

Notice of Intention to Levy Differential Rates 2018-19

(Including statement of Rating Information)





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1. Proposed Differential Rates

	Rate in \$ Cents	Minimum
Gross Rental Value – Industrial	1.8998	\$663
Gross Rental Value – Town Centre	5.7426	\$663
Gross Rental Value – Nullagine Townsite	7.3662	\$265
Gross Rental Value – Transient Workforce Accom	6.8077	\$663
Gross Rental Value – Mixed Business	3.7603	\$663
Gross Rental Value – Other	7.3662	\$663
Unimproved Value – Pastoral/Special Leases	6.0894	\$230
Unimproved Value – AML Leases	18.2830	\$230
Unimproved Value – Mining Leases	18.2830	\$230
Unimproved Value – General Leases	18.2830	\$230
Unimproved Value – Petroleum Leases	18.2830	\$230
Unimproved Value – Exploration Leases	18.2830	\$230
Unimproved Value – Prospecting Leases	18.2830	\$230

Advertised 3 May 2018 in the North West Telegraph for public comment.

2017/2018 Rate in the Dollar

	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 Accom	4.4963	\$663
Gross Rental Value – Other	3.1645	\$663
Unimproved Value – Pastoral/Special Leases	5.9121	\$230
Unimproved Value – AML Leases	17.7505	\$230
Unimproved Value – Mining Leases	17.7505	\$230
Unimproved Value – General Leases	17.7505	\$230
Unimproved Value – Petroleum Leases	17.7505	\$230
Unimproved Value – Exploration Leases	17.7505	\$230
Unimproved Value – Prospecting Leases	17.7505	\$230

2. 2018/2019 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.dlqc.wa.gov.au/Publications/Pages/Rating-Policy-Differential-Rates.aspx>

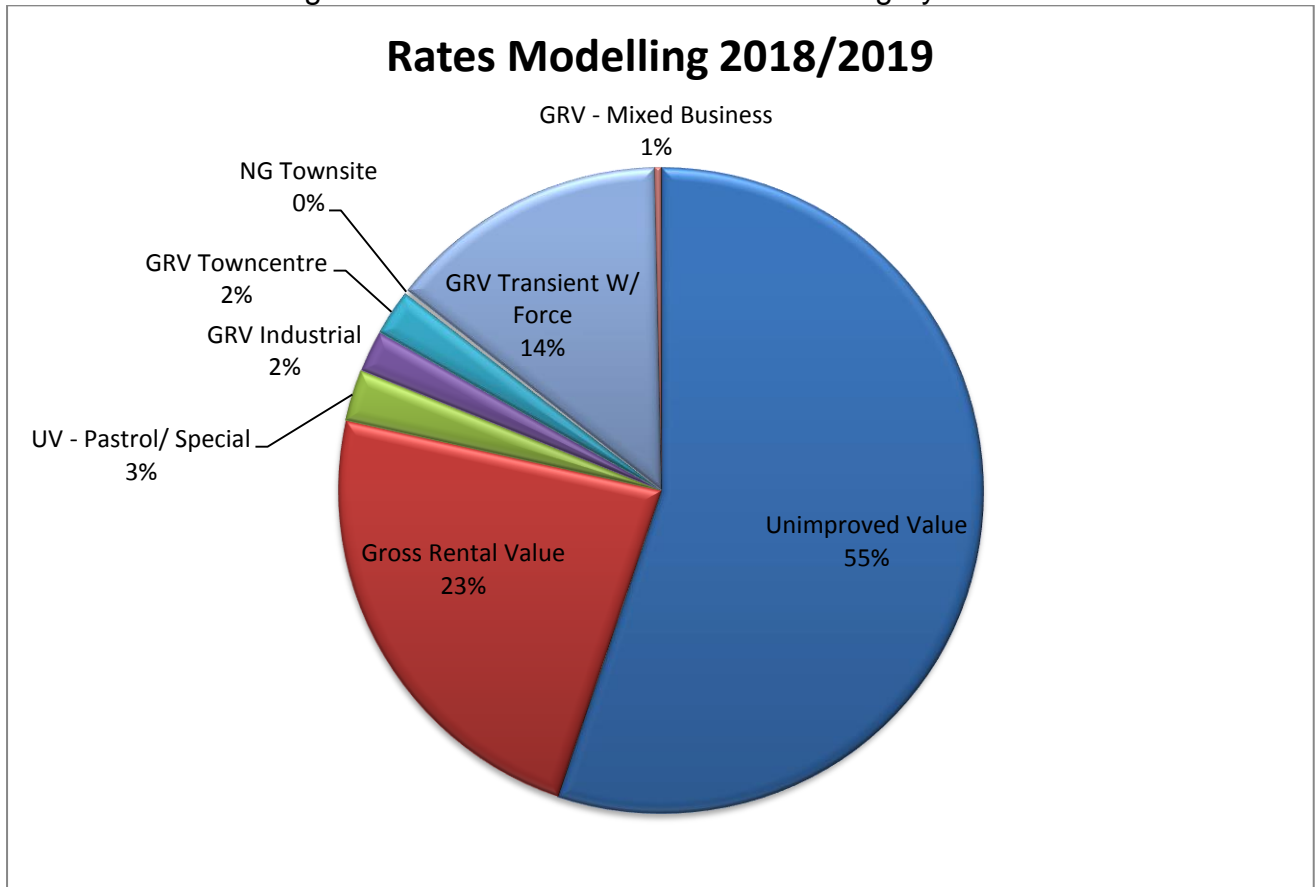
Council has reviewed its expenditure and considered efficiency measures as part of its budget deliberations. In particular, to improve efficiency and reduce expenditure Council has:

- Continue to review the need for and remuneration of each position as vacancies arise;
- reviewed capital expenditure and deferred as appropriate;
- continue to install energy efficient fixtures and equipment;
- reviewed light fleet and plant; and
- undertaking review of public building usage and service levels.

Council has determined its required rates yield after reviewing all revenue sources, expenditure and efficiency measures as part of its budget deliberations. Based on last year's rates Council has increased all categories by an average of 3%.

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.



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	1.8998	\$663
Gross Rental Value – Town Centre	5.7426	\$663
Gross Rental Value – Nullagine Townsite	7.3662	\$265
Gross Rental Value – Transient Workforce Accommodation	6.8077	\$663
Gross Rental Value – Mixed Business	3.7603	\$663
Gross Rental Value – Other	7.3662	\$663

Other

This category includes GRV properties that fall outside the other listed categories. The total revenue of this category has been increased by approximately 3% from last year, noting the revaluation changes, and reflects the level of rating required to raise the necessary revenue for Council to operate efficiently and provide a diverse range of services. 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. Subsequent revaluation have seen industrial properties reduce less than other categories and Council again decided, for equity and fairness, to maintain the rates yield for that category.

Townsite - Nullagine

Due to the diverse makeup of the town of Nullagine the whole of the gazetted town area has been zoned as Nullagine Townsite This category includes commercial, community and residential properties with the town centre zoning. This rate is set at the same rate as 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. The total revenue of this category has been increased by approximately 3% from last year, noting the revaluation changes, 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. After a significant reduction in rates in 2015/16 - 38% - last years rate was increased by 3%. The total revenue of this category has been increased by approximately 3% from last year, noting the revaluation changes, 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.

Mixed Business

This category applies to properties where the land use is Mixed Business. This will be a new category due to the 2018 GRV revaluation. These properties have not decreased by the same percent as other GRV properties. Creating this new category means these properties rate yield increases by approximately 3%, this will ensure the necessary revenue to operate efficiently and provide a diverse range of services for this category.

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	6.0894	\$230
Unimproved Value – Other Leases (AML, Mining, General, Petroleum, Exploration and Prospecting)	18.2830	\$230

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 has been increased by 3% from last year 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. There has been no increase in minimums from last year.

Council has implemented differential minimum rates for GRV properties. Although GRV residential property rates in the dollar are the same for Newman, Marble Bar and Nullagine the land use in Nullagine has been zoned as Nullagine Townsite due to the diverse makeup of the town and it is therefore considered a different category. This category only has 42 properties and because of the low value of properties in Nullagine the minimum has been set to comply with Local Government Act (1995) s6.35 (2) (3) to ensure not more than 50% of the properties fall into the minimum catchment.



Submissions Invited

Ratepayers or Electors are invited to make a written submission in respect of the proposed rates by 4pm on Friday, 25th May 2018.