeting could run into the time allocated for the Ordinary Council Meeting.*

*Prior to making my decision, I spoke to each Councillor. I acknowledge that the date and time did not suit every Councillor but there was no date or time where all Councillors were available when the meeting could be practicably held.*

Question 3

The Examiner paper showed a picture of the President Michelle Rich on the front cover on the 9/4/2020 under the heading Shire Freezes Rates, why are you pursuing this rate increase and rating change after making that statement?

*Response (Director Corporate Services)*

*The nature of this project thus far is a proposed change in valuation methodology which would result in a more equitable redistribution of the rating burden within the community, any increase in the rating burden is a matter for future Budget deliberations.*

*The implementation of the change of valuation is ultimately a matter for the State Government following a submission from Council.*



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**Sandra Hawkins, 58 Window Grove, Whitby**

The first question submitted by Mrs Hawkins regarding the rationale for the calling of a Special Council Meeting at this time had been previously addressed, therefore Mrs Hawkins elected not to ask her first question.

**Question 2**

One of a Councillors duties is to represent the ratepayers in all matters, do you consider that you are doing just that with the current matter today.

*Response (Chief Executive Officer)*

*This is for Council to determine when they consider the matter at today's meeting.*

**Question 3**

Is the Shire President really going to consider the only item on the agenda this afternoon or as we the ratepayers expect you have made a decision to forge ahead with the changes and not even think about what the state government has advised? Will you listen to your ratepayers?

*Response (Shire President)*

*The purpose of today's Special Council meeting is to enable Council to consider the Minister's correspondence and will do so as part of item 6 in today's agenda.*

**Louise Hanniffy, address withheld**

**Question 1**

Why would Council change from UV to GRV when this protects equestrians in the Shire?

*Response (Director Corporate Services)*

*Of the 2400 properties potentially affected by this proposal, 784 responded to the Shire's initial request for information. 601 of those responses replied that they were using the property for residential purpose.*

*This exercise seeks simply to put everyone on the same basis of rating calculation so that a sensible assessment of an equitable distribution of the rating burden can be undertaken.*

*It is certainly possible that the requirements of the Shire's equine industry can play a significant role in that discussion.*



### Question 2

What does the Shire spend the largest portion of rates revenue for infrastructure and amenities?

*Response (Director Corporate Services)*

*A comprehensive answer to your question can be found at <https://www.sjshire.wa.gov.au/council/rates/shire-budget.aspx>*

*The top 3 are:*

- *Parks and Gardens \$4.66*
- *Planning, Subdivision and Building approval \$3.9 million*
- *Roads, Footpaths and drains \$3.5 million*

### **Lisa Brazier, PO Box 80, Mundijong**

#### Question 1

In the Project Plan and Communications strategy document for the Basis of Valuation Method Review - it states that you will provide a briefing with local MPs in August 2020 - our Shire is part of the seat of Darling Range and we are represented in the lower house by Alyssa Hayden MLA and in the Upper House by 6 members.

What is the Shire's definition of "local MP's"; which members of parliament did you invite to the briefing and on what date was that held and who attended?

*Response (Director Corporate Services)*

*In September 2020, the Shire wrote to Mrs Alyssa Hayden MLA, Member for Darling Range, the Hon Matthew Swinbourn MLC, Member for Eastern Metropolitan and Mr Andrew Hastie, Federal Member for Canning inviting each elected member to receive a briefing on the matter. The offer of an individual briefing was not taken up.*

#### Question 2

Again, in your strategy document, presented and passed at the July OCM – on Page 7; 1.3 The project plan, it states:

*"Accordingly, it is recommended that the review be completed the target of a report to Council at the 14 December 2020 Ordinary Council Meeting".*

So why was this item not included in tonight's OCM Agenda, as per the recommendation set out in the timeline but rather you called last minute Special Council Meeting after the publication of the December OCM Agenda, where Councillors were asked of their availability and 3 advised they were not available for this meeting.

*Response (Director Corporate Services)*

*Due to a number of circumstances it has taken Officers longer to review the submissions received from the first round of letters to the community requesting information regarding the predominant use of individual properties than was initially anticipated.*



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*This matter was not included in the December OCM Agenda as the submission period has not yet closed at the time of receiving the correspondence from the Minister.*

Question 3

In the timeline in the strategy document you were to meet with the Department of Local Government in May 2020 and the Valuer General in June 2020 - did you meet with each of these departments, who attended from Council and what were the departments recommendations from your meetings?

*Response (Director Corporate Services)*

*Yes, on numerous occasions Officers met with the Department of Local Government and the Officer of the Valuer General to inform the project. The Department's recommendations in the meetings reiterated their published advice for local governments when correcting a misapplication of the method of valuation in accordance with the Act. The Department's published advice is contained in the Operational Guideline which is attached to the Officer's report.*

**Steve Smith, 29 Lakeman Place, Oakford**

Question 1

How do they justify such an increase given the Shire is in a good financial position and the community is suffering as a result of Covid 19?

*Response (Director Corporate Services)*

*This proposal is not about increasing the rating burden on the community but about an equitable distribution of the rating burden within the district.*

*It could be argued that potential this initiative is even more urgently required given last Fridays news that 410 or 5% of homeowners in Byford are over 3 months in arrears on their mortgages.*

Question 2

Given there is no actual definition of rural purpose in the Local Government Act to underpin the re- classification of our properties from Rural to Residential how do they justify changing us from UV to GRV.

*Response (Director Corporate Services)*

*It is important to note that it is the Minister for Local Government that determines if you are Rural for the purpose of rating. Therefore, it is the Minister that decides whether an Unimproved Value is used for rating or a Gross Rental Value*

*The Local Government Act requires he make that assessment having regard for predominant use. The Act does not provide a legal definition for predominant use.*



### Question 3

Do they not agree this will hurt many of their rate payers and many may leave the Shire because of it?

*Response (Director Corporate Services)*

*The Shire holds deep empathy for the community it governs but we face a Byford suburb that has 410 properties or 5.68% of the suburb in mortgage stress which means they are more than 3 months behind on mortgages payments.*

*This process is about an equitable distribution of the rating burden not an increase in the rating burden.*

**Public questions concluded at 1.46pm.**

### **3. Public statement time:**

**Public statement time commenced at 1.47pm.**

**Nelson Rae, Lot 67 Gloaming Way, Darling Downs WA 6122**

I wish to submit the following statement re the proposed rates review.

Myself and my wife are self-funded retirees who have lived in Darling Downs for 18 years.

The effect of the Covid restrictions has seen our income drop dramatically and our costs rising. Like others, our income depends upon the share market which has suffered substantially because of the Covid downturn. Most self-funded retirees are not “rich”, but often struggling to make ends meet.

We stopped visiting the shops and started paying for online deliveries. We have bought masks, sanitising equipment and specialist cleaning products etc etc.

We avoid public transport and drive to destinations to avoid crowds.

The government announced massive injections of money to get people spending and to raise productivity. Banks and many other institutions are reducing charges or offering assistance in recognition of these hard times.

Why then, when both major political parties are calling for institutions to “help in these hard times” is the Shire looking to increase my rates by 20% in one hit!

Why are you arguing over the definition of “rural” to enforce a 20% increase when you should be looking at how you can help us.

Rightly or wrongly, the Council appears to be way out of touch with the current dire situation and in the case of your schematic on your web page, out of touch with the actual rates being paid by the majority. Please explain why you show \$1,400 as the typical rates being paid by typically 5 acre lots in darling Downs. I pay well over \$2,000 and you want a 20% increase.



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**Margaret Cala, 70 Randell Road, Mardella WA 6125**

I am deeply disappointed that the Shire has chosen to initiate significant Rate rises for many land owners; at a time in which the economic fallout of Covid restrictions has seen many people lose their jobs or had their incomes dramatically reduced; when the State Government has called for restraint in raising fees and charges.

It would appear from the Shire's own budget figures that it is not experiencing a financial crisis unlike many of its residents. So why now?

The very wording of the advertised Rate Review was emotive, and in my opinion designed to create division. Use of the term 'paying their fair share' with the accompanying graphics was a sure bet to cause envy and division. Where will these extra Rates go? Will all GRV properties be rewarded for paying their fair share by a lower Rate in the dollar? I guess not.

In their apparent rush for 'fairness', the Shire has chosen to ignore its own long standing – and for that matter broadly accepted understanding of the terms Rural Use and Predominant Use, neither of which make specific reference to the income derived, but simply to the use of the land.

I ask, is the same scrutiny being paid to all the so-called transport depots, the intensive hydroponics and other businesses operating on rural land under the safety net of the discretionary uses for rural land. Sand mines, extractive industries, intensive farming & horticulture or 'land banking' – are they paying their 'fair share'; or will the burden of Rates from rural zoned land fall upon those who are not earning their incomes there.

Rather than targeting the owners of property who make little, or no income from their rural land; maybe have a good look at some of the properties which do generate income – from no agricultural pursuit.

What about the properties in urban areas ring side to lakes, parks, dog exercise areas, etc and possibly in Special Rate Areas; or Owner Occupiers of small home-based businesses. Were those Rates included in the comparison?

It seems to me that the Shire has chosen a narrow, and soft target for its Rate Review, with a seeming reckless disregard for all the spin off repercussions of their proposal. There are many options available.

The smaller rural properties within this Shire play a vital role in the wider, planned fabric of the area; providing a balance and transition between the intensely developed urban areas and broad acre farming. Many such properties form a part of the Shire's much mentioned Equine Industry. They support many local businesses in setting up and maintaining their properties. Fencing contractors, stable builders, tank suppliers, pump servicemen, off grid sewerage installers & maintainers, firebreak contractors, reticulation contractors, pest and weed controllers, feed merchants and many more.

Owners of such properties are rightly concerned that this move by the Shire to adopt GRV for Rating those whose Main Income is not derived from their land is the thin end of the wedge. That they will be 'Rated out' as the saying goes; as has happened in other Local Government areas, and will be the prelude to further subdivision; or to create a gulf between those who can afford the spiralling Rates and those who can't and will be forced to move on.



Most owners of rural properties do not have the expectation or need of footpaths, street lighting, swept streets, manicured verges or even weekly rubbish collections, and all the other 'norms' of built up urban areas. Equity is about more than simply how much we each pay in Rates.

I urge all Councillors to consider the broad implications of the proposed change from UV to GRV for Rating Assessments; and to heed the letter from the Minister. Have some understanding if not compassion, for all ratepayers in this Shire, and choose to cut your financial cloth to suit the times.

**Martin Pyle, 32 Keirnan Street, Whitby**

As a ratepayer of SJS I want to express my concern about the proposed changes to the rating system being considered by Council affecting some 2,900 odd rate payers including my wife and I. The legal implications of the proposal have already been well outlined at the rate payers meeting organised by Alyssa Hayden last Saturday. I also want to express our concerns that the executive and Councillors, through considering massive increases in rates, is totally out of touch with community expectations. The fact that the Premier has had to step in to highlight this fact is troubling and disappointing.

From the start of the Shire's campaign to jack up rates it has been disingenuous in failing to advise in the September "survey" the enormous increases in rates this proposal would have on many rate payers. This is on top of an increase in 2019/2020 which you claimed did not even occur!

The fundamental claim of the Shire that somehow land usage which has not changed in 10,20,30 and in our case 50 years is now "deemed" non-rural is preposterous. Other Shires have recognised that any changes must not occur unilaterally but can only be considered in a holistic sense across that entire State. If you are unhappy with the timetable that the State Government is undertaking this review, please take up your grievances with it and not the ordinary rate payers of the Shire you represent.

As noted at the Saturday last meeting the Shire is solvent with a good operating surplus. It is unrealistic to think that the Shire can fund such grandiose schemes as the Whitby Recreation Centre through Shire rate increases. Such major capital undertaking need to be funded through State and Federal grants.

During this unprecedented year of Covid-19 induced recession it is extraordinary to see our Council seemingly so out of touch with its electors. How many more signatures do you need to see before this message is understood? We are at approximately 1,500 and counting.

**Bruce Hilliard, address withheld**

To facilitate the identification of an appropriate way forward, a separate and open review of the equity issues related to this proposed change in the rating method should be undertaken. Consequently, the Council is requested to pass the following resolution:

As a symbol of the Shire's goodwill and intent to support all of their constituents fairly, the Shire of Serpentine-Jarrahdale shall provide the following information to the local State Government representative (the Hon Alyssa Hayden, MLA), who can utilise this data to implement an independent review. This data must include the following:



- (1) *Rates information.* The Shire of Serpentine-Jarrahdale shall provide detailed property-by-property information on the current and proposed rates for all properties in the Shire. At a minimum, this shall include the address, the block size, the number of residences on the property, the zoning, the ward or appropriate expenditure region in which the block is located (to support direct linkage with the information in Point (2)), the GRV and UV values for that property, whether the property's rating method is proposed for modification and the current and proposed rates. It is understood that some privacy protections will need to be implemented for this dataset. However, as this is being passed on to a State Government representative, the data must be provided in a format that avoids possible obfuscation.
- (2) *Expenditures and Services.* Provide detailed information on proposed, budgeted, and actual expenditures. This data must be separated appropriately into wards within the Shire, to assist in mapping expenditures to revenues, and thus facilitate an effective analysis of equity-related matters.

The dataset must be provided:

- (1) in a granular form that will allow independent analysis by the local member and her team within an appropriately short timeframe;
- (2) in appropriate Excel spreadsheets (one or more .xlsx file); and
- (3) not later than Thursday 24 December 2020.

Noting that the Shire of Serpentine-Jarrahdale has been indicating that their proposed rating changes are based on delivering equity, and they have undertaken these steps based on earlier analysis, this data should be readily available. In passing this resolution, the Council recognises the imperative for communicating effectively with their constituents as defined in the Ordinary Council Meeting of 20 July 20.

Thank you very much for your support of the local community by passing this resolution. I am sure that all of your constituents will appreciate the transparency that this can deliver.

Additionally, thank you for support in this matter, and I look forward to discussing these issues during the Special Council meeting.

### **Lee Bond, Box 44, Armadale WA 6112**

This rate increase and rating change has been dragging on since April 2020 and to lie in a public paper and now do everything possible to continue with your disgraceful grab for rates is abhorrent.

Many of those you seek to make your greedy grab on get nothing from this Council. We provide our own water; own sewage; have no streetlights / footpaths / barbecues / parks / public transport / shops. Why should we pay for all the facilities that we have not asked for nor require? Where is our static water supply it should have been built twenty-five years ago that's all we have asked for and now you claim one developer didn't pay the money for it.

News flash people a former Shire President said the money was used for something else. When telling lies make sure you collaborate with your co-conspirators, me having to remind you of the lies is becoming repetitive.



We are not a burden on the Shire you should be reducing our rates. What gives any govt the right to charge us for land we own and then tell us we can rent our properties out for a significant sum each week. For those who have investment properties that seems reasonable, not for those of us who simply live on our properties and chose to do so because we have animals and we want a peaceful country lifestyle. I am sick of hearing about how poor this Council is and sick of Councillors that don't do their homework and cannot make decisions in the interest of the ratepayer of this Shire.

I believe that all but two Councillors should resign, and the Council be sacked, and a Commissioner be appointed. I have repeatedly requested a forensic audit of this Council and it has been fought against, what are you worried about wouldn't you love to prove me wrong.

**Sandra Hawkins, 58 Window Grove, Whitby**

WHY has it taken so long for this matter of the revaluation of the rates for some ratepayers to be brought to the table? It was first considered by the then administration in 2007 but it did not come to council it was rejected before it even came to council. It may have been fair and justifiable at that time as the difference between the higher rates and the lower ones was not so great.

So how do you justify the changes now some 13 years later?

When I went to school albeit a long time ago Equitable meant Equal Fair or Just.

Is it EQITABLE to increase some peoples rates by so much that it will force them out of their homes that they have lived in brought up their family or planned to retire in? DEFINITELY NOT.

Is it JUST to increase now? DEFINITELY NOT.

Is it FAIR again? DEFINITELY NOT.

The people that decided to retire in Serpentine Jarrahdale was because it probably offered them a reasonable cost of outgoings to be able to live on a pension. Maybe also they wanted to do things that cannot be undertaken in suburbia e.g. having a horse or two. S.J. has the largest number of horses in any W.A. Shire. S.J. is encouraging people with equine interest to come here. They are also encouraging other forms of rural activities by improving the trails network. Many of those properties that have been advised of the rate increase don't have street lighting, don't have pavement and sealed roads. Don't have scheme water. Don't have connected sewerage. Don't have natural gas. Don't have a bus service. Don't have a postal Service. Don't have medical services on their doorsteps but they don't mind as the rateable value reflects that.

SO WHY NOW.....Why does the shire want more money now. A blind man could tell you. A sports Complex in Keirnan street Mundijong is why.

It will be needed in the future but not now. The land is secured but the population is nowhere near a figure to justify having a 100-million-dollar sports centre now.

Your ratepayers Madam President are suffering NOW. Covid is still with us and the money that the McGowan government has given the shire is to provide jobs NOW not 1 or 2 years ahead.



How can you all sit there and ignore what is under your noses, look around take your blindfolds off go ahead look people in the eyes.

Did anyone of you lose your job ? Did anyone you suffer hardship sorry that was a rhetorical question.

NOW is DEFINITELY NOT THE TIME to increase the ratepayers of this Shire to more pain and hardship... recently you endorsed a Hardship Policy I wonder why that was?

DO YOU ALL CARE I hope so but moreover vote to do the right thing for everyone. Be FAIR Be JUST.

**Alyssa Hayden MLA, PO Box 16, Byford WA 6122**

I am pleased to have the opportunity to make this submission to the Special Council Meeting in relation to the correspondence received by the Shire of Serpentine Jarrahdale (“the Shire”) from the Minister for Local Government.

Following hours of consultation, engagement and correspondence with the local Serpentine Jarrahdale community, I have been overwhelmed by the level of community support and activism against the proposed changes to the valuation methodology as part of the Shire’s 2020 Rates Equity Review. In my time as the local Member for Darling Range, I have never witnessed this level of community advocacy in relation to a local issue.

Since the Shire advised ratepayers of the proposed changes to the valuation methodology that would result in significant rate increases:

- There were over 400 attendees at my community meeting on Saturday, 5 December 2020;
- Over 1,400 people have signed the online petition;
- Over 700 people have joined a Facebook group on the topic; and
- The significant amount of correspondence that my office has received is reflective of the community sentiment against the proposed rate increases.

I wish to urge all Councillors to listen to the advice provided by the Premier and the Minister for Local Government, who have publicly called for the Shire not to increase rates at this time. I am pleased to see the Minister’s support of my call to the Shire to defer the rates review process, and noted in the letter from the Minister to the Shire President that, and I quote, “we need to be mindful of the fact that the community is recovering from the biggest economic downturn since the Great Depression”. The Minister has called on the Shire to “give urgent consideration to deferring the rate review process,” and I once again call on the Shire to give urgent consideration to deferring this process.

Shire Councillors must now reflect on this and show compassion to the ratepayers affected by these rate increases. The Shire must follow suit of other Local Government authorities who have deferred rate reviews until the review of the Local Government Act is completed and legislated.

In addition to this, the rate freeze in 2019 for the current financial year was intended to provide relief to ratepayers, but all it did was freeze property values. In other words, ratepayers would have received a rate “reduction” with the drop in property values. In



effect, they have now paid more than what they should have paid because the rates were frozen.

Once again, I call on Shire Councillors to vote with our community at today's Special Council Meeting. The ratepayers of Serpentine Jarrahdale have already been hit with \$850 increases to household bills by the State Government this year, and these proposed rate increases will further compound the financial burden, at a time when households can least afford it.

This is an important matter, and one I would have raised in my regular scheduled meeting with the President and CEO, if the President had not cancelled the meeting on 26 October 2020, and had turned up to the scheduled meeting on 25 November 2020.

Councillors, I thank you very much for your consideration of my submission, and I look forward to a positive outcome for all ratepayers in the Shire of Serpentine Jarrahdale.

**Public statement time concluded at 2.14pm.**

#### **4. Petitions and deputations:**

Nil.

#### **5. Declaration of Councillors and Officers interest:**

Nil.

#### **6. Receipt of reports:**

##### **6.1 Reports**

<b>6.1.1 – Consideration of correspondence from the Minister for Local Government regarding the rating equity project (SJ274)</b>	
<b>Responsible Officer:</b>	Director Corporate Services
<b>Senior Officer:</b>	Chief Executive Officer
<b>Disclosure of Officers Interest:</b>	No officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

##### **Authority / Discretion**

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
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## Report Purpose

The purpose of this report is to enable Council to consider correspondence received by the Shire from the Minister for Local Government dated 8 December 2020 regarding the rating equity project adopted by Council at the 20 July 2020 Ordinary Council Meeting.

## Relevant Previous Decisions of Council

*Ordinary Council Meeting – 20 May 2020 – OCM118/05/20 - COUNCIL DECISION/Officer Recommendation:*

*That Council requests that the Chief Executive Officer:*

- 1. MEETS with the Department of Local Government, Sport and Cultural Industries and Office of the Valuer General to obtain their input to the process of changing valuation methodology*
- 2. PREPARES a project plan and communication strategy to address the matters identified in this report for consideration at a future meeting of Council.*

*Ordinary Council Meeting – 20 July 2020 - OCM224/07/20 – COUNCIL DECISION/Officer Recommendation*

*That Council APPROVES that the Chief Executive Officer commence work on the project as described in the project plan and communication strategy (as contained within attachment 1) to engage with the community to review the basis of the method of valuation used for all properties in the Shire and submit for Council's consideration recommendations from that review.*

## Background

At the 20 July Ordinary Council Meeting (OCM), Council resolved to approve that the Chief Executive Officer commence work on the rating equity project as described in the project plan and communication strategy attached to the related Officer's report. This resolution followed Council's decision at the May 2020 OCM requesting the CEO to prepare a project plan and communication strategy on the matter.

The purpose of the project is to address long-term inequity in the Shire's rating model dating back more than 20 years. This means that properties in close proximity with similar uses, size and amenity are paying different rates due only to their valuation method. Informed by advice from the Department of Local Government, the valuation method applied to every property in the Shire has been reviewed.

This process has involved engaging with the community by seeking submissions before consideration by Council and then the Minister of any change to the rating method.

Those properties identified and the broader community have been encouraged to provide feedback to the Shire to assist Council in making a decision about this matter in the first quarter of 2021.

While the review's findings have yet to be finalised, the review has identified that less than 20 per cent of properties of the 12,000 properties in the Shire could potentially be moved to Gross Rental Value (GRV) to achieve a more equitable share of the rating burden.



Under section 6.28 of the *Local Government Act 1995* (the Act), only the Minister can correct the valuation method used to calculate rates. The Council does not have the authority to make the change itself but can make recommendations to the Minister.

A decision regarding the rates payable for properties, the timing of the implementation and any concessions to ratepayers is made subsequently by Council. The Council may decide to stage implementation of any proposed changes to the rating methodology.

It is important to note that no changes to rates have been made at this time nor is there any intention to backdate any rates as part of this review.

This process does not determine the rates paid by a given property. Rating decisions are made by Council at subsequent meetings of Council when determining the rate in the dollar and whether concessions are to be provided.

### **Community / Stakeholder Consultation**

In accordance with the Project Plan and Communication Strategy agreed to by Council and the Department's policy and operational guideline, in September 2020, all ratepayers in the Shire were invited to contribute information and comment as part of the review.

Following consideration of the submissions, in November 2020, letters were sent to approximately 2,300 properties advising them that their property had been identified as potentially being on the incorrect valuation category and inviting them to provide comment.

In accordance with the Department's procedure, the letters included an estimate of rates payable. This estimate, which is required by the Department to be included (as per attachment 3), is a forecast based on a hypothetical that the same rate in the dollar is to be applied as the previous period, that the estimated valuation supplied is correct and that no other concessions are applied.

As detailed in the communications strategy, in September 2020 the Shire President wrote to Mr Andrew Hastie, (Federal) Member for Canning, the Hon Matthew Swinbourn MLC, Member for East Metropolitan and Mrs Alyssa Hayden MLA. Member for Darling Range to advise the elected representatives of the review, its purpose and offer a briefing on the matter.

Shire Officers have been in regular contact with the Department of Local Government. This engagement with Departmental Officers included meetings, emails and telephone calls. These discussions were held to ensure that the process being followed by the Shire was in accordance with legislation and the Department's guideline on the matter.

### **Statutory Environment**

Rates are levied based on the valuation of a property multiplied by a rate set in the dollar. The valuation of a property is determined by the Valuer General based on either the Unimproved Value (UV) or the Gross Rental Value (GRV) of the property.

Under Section 6.28(1) of the Act, the Minister for Local Government determines which valuation method to use based on the criteria specified in the Act. Section 6.28(2) of the Act states that in determining the basis of rates the Minister is to have regard to:



- where the land is used predominately for rural purposes, the unimproved value of the land; and
- where the land is used predominantly for non-rural purposes, the gross rental value of the land.

The basis of the rating method is not a grounds for objection under section 6.76 of the Act. Section 6.80 of the Act provides that objections regarding valuation can only be made based on the accuracy of the valuation conducted under the *Valuation of Land Act 1978* and not on the basis of rating set by the Minister.

### **Comment**

As noted in the Officer's report in July, the experience across local governments is that projects to review the method of valuation normally results in community concern.

As of 10 December 2020, the Shire had received 210 submissions on this matter.

The project has recently attracted media attention and an increase in community feedback, especially through social media. This is not unusual for a project of this type and reflects concerns in the community regarding rates and the complexity of the process.

The engagement with the community has enabled Officers to explain the rationale of the review better and the key message that the project's purpose is correcting rating inequity.

While the public consultation period is still open the public feedback received has been very useful. The feedback received has reaffirmed the results of community perception surveys that value for money for rates is a key priority, as is roads and verge maintenance. This feedback is informing both the review and wider consideration of Shire priorities.

However, on 8 December 2020, the Shire received correspondence from the Minister for Local Government (attachment 1).

The Minister's correspondence requests that the Shire defer the rate review project in response to the COVID-19 pandemic and associated economic down-turn.

As only the Minister has the legal power to correct the basis of rating used in the Shire, it is Officer's opinion that it is appropriate to defer the project and engage with the Government to identify alternatives in the longer term.

### **Options and Implications**

#### Option1

That Council:

1. Noting the correspondence dated 8 December 2020 received from the Minister for Local Government, DEFERS work on the Rating Equity Project as outlined in the project plan and communication strategy adopted by Council at the 20 July Ordinary Council Meeting.
2. REQUESTS that the Shire President and Chief Executive Officer engage with the Government to identify options for a way forward to address rating inequity in the Shire in the long term.
3. REQUESTS that the Chief Executive Officer write to all property owners to advise them of Council's resolution on this matter.



### Option 2

That Council:

1. DECLINES the Minister's request to defer the rating equity project
2. REQUESTS that the CEO to continue to progress the project in accordance with the adopted project plan.
3. ADVISES the Minister and the community that no decisions or changes will be implemented until the COVID-19 Pandemic State of Emergency has been lifted.

### Option 3

That Council:

1. Noting the correspondence dated 8 December 2020 received from the Minister for Local Government, DEFERS work on the Rating Equity Project as outlined in the project plan and communication strategy adopted by Council at the 20 July Ordinary Council Meeting.
2. REQUESTS the Chief Executive Officer does not proceed with exploring alternative means to address rating inequity in the Shire.
3. REQUESTS that the Chief Executive Officer write to all property owners to advise them of Council's resolution on this matter.

Option 1 is recommended.

## **Conclusion**

The rating burden across the Shire should be fair, objective and conducted in accordance with the provisions of the Act. As only the Minister can correct the rating inequality that may be present and has asked Council to defer work to recommend revisions, it is recommended that Council agree to defer work and engage with the Government to identify options for consideration in the longer term.

## **Attachments (available under separate cover)**

- **6.1.1 - attachment 1** – Correspondence from the Hon David Templeman MLA, Minister for Local Government (IN20/32107)
- **6.1.1 – attachment 2** – Department of Local Government Operational Guideline – Changing methods of valuation of land (E20/14318)
- **6.1.1 - attachment 3** – Department of Local Government Rating Policy: Valuation of Land (E20/14358)

## **Alignment with our Strategic Community Plan**

<b>Outcome 4.2</b>	A strategically focused Council
<b>Strategy 4.2.2</b>	Ensure appropriate long term strategic and operational planning is undertaken and considered when making decisions



## Financial Implications

There are few immediate financial implications of Council's decision.

To date \$24,000 of the \$40,000 set by Council in the 2020-21 annual budget has been expended on the project. The remaining funds could be used to advise the Community of Council's decision.

## Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	<i>That rating inequity identified will not be addressed in the short-term resulting in community concern.</i>	<i>Engagement with the Government to identify alternative means of addressing rating equity</i>	<i>Reputation</i>	<i>Likely</i>	<i>Major</i>	<i>HIGH</i>	<i>Regular communication to Council and the community on any outcomes of engagement with the Government on this matter</i>
2	<i>The Shire faces sustained public criticism based on a perception that the project is linked to rates increases.</i>	<i>Engagement with the community and elected members</i>	<i>Reputation</i>	<i>Almost certain</i>	<i>Catastrophic</i>	<i>HIGH</i>	<i>Further engagement with the community and elected members</i>
3	<i>That rating equity identified will not be addressed in the foreseeable future.</i>	<i>Nil</i>	<i>Reputation</i>	<i>Likely</i>	<i>Major</i>	<i>HIGH</i>	<i>Nil</i>

Any risks with a **SIGNIFICANT** or **HIGH** risk rating will require ongoing reporting to the Audit, Risk and Governance Committee, and any risks with a **HIGH** risk rating will require a specific risk treatment plan to be developed and ongoing reporting to Council.

**Voting Requirements:** Simple Majority



Officer Recommendation

That Council:

1. Noting the correspondence dated 8 December 2020 received from the Minister for Local Government, DEFERS work on the Rating Equity Project as outlined in the project plan and communication strategy adopted by Council at the 20 July Ordinary Council Meeting.
2. REQUESTS that the Shire President and Chief Executive Officer engage with the Government to identify options and a way forward to address rating inequity in the Shire in the longer term.
3. REQUESTS that the Chief Executive Officer write to all property owners in the Shire to advise them of Council's resolution on this matter.

**Councillor Atwell left the Chambers at 2.33pm.**

**Councillor Atwell returned to the Chambers at 2.34pm.**

**SCM378/12/20**

**COUNCIL RESOLUTION**

**Moved Cr Rich, seconded Cr Byas**

**That Council:**

1. **Noting the correspondence dated 8 December 2020 received from the Minister for Local Government, DOES NOT proceed with the Rating Equity Project as outlined in the project plan and communication strategy adopted by Council at the 20 July Ordinary Council Meeting.**
2. **REQUESTS that the Shire President and Chief Executive Officer engage with the State Government to identify options and a way forward to address rating inequity in the Shire in the longer term.**
3. **REQUESTS that the Chief Executive Officer write to all property owners in the Shire to advise them of Council's resolution on this matter.**

**CARRIED 6/1**

*Councillor Coales, in accordance with Section 5.21(4)(b), Local Government Act 1995 requested the votes be recorded.*

*Councillors Rich, Atwell, Byas, Denholm, Strange and Strautins voted FOR the motion.  
Councillors Coales voted AGAINST the motion.*

*Reason for Amended Officer Recommendation*

*To alleviate stress to the community during the Covid-19 pandemic and to allow other options to be explored in the longer term.*



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**7. Motions of which notice has been given:**

Nil.

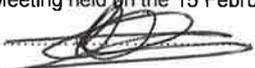
**8. Urgent business:**

Nil.

**9. Closure:**

There being no further business, the Presiding Member declared the meeting closed at 2.39pm.

I certify that these minutes were confirmed at the Ordinary Council Meeting held on the 15 February 2021.

  
.....  
Presiding Member – Councillor Rich

25/02/2021

Date