

Notice of Intention to Levy Differential Rates 2017-18

(Including statement of Rating Information)





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1. Intention of Levy Differential Rates

In accordance with section 6.36 of the Local Government Act 1995, The Shire of East Pilbara hereby gives notice of its intention to impose the following differential rates and minimum payments.

	Rate in \$ Cents	Minimum
Gross Rental Value – Industrial	1.5901	\$663
Gross Rental Value – Town Centre	4.4963	\$663
Gross Rental Value – Nullagine Townsite	4.4805	\$265
Gross Rental Value – Transient Workforce Accommodation	4.4963	\$663
Gross Rental Value – Other	3.1645	\$663
Unimproved Value – Pastoral/Special Leases	5.9121	\$230
Unimproved Value – AML Leases	17.7505	\$300
Unimproved Value – Mining Leases	17.7505	\$300
Unimproved Value – General Leases	17.7505	\$300
Unimproved Value – Petroleum Leases	17.7505	\$300
Unimproved Value – Exploration Leases	17.7505	\$300
Unimproved Value – Prospecting Leases	17.7505	\$300

A document describing the objectives and reasons for each proposed rate is available at the Shire Office, at the corner of Newman Drive and Kalgan Drive Newman, during office hours.

Ratepayers and electors are invited to make submissions in respect of the proposed rates by 4.00pm on Thursday, 25th May 2017

Allen Cooper
 Chief Executive Officer

2. 2017/2018 Rates – “Objects and Reasons”

In accordance with Section 6.36 of the Local Government Act 1995, the Shire of East Pilbara is required to publish its Objects and Reasons for implementing Differential Rates. Those objects and reasons are noted below:

OVERALL OBJECTIVE

The objective of Council’s rates is to collect revenue on an equitable basis in order that services to ratepayers can be provided throughout the Shire. The rates are raised to achieve a balanced budget.

The basis for calculation of rates is the Gross Rental Values (GRV) and Unimproved Values (UV) provided for each individual property in the Shire by the Valuer General’s Office. UV’s for rural properties are provided every year and GRV’s for residential, commercial and industrial properties are generally provided every three years.

Council has considered the Key Values contained within the Rating Policy Differential Rates (s.6.33) March 2016 released by the Department of Local Government and Communities, being:

- Objectivity
- Fairness and Equity
- Consistency
- Transparency and administrative efficiency

A copy of the policy can be obtained from

<https://www.dlgs.wa.gov.au/Publications/Pages/Rating-Policy-Differential-Rates.aspx>.

Council has reviewed its expenditure and considered efficiency measures as part of its budget deliberations. In particular, to improve efficiency and reduce expenditure Council has:

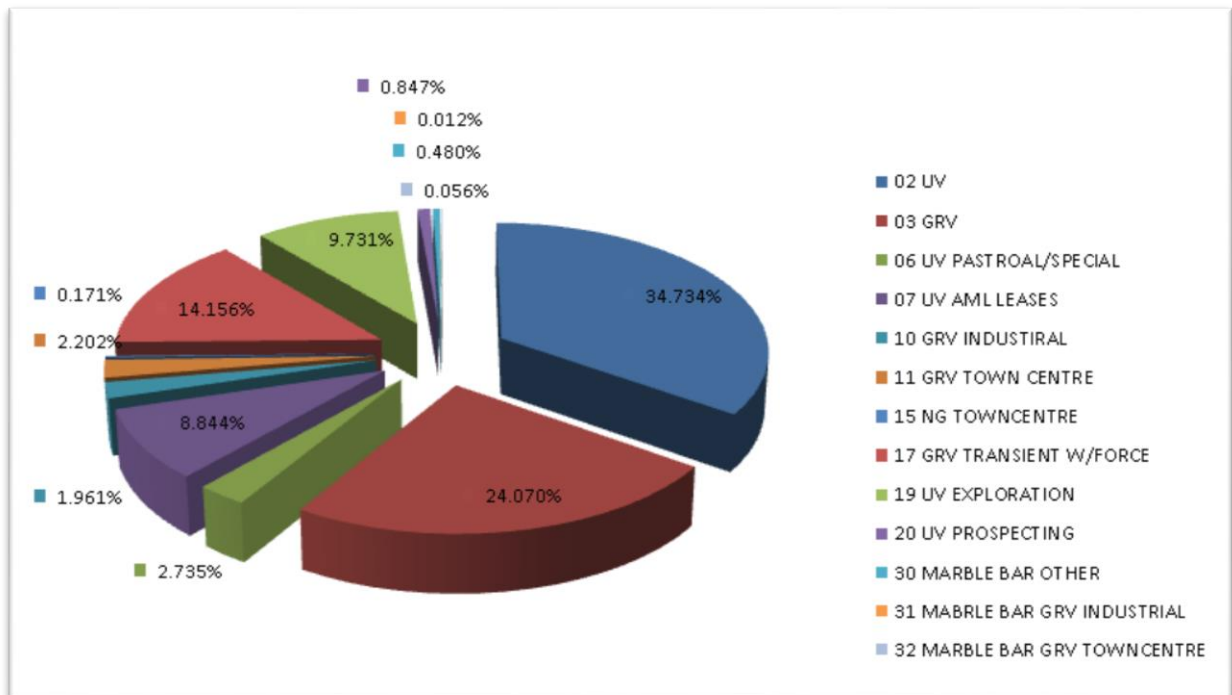
- reviewed the need for and remuneration of each position as vacancies arise;
- outsourced cleaning services for major facilities;
- deferred capital expenditure on plant;
- installed energy efficient fixtures and equipment;
- disposed of under-utilised light fleet and plant;
- negotiated reduced pricing for bulk fuel purchases;
- commenced review of options for insurance renewals;
- implemented replacement/upgrade of effluent reuse system; and

Council has determined its required rates yield after reviewing all revenue sources, expenditure and efficiency measures as part of its budget deliberations. The Rate in the Dollar applied to the valuations to determine property rates has been decreased to reflect Council’s objective of raising a total of \$10.92 million in rates based on a predominant decrease in the rate for individual properties of 5% apart from Nullagine Townsite (average rate in the dollar decrease 54.2%) and Transient Workforce Accommodation/Workforce Accommodation (rate in the dollar decrease 37.64%). This will ensure an equitable distribution of the required rates yield from one year to the next consistent with Council’s approach in previous years.

Zoning and land use codes are stipulated by the Shire’s Town Planning Scheme No 4 (TPS4) which was adopted in December 2005. In TPS4 all land outside of townsites is zoned rural (hence have UV valuations) and the land uses are mining, pastoral and special leases. The exception to this is the recent gazetting of accommodation units on some mine sites by the Department of Local Government, to allow for GRV valuations. Within the townsites the zonings include residential, industrial, town centres in Newman and Marble Bar and the transient workforce accommodation. Nullagine Townsite is classed as one zone only allowing mixed use. Townsites have GRV valuations.

The graph below represents the total rates to be levied under the proposed differential rates categories and the contribution for each category.

DIFFERENTIAL RATING



GROSS RENTAL VALUE PROPERTIES

Local Governments, under section 6.36 of the Local Government Act 1995, have the power to implement differential rating to take into account certain characteristics of the rateable land. The following rate categories have been established.

	Rate in \$ Cents	Minimum
Gross Rental Value – Industrial	1.5901	\$663
Gross Rental Value – Town Centre	4.4963	\$663
Gross Rental Value – Nullagine Townsite	4.4805	\$265
Gross Rental Value – Transient Workforce Accommodation	4.4963	\$663
Gross Rental Value – Other	3.1645	\$663

Other

This category includes any property zoned residential or otherwise that is used in a domestic capacity as determined by Council. This is the base general rate in the GRV category and has been set to maintain an equitable rate yield in comparison to past years.

Industrial

This category includes properties zoned as industrial. The rate in the dollar has been set at a lower amount to offset the relatively high valuations within this category which came about as a result of revaluations in 2008/09 when the Industrial valuations increased significantly more than other GRV properties and Council decided that to maintain the rate yield from that category plus CPI, the rate in the dollar would have to be decreased significantly. In 2012/13 the Industrial Valuations more than doubled and Council again decided, for equity and fairness, to maintain the rates yield for that category the same as others and therefore reduced the rate in the dollar again.

Townsite - Nullagine

Due to the diverse makeup of the town of Nullagine the whole of the gazetted town area has been zoned as Nullagine Town Centre. This category includes Commercial, community and residential properties with the town centre zoning. This rate was reduced by 54.2% in 2016/2017 year but is set higher than GRV Other to reflect the level of rating required to raise the necessary revenue for Council to operate efficiently and provide a diverse range of services to meet the needs of the township of Nullagine including parking public toilets and civic amenities.

Town Centre - Newman and Marble Bar

These categories include properties zoned town centre in Newman and Marble Bar. The category includes both commercial and residential properties within the town centre zoning which provides services to the town's population. This rate was reduced by 5% in 2016/2017 but is set higher than GRV Other to reflect the level of rating required to raise the necessary revenue for Council to operate efficiently and

provide a diverse range of services required of a functional town centre such as parking, public toilets and civic amenities.

Transient Workforce Accommodation

This category applies to properties where the land use is predominately Workforce Accommodation and has been equated to Town Centres which is where most other accommodation is offered. This rate was reduced by 37.64% in 2016/2017 year but is set higher than GRV Other to reflect the level of rating required to raise the necessary revenue for Council to operate efficiently and provide a diverse range of services, taking into account the impact this category has on the utilisation of community infrastructure, services and amenities within the Shire of East Pilbara.

UNIMPROVED VALUE PROPERTIES

UV Properties are assessed annually by Council to determine that the land is primarily undeveloped and used for rural purposes.

The following rate categories have been established.

	Rate in \$ Cents	Minimum
Unimproved Value – Pastoral/Special Leases	5.9121	\$230
Unimproved Value – AML Leases	17.7505	\$300
Unimproved Value – Mining Leases	17.7505	\$300
Unimproved Value – General Leases	17.7505	\$300
Unimproved Value – Petroleum Leases	17.7505	\$300
Unimproved Value – Exploration Leases	17.7505	\$300
Unimproved Value – Prospecting Leases	17.7505	\$300

Pastoral/Special Leases

This category includes properties zoned as agriculture or farming. The rate in the dollar has been set at a lower amount to offset the relatively high valuations within this category which came about as a result of revaluations in 2006-2007 when the Pastoral Lease valuations increased significantly more than Other Leases and then in 2010-2011 the Pastoral Lease Valuations more than doubled whereas the Other Leases only increased by around 3%. Council implemented differential rates which were more than double in the UV category in 2010-2011 and this has continued ever since. This rate in the dollar is set lower than UV Other in order to maintain equity and fairness in the rates yield for this category.

Other Leases (AML, Mining, General, Petroleum, Exploration and Prospecting)

This category includes properties that are leases / permits currently in development phase or 'working' mines. The rate in the dollar for this category is set higher than the UV Pastoral/Special as these assessments are serviced by East Pilbara

townships when necessary and include much higher usage of airports, roads, etc. This is the base general UV rate in the dollar which was reduced by 5% 2016/2017 and is set to maintain equity and fairness in the rates yield for this category.

Minimums

Council has also established minimum rates for each land use group. These minimums may exceed the amount that would be calculated if a particular property had its valuation multiplied by the rate in the dollar for the particular land use.

Submissions Invited

Ratepayers or Electors are invited to make a written submission in respect of the proposed rates by 4pm on Thursday 25th May 2017