Submissions

Name .	Submission	Response
E.J.Angus	With reference to the above notice, I am the owner of 79 Scotsdale Road, Denmark, and I wish to lodge the following submission in accordance with that Notice. Having reviewed the document "describing the objectives and reasons of the proposed differential rating system" I was unable to find any detail of proposed expenditure to justify the apparently excessive increase in the rates as shown. Given that there was a similar increase in the prior financial year, I would expect to see some reason for the increase which is some 4 times the CPI. In the absence of any such justification, or any detail of proposed unusual expenditure which might provide a reason for the increases proposed, I strongly object to proposed increased in the order of 4% being implemented. An increase in the order of the CPI, or even commensurate with those imposed by neighbouring shires, (roughly2%) would be far more appropriate.	Council's decision to increase rates by 4% was influenced by a number of factors including the Shire's broader financial and asset management position. The 2018/19 budget is based upon two key elements; 1. A focus on renewing and maintaining existing assets 2. A focus on improving our ratio performance and overall Financial Health Indicator The Shire has been undergoing a comprehensive asset management and long term financial planning process. The results confirm that the Shire has numerous infrastructure assets in either poor or very poor condition. The 2018/19 budget looks to improve this position in a responsible and considered manner. The 2018/19 budget includes a $7.1m capital program. Of significance is • $4.25m for roads, • $2.1m for land and buildings (including the McLean Oval redevelopment and the upgrade of the Plane Tree precinct) • $650k plant replacement program.
G.M.Bowley	Thank you for the opportunity to comment on the Shire of Denmark's proposed differential rating arrangements for 2018/2019. The invitation, published on 21 June 2018, refers to documents describing the objects and reasons for the proposed differential rating system and I have reviewed those documents and have no major comments on the structure of the proposes rating method. One issue that you may wish to consider is the lack of time available to the community to seriously analyse the complexities involved in the differential rates. While 21 days probably meets the minimum period required for public consultation I suggest that a staged and much longer period of engagement would result in greater community understanding of this central Issue.	The Shire advertise notice of intention to levy differential rates and notice for a period of a least 21 days, as per the mandatory requirements under section 6.36 of the LG Act. The CEO attends monthly ratepayer meetings to increase engagement with DRRA on rating issues. Council has recently nominated a Councillor delegate to the DRRA to act as a conduit for information from the Shire. Council's decision to increase rates by 4% was influenced by a number of factors including the Shire's broader financial and asset management position. The 2018/19 budget is based upon two key elements;

	You will recall that I was a member of a DRRA group that met, on 16 March 2017, with you and Mr Green to canvas ways to create greater awareness of the Shire's rates and financial expenditures. I am not aware of any subsequent change in the Shire's approach to providing the community with more user-friendly key financial data sets. As a regular attendee at Council meetings I consider I have at least an average knowledge of matters that come before Council. Despite this I find that I am unable to offer any substantive comments or suggestions in relation to the proposed 2018/2019 rates increases. I am not aware of any published information on proposed, routine or otherwise, expenditure plans that the Shire has taken into account in determining the draft rate Increases. Of course, the community is well aware, in broad terms, of the considerable work being undertaken to update important documents like the Asset Management Plan and LTFP. This however does not assist me in considering the need to impose average rate increases of 4 times the CPI increase for WA and possibly double the rates increases in adjacent local government areas. On principle then, I am left with no alternative than to object strongly to the published draft rate increases which appear to be both unnecessarily large and when compared with 2017/2018, CPI and other local governments.	1 A focus on renewing and maintaining existing assets 2 A focus on improving our ratio performance and overall Financial Health Indicator The Shire has been undergoing a comprehensive asset management and long term financial planning process. The results confirm that the Shire has numerous infrastructure assets in either poor or very poor condition. The 2018/19 budget looks to improve this position in a responsible and considered manner. The 2018/19 budget includes a $7.1m capital program. Of significance is • $4.25m for roads, • $2.1m for land and buildings (including the McLean Oval redevelopment and the upgrade of the Plane Tree precinct) • $650k plant replacement program. The asset management condition assessment and asset sustainability ratio suggest the Shire will need to intervene and increase the amount of renewal expenditure applied annually. For the Shire to improve its performance in this area and start addressing the renewal backlog, the Shire will need to more than double its renewal expenditure each year.

Rev Dr Elizabeth Joy Sanderson	You have requested comment on the proposed property rates for 2018/19. You have proposed a rate increase of 4.15% (4% last year), and I consider this to be immoral! It is ridiculously high, considering the following factors: 1 The city of Albany's rate increases last year was 2.5% 2 Plantagenet's 3 % 3 The CPI is 0.9% 4 State Government increases in charges for electricity, water and vehicle insurance will hit every household with an extra $300 this year. 5 Denmark Shire permanent staff is 85, giving a budget efficiency ratio of 1 staff member per 60residents, compared with Albany's 1 per 100 residents. We must reduce our number of staff, and perhaps just combine with Albany and Plantagenet. All these increases, and we still haven't even got a 25 metre, pool! Listen to the voice of reason!	The budget has been prepared with a proposed increase of 4% to the rate in the $, of all differential rate categories The Shire has been undergoing a comprehensive asset management and long term financial planning process. The results confirm that the Shire has numerous infrastructure assets in either poor or very poor condition. The 2018/19 budget looks to improve this position in a responsible and considered manner. The 2018/19 budget includes a $7.1m capital program. Of significance is: • $4.25m for roads. • $2.1m for land and buildings (including the McLean Oval redevelopment and the upgrade of the Plane Tree precinct). • $650k plant replacement program. Council's decision to increase rates by 4% was influenced by a number of factors including the Shire's broader financial and asset management position. The 2018/19 budget is based upon two key elements; 1. A focus on renewing and maintaining existing assets. 2. A focus on improving our ratio performance and overall Financial Health Indicator. The proposed 4% rate increase is based on indicators and financial information relevant to the Shire of Denmark's Social, Economic and Geographic factors, not neighbouring municipalities. The number of full time FTE staff at the Shire of Denmark is 68.70 not 85 as incorrectly circulated by other sources.

Barbara Marshall	I wish to make a comment about the proposed rate increases for the forthcoming year. It is my experience that the Shire of Denmark always has high increases compared to other local governments. As farmers our income doesn't follow the same year on year increases of the community in general, in fact this year our income has dropped again due to varying commodity prices. There was a council policy once that stated increase shouldn't be any more that 2% above CPI. What a joke. The high increase on vacant land is a blatant rip off as there are no extra services delivered to this land. I think council needs to reduce spending on the FEEL-GOOD items so it can concentrate on basic core services like roads that everyone in the community use every day. Handing out money to many organisations could be reduced for the time being as if their cause is so needed the community will fund it without compulsory payment via rates. Rate increases too high.	Council's decision to increase rates by 4% was influenced by a number of factors including the Shire's broader financial and asset management position. The 2018/19 budget is based upon two key elements; 1. A focus on renewing and maintaining existing assets. 2. A focus on improving our ratio performance and overall Financial Health Indicator. The Shire has been undergoing a comprehensive asset management and long term financial planning process. The results confirm that the Shire has numerous infrastructure assets in either poor or very poor condition. The 2018/19 budget looks to improve this position in a responsible and considered manner. The 2018/19 budget includes a $7.1m capital program. Of significance is • $4.25m for roads. • $2.1m for land and buildings (including the McLean Oval redevelopment and the upgrade of the Plane Tree precinct). • $650k plant replacement program.
Brian Humphries	1. It is difficult to comprehend how the Shire intended the general public might make constructive comment on the proposed property rates without the Shire also advising justification based on Council's proposed projects and priorities for FY18-19. 2. The Notice of the proposed rates (the figures were only showing "cents/$ of valuations") did not explicitly inform the public of the proposed changes that otherwise could have also easily been included in a form more readily understood by the general public (see proposed as attached). The Notice demonstrates a definitive disconnect between the pursuit of transparency and lack of clarity of expression. 3. The Notice advised that the property rate for GRV improved land is to be increased by an overall average of 4.14% compared to last year's overall average of 4.0%. Vacant land rates will increase by an average 6.17	The Shire advertise notice of intention to levy differential rates and notice for a period of a least 21 days, as per the mandatory requirements under section 6.36 of the LG Act. The budget has been prepared with a proposed increase of 4% to the rate in the $, of all differential rate categories. The % increase rate calculations tended in this submission are incorrect (see table below). Council's decision to increase rates by 4% was influenced by a number of factors including the Shire's broader financial and asset management position. The 2018/19 budget is based upon two key elements; 1. A focus on renewing and maintaining existing assets.

		2. A focus on improving our ratio performance and overall Financial Health Indicator. The 2018/19 budget looks to improve this position in a responsible and considered manner. The 2018/19 budget includes a $7.1m capital program. Of significance is: • $4.25m for roads. • $2.1m for land and buildings (including the McLean Oval redevelopment and the upgrade of the Plane Tree precinct). • $650k plant replacement program.
	4. By way of comparison, the City of Albany's average rate increase last year was 2.5% and Plantagenet's 3%. Their proposed rates for 18/19 are not yet published. The prevailing CPI for WA is currently about 0.9%. State Government increases in 18/19 for electricity, water and vehicle registration will hit every household by about $300. 5. When compared to all the above facts, the Shire's proposed rate increases for FY18/19 are considered to be extravagant for a small rural Shire. When also compared to comparable valued property in Perth, they are excessive	The proposed 4% rate increase is based on indicators and financial information relevant to the Shire of Denmark's social, economic and geographical factors, not neighbouring municipalities.
	6. That excessiveness is more clearly reflected in the Shire's rate revenue to have increased 32% in the past 6 years during which time the comparable cumulative CPI increases have been about 10%. Whilst figures are not readily available, the Shire's ballooning staffing costs are considered to have been the main contributor to cause the heightened rate revenue increases and, as a consequence, those excessive staffing costs have sucked rate revenue that otherwise might have been allocated for essential services. 7. The attached media release "Council pay soars 17pc" is indicative of a wider problem involving other local governments' expenditures that are suggested to validate "ratepayers having a right to question whether we are getting value for money from those increased costs". The above quoted 32% increase in rate revenue over the past 6 years – as a possible comparator/indicator of excessive salary cost increases in Denmark - is supported by the media article. 8. The above costs are clearly highlighted in the current Shire staffing of 85 FTEs (plus an	The number of full time FTE staff at the Shire of Denmark is currently 68.70 not 85 as incorrectly stated in this submission and also incorrectly circulated in the community.

	escalating use of external consultants which in 16/17 tallied about $600,000) that, when expressed in terms of an arbitrary ratio of staffing levels against rate revenues, shows Albany has 1 staff member per 100 residents whilst it is 1 per 65 for Denmark. Would amalgamation with Albany achieve greater efficiencies and lowered property rates?	
	9. A contrary and more challenging perspective on the above excessiveness of the proposed rates is reflected in the rates for GRV Holiday Homes that are considered far too low. 10. Whilst permanent residents have long expressed resentment of having Holiday Homes in Residential Zoned areas, those residents will be further alarmed to learn that the difference in property rates for comparable GRV-rated properties is no more than about $250. 11. For example, the difference in rates payable for a property with a GRV of, say, $20,000 would for a "GRV Residential Developed" property (10.1995) be $2039. For a "GRV Holiday Home Developed" (11.4109) it would be $2282 – a difference of only $243. For ensuing discussion purposes, this figure is hereinafter called the "Residential Rate Penalty" applicable when an ordinary residential property gets re-zoned and converts to a GRV Holiday Home but which (as discussed later) the Shire's rates make no difference as to whether the GRV Holiday Home is approved as Small (6 persons) or Large (12 persons) in accord with the Shire's Holiday Home Policy. 12. Despite prior conversations with the Shire's Cary Green on the above issues, I am not aware how the Shire differentiates the GRV property rate revenue due for a Small or Large Holiday Home and which is missing and/or not shown in the proposed rates table. 13. Using data that I compiled for the Shire in a recent exercise to help the Shire validate its Holiday Home Register, there are currently 118 registered Homes and a further estimated 50 listings of Airbnb, Gumtree and Home-Away (not including chalets and other forms of short-stay accommodation such as villas and units) that are not currently registered with the Shire. The overall total of Holiday Homes is thus about 170 such properties that are all physically located in the Residential zones. I have further checked the ownership of those Holiday Homes against the Shire's property register and have concluded about	GRV Holiday Use – consists of predominantly residential land approved for short term holiday accommodation. They have a premium % applied against the GRV base rate, reflecting the additional costs associated with holiday use properties. This rate is applied to all Holiday Use properties. The GRV is based on the valuation from Landgate and will be more for larger properties, as such the rates payable for the larger properties will be more. (e.g. Landgate will place a higher value on a property with 4 bedrooms and 2 baths than a property with 2 bedrooms and 1 bath. The Shire then give them both the same rate code GRV Holiday Use Developed. The larger property (e.g. Holiday Home large) would pay more in rates.

	85% to 90% are absentee owned – that is, by people who do not live in the Shire. The implications of this are discussed below. 14. If the general public were more aware of the paucity of the above "Residential Rate Penalty" combined with awareness of the advantage the owners of such properties have to claim all expenses (eg rates) as tax deductions against their negatively-geared investments in such properties then such awareness would simply inflame resentments towards the existence of Holiday Homes in Residential areas even further.	
	15. An additional issue to complement the above issues involving GRV Holiday Homes is the disparity in the property rates between the GRV Holiday Homes and the other forms of short-stay accommodation that are located on Rural-zoned properties and/or on land specifically zoned as Tourism (the latter is not discussed in this submission as Tourist-zoned properties are rated separately). The Rural-zoned properties each have the "UV Additional Use" surcharges added to the UV-determined base rates for a property and are shown in the Notice as four different categories – "UV Additional Use 1" through "4". 16. The previously calculated "Residential Rate Penalty" that was established between the GRV Residential and GRV Holiday Home Use Developed of only about $250 highlights the "un-level playing field" when compared to the Additional Use Surcharges that are added to the UV-rated short-stay properties in short stay accommodation (predominantly chalets and B&Bs). The monetary value of these surcharges, and hence validating concerns of an "unequal playing field", is shown in the Notice by the minimum additional payments for such properties that range from $1303 up to $1824. 17. The Shire's Rates Policy describes a method to distinguish between different categories of non-rural use (such as chalets, wineries, restaurants etc) on UV-rated properties as "Additional Use" surcharges not otherwise provided for in a rural property's base UV rates as follows:	Additional use properties have a premium % applied against the UV base rate, based on the number of additional uses, reflecting the additional cost to Council of servicing such land, of which the predominant non-rural use is tourism-related.
	Q. 20 – 22 – Statement	
	Q. 23 – 26 – Statement	
	Q. 27 – 28 - Statement	

Rates calculation for proposed 4% increase

RATE TYPE		2018/2019			2017/2018	
		Rate in $	Minimum $	Rate Increase 4%	Rate in $	Minimum $
Differential General Rate						
Code	***GRV improved land***					
1	Residential Developed	10.1995	1065	4%	9.8072	1,024
2	Business/Commercial Developed	10.9458	1185	4%	10.5248	1,139
3	Lifestyle Developed	10.2319	1092	4%	9.8384	1,050
4	Rural Developed	10.9782	1092	4%	10.5560	1,050
5	Holiday Use Developed	11.4109	1173	4%	10.9720	1,128
	GRV vacant land					
6	Residential Vacant	20.3340	968	4%	19.5520	931
7	Business/Commercial Vacant	14.4285	1076	4%	13.8736	1,035
8	Rural Vacant	15.4669	1076	4%	14.8720	1,035
9	Lifestyle Vacant	19.2525	990	4%	18.5120	952
	UV land					
10	UV Base	0.5138	1303	4%	0.4940	1,253
11	UV Additional Use 1	0.5651	1434	4%	0.5434	1,379
12	UV Additional Use 2	0.6165	1564	4%	0.5928	1,504
13	UV Additional Use 3	0.6679	1694	4%	0.6422	1,629
14	UV Additional Use 4	0.7193	1824	4%	0.6916	1,754