



ATTACHMENTS

Special Council Meeting

Tuesday, 14 May 2024

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Statement of Objectives and Reason 2024/25



In accordance with Section 6.36 of the *Local Government Act 1995*, the Shire Coolgardie is required to publish its Objectives and Reasons for implementing Differential Rates.

OVERALL OBJECTIVE

Rates are required to be levied on all rateable properties within the boundaries of the Coolgardie Municipality in accordance with the *Local Government Act 1995*, Section 6.26

The overall objective of the proposed rates for the 2024/25 budget is to achieve the deficit net funding required to successfully achieve the objectives set out in Coolgardie Shire Long Term Financial plan 2021 - 2035 , with a focus on staying the course of the projected rate increases annually over this term.

Part of the Shires deliberations and consideration to all other revenue sources, expenditure and efficiency saving measures, the Local Government rating principles have been applied fairly and equitably to ensure fair contribution is achieved; based on the method of valuation reflecting predominate land use as advised by the Department of mines or Landgate or zoned area as determined by the Shires Town Planning scheme.

The Shire has also given strong consideration to the Key Values contained within the Local Government Rating Policy Differential Rates (s.6.33) a copy of the policy can be obtained from this link <https://www.dlgsc.wa.gov.au/departments/publications/publication/rating-policy-differential-rates> Or visiting the website <https://www.dlgsc.wa.gov.au>

The Department of Local Government, Sport, and Cultural Industries Rating Policy: Differential Rates, outlines the following considerations for differential rating:

- **Objectivity –**

The predominant use of land should determine the basis for an objective assessment of relevant criteria. External parties should be able to understand how and why a determination was made.

- **Fairness and Equity-**

Rating principles should be applied fairly and equitably. Each property should make a fair contribution to rates based on a method of valuation appropriately reflecting predominant use.

- **Consistency –**

Rating principles should be applied, and determinations should be made in a consistent manner. Similar properties should be treated in a similar manner. The rating approach taken within neighbouring local governments shall be considered.

- **Transparency and efficiency –**

Systems and procedures for determining the method of valuation of land should be clearly documented and available for the public to inspect. This is fundamental to the “good governance” principle upon which the Act is based. The right to govern accompanies the obligation to do so openly and fairly.

The Shire of Coolgardie is to prepare and make publicly available a notice describing the object of and reason for each differential rate and advertise for a period of 21 days calling for submissions in accordance with the Act.

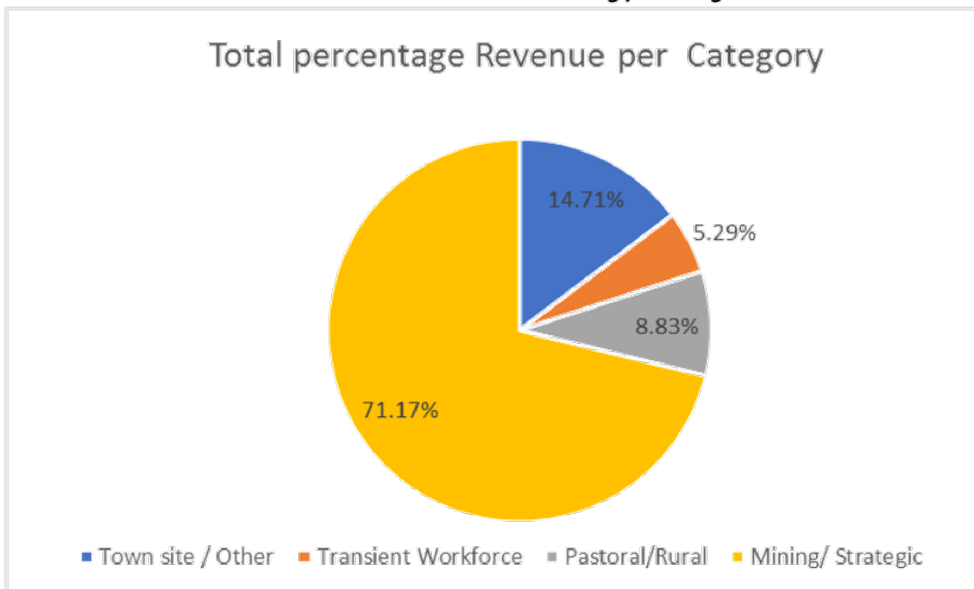
Statement of Objectives and Reason 2024/25



The Shire is to consider all submissions received within that prescribed time, ahead of adopting its annual budget.

The Shire of Coolgardie objective and reasons for differential rate charges for 2024-2025 are as follows. The rating will be based on a combination of land use, and zoning over 4 categories, to support the continuation of uniform rating across both basis of rating.

- GRV - Townsite /Other
- GRV - Mass Accommodation
- UV - Pastoral / Rural
- UV - Mining / Strategic



Council has reviewed its expenditure and considered efficiency measures as part of its budget deliberations.

The **Total Valuation** for each basis of rating is:

GRV = \$20,658,314

UV = \$42,517,705

The **Total proposed Revenue** for each basis of Rating is:

GRV = \$2,357,774

UV = \$9,253,128



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The most significant carried forward impact on the draft budget for 2023/24 has been the significant investment in the development of Kambalda Workers Accommodation Facilities, Kambalda Aerodrome & Coolgardie Waste Facilities. However, with the above-mentioned projects now finalised, this investment in new and upgraded infrastructure which had previously placed significant pressure on cashflow, is now anticipated that the Shire will see a significant positive impact on cashflow, revenue and reserves both in the short term and long term.

The below community issues continue to be given consideration during budget deliberation by the Senior Leadership team & and Elected members during budget consideration period.

- Improve Community Infrastructure
- Improve maintenance on parks, ovals, verges, and footpaths.
- Increase funding on road renewal and maintenance.
- Advocate for small and local & new businesses outside mining,
- Advocate at State level support to assist with childcare facilities to assist parents return to work.
- Support and greater focus on clean up relating to townsite areas, and general environmental awareness (reuse, recycle, reduce)
- Street lighting and footpaths.
- Provide guidance and training around family friendly services/facilities,
- Improve gravel roads,
- Promote cheap housing, to assist with attracting more families.
- Assist to establish & encourage clubs and associations, promoting more sporting/after work opportunities for all ages.
- Continue to support meals on wheels for elderly.

Clear objective and reasons for the use of all differential rating is communicated throughout the annual budget process.

GROSS RENTAL VALUE PROPERTIES (GRV)

The *Local Government Act 1995* determines that properties of a non-rural purpose be rated using the Gross Rental Valuation (GRV) as the basis for the calculation of annual rates.

The Valuer General provides upon request the GRV for all properties within the Shire Coolgardie every five years, The current active gross rental revaluation is effective from **30 June 2022 (midnight)**

Interim valuations are provided monthly to Council by the Valuer General of WA (Landgate) for properties where changes have occurred (i.e. subdivisions or strata title of property, amalgamations, building constructions, demolition, additions and/or property rezoning). In such instances Council recalculates the rates for the affected properties and issues interim rates notices.

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Table 2 - below summarises the proposed 2024/25 rate in the dollar & minimum payments for GRV:

Table 2: Proposed differential rates for 2024/25 financial year.

Proposed GRV Differential Rates 2024/2025			
Basis for Rating	Differential Rate Categories	Proposed Minimum Rate	Proposed Rate in \$
GRV	TOWN SITE / OTHER	\$771.00	\$0.08295
GRV	WORKFORCE ACCOMMODATION	\$1,539.00	\$0.27290

TOWN SITE / OTHER – Means any land:

Identified as land being used for either operations or zoned as such, as identified in the Shire of Coolgardie Local Planning Scheme. This includes but is not limited to; all the town centre, commercial business precincts, mixed business, shopping centres, Airports and Aerodromes, Industrial Estate (including care takers buildings), industrial, transport and light industry uses, Singular and multi-dwellings and/or is zoned Residential/Rural Residential approved by the Coolgardie planning department under the Local Planning Scheme.

- Holiday Accommodation, Hotel, Lodge, Motel, Tourist Development and Tourism Resort, Identified Airbnb's, Caravan Parks
- Miscellaneous Licenses (all approved uses) defined under the Mining Act 1978 that have been granted by Department of Mines, Industry and Regulation & Safety and deemed rateable, containing infrastructure on the land considered capital improvements: Local Government Act 1995 - S6.29 (1)
 - a. accommodation, recreation or administration facilities and associated buildings, or
 - b. maintenance workshops existing within 100 metres of facilities listed in (a), provided that the capital improvements have been in place for at least 12 months.

Objects: The object of this differential rate is to apply council rates via uniform rating across the “sub land uses” residential, commercial, or industrial fairly, consistently, and transparently raising revenue to fund costs associated with maintaining infrastructure renewal and services provided to these properties, or locations.

Reasons: The differential acknowledges costs associated with the provision and maintenance and renewal of infrastructure used by residential, commercial, or industrial businesses including road structure, lighting and drainage, car parking, landscaping, and higher costs in relation to infrastructure and regulatory services, landscape and infrastructure development to assist with public demand and community feedback In maintaining fairness and equity ensuring consistency with previous years. The Shire continues to monitor land ownership to minimising risk and prevention of land banking. Continues to strongly encourages all businesses equally by supporting sustainability and investing in business infrastructure that assist with business, social and economic growth and funding renewal and replacement assets programs.

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Workforce Accommodation (Transient Workforce) means any land:

- Whereby any approved transient workforce accommodation facilities are located (Transient Workers Accommodation – TWA's), OR
- Land approved and predominantly used for providing large scale accommodation for visitors to the Shire as identified in the Local Town Planning Scheme.

Objects: The object of this differential rate is to ensure that rates are distributed equitably between residents and non-residential workers, who spend a significant portion of the year in and around the Shire of Coolgardie.

Reasons: Patrons and employees of these premises are consumers of the Shires services and facilities. Mass Accommodation properties have the potential to have a greater impact on Council services and assets than other properties due to the number of occupants on a relatively small land parcel. The Council remains committed to the Shires Long term financial plan of sustainability centralised around mining, construction, maintenance, and access to the goldfields and should be housed in normal residential properties within the town boundaries.

It is only through this that the individual towns benefits from an integrated and normalised residential workforce and thereafter the community and society benefit from greater participation in community activities, including sporting and cultural bodies, and higher participation rates in volunteerism and sport.

This differential rate would maintain a proportional share of rating required to raise the necessary revenue to efficiently provide the diverse range of services and programs and associated infrastructure/facilities required for residential and urban areas. These services, programs and facilities are available to FIFO workers in the same manner as they are available to all other residents of the Shire.

Council is focussed on sustainably managing its community needs & infrastructure assets through the funding of renewal and replacement asset programs. These programs include but are not limited to investment in the resealing of roads, replacement and development of footpath networks, refurbishing of public ablutions and other building maintenance programs. In addition, these properties have access to Health; Dental all other services and facilities provided by Council.

UNIMPROVED VALUE PROPERTIES (UV)

Properties that are predominantly of a rural purpose are assigned an Unimproved Value that is provided and updated by the Valuer General on an annual basis.

Table 3 below summarises the proposed 2024/25 minimum payments and rates in the dollar for Unimproved Values:

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Table 3: Proposed differential rates for 2024/2025 financial year (UV)

Proposed UV Differential Rates 2024/2025			
Basis for Rating	Differential Rate Categories	Proposed Minimum Rate	Proposed Rate in \$
UV	PASTORAL / RURAL	\$746.00	\$0.12044
UV	MINING / STRATEGIC	\$476.00	\$0.23667

UV – Pastoral / Rural means all land:

- that has been granted a pastoral lease under the repealed Land Act 1933, OR
- renewal of pastoral leases (administered by the Department of Lands); OR
- land predominately used for pastoral activities as defined in the Land Administration Act 1997.
- Rural land outside the Shires townsite boundaries

Objects: The object of this differential rate is to be the base rate by which all other UV rated properties are assessed. Raised revenue is to provide for rural infrastructure and services in addition to the Shire's services, facilities and infrastructure which are available to be accessed by the properties in this category.

Reasons: The Shire has a continuing focus on development and diversification of Pastoral Properties in the region, encouraging development of tourism and range land activities, to further diversify the local economy, and equally supporting sustainability by investing in infrastructure and funding renewal and replacement assets programs

UV – Mining / Strategic means all land: occupied for the following purpose –
s. 6.29(1) of the Local Government Act 1995

Mining Act 1978

- Mining Leases and Licences, Exploration Licenses, Prospecting Licenses, Retention Licenses, General Purpose Leases, Special Prospecting Licenses for Gold and Miscellaneous Licenses (all approved uses) defined under the Mining Act 1978 that have been granted by Department of Mines, Industry and Regulation & Safety and deemed rateable
- Predominately used for the purpose of resource processing, OR
 - Processing or refining of fuel sources OR
 - Predominately used for the purpose of stock piling, OR
 - Strategic Industry zoned area, OR
 - Does not have the characteristics of any other UV differential rate category.

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Objects: The object of this differential rate is to reflect and raise revenue to manage the impact on the Shire's townships by mining and resource sectors.

Reasons: The impact on utilisation of urban and rural infrastructure by heavier transport and higher traffic volumes associated with resource sector operations supports the large investment that the Shire of Coolgardie makes to road and road drainage infrastructure. This services remote mining activities on rural roads throughout the municipality and reflects the extra maintenance, impacts and frequency that is required to ensure a minimum level of serviceability is achieved. Along with additional costs associated with monitoring and managing the effects of environmental impacts relating to dust, noise, air pollution and smell, and community complaints to such events which are all considered here. In addition, these properties have access to all other service facilities provided by Council. The differential rate for this category is considered to levy a proportional comparative with their impact on local community (ie: Heavy haulage vehicle movement, environmental health, and strategic planning). Equally supporting sustainability by investing in infrastructure and funding renewal and replacement assets programs also landscape and infrastructure development to assist with each Towns beautification & liveability.

The Shire has undertaken a review of both the Goldfields, Esperance Region and the Pilbara in determining the proposed differential rate.

The key points for the 2024/2025 Rating Strategy:

These Objectives and Reasons are the basis for the Shires strategy to establishes a framework to address the following key elements:

- a) Raise sufficient rates yield to maintain current services and future infrastructure renewal to meet community expectations, as outlined in the adopted Long Term Financial Plan whilst ensuring a balanced budget.
- b) That the basis of valuation for rating purposes continues to be Gross Rental Value (GRV) and Unimproved Value (UV) method. * Landgate provides values applied to all properties in the State independently.
- c) Properties are rated according to predominant land use, this classification is provided to council from Landgate; and zoning is assessed with regard the Shire Planning Scheme.
- d) Each category rate in the dollar and established minimums are set to achieve equity across all sectors and ensure a base level contribution.

** The use of differential rating is considered a means to achieve greater uniformity in annual rate revenue apportionment across property types, being subject to fluctuations in their 5-year re-value reviews.*

e) To maintain transparency and consistency each year in annual rating.

** The Shire or Coolgardie charges separately for rates, waste and State Emergency Services Levy (ESL).*

That electronic communication methods are more efficient and effective.

**Sustainable, cost effective and a future digital Coolgardie Shire.*

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SUBMISSIONS

Submissions are invited from any elector or ratepayer with respect to the proposed rates, and any related matter, within a minimum 21 days of the date of this notice.

Submissions should be addressed to the Chief Executive Officer, Shire of Coolgardie, PO Box 138, KAMBALDA WEST WA 6442 and be clearly marked Submission – Differential Rating 2024/25.

Alternatively, submissions can be emailed to mail@coolgardie.wa.gov.au.

All submissions should be received no later than 12 pm on 08 June 2024 in order to be considered as part of the final rating strategy.

James Trail
Chief Executive Officer