

Statement of Objectives and Reason 2023/24

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

OVERALL OBJECTIVE

The purpose of the levying of rates is to meet Council's budget requirements in each financial year in order to deliver services and community infrastructure.

Property valuations provided by the Valuer General are used as the basis for the calculation of rates each year. Section 6.33 of the *Local Government Act 1995* provides the ability to differentially rate properties based on zoning and/or land use as determined by the Shire Coolgardie. The application of differential rating maintains equity in the rating of properties across the Shire.

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.dlgsc.wa.gov.au/resources/publications/Pages/ViewPublication.aspx?DocID=558>

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 reflects a 1.9% increase for 2023/24. This is estimated to raise a total of \$10.6 million in rates.

The estimated rate yield of \$10.6 million provides for Capital Works, and Programs which includes:

- Road Renewal Programme
- Development of residential units
- Waste management infrastructure improvements
- Playground renewal program
- Footpath & Drainage Infrastructure Renewal Programs
- Renewal of Plant and Equipment
- Provision of quality community services and infrastructure

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Council has reviewed its expenditure and considered efficiency measures as part of its budget deliberations. The most significant impact on the estimated surplus for 2022/23 and the draft budget for 2023/24 has been the significant investment in the development of Kambalda Workers Accommodation Facilities, Kambalda Aerodrome & Coolgardie Waste Facilities. This investment in new and upgraded infrastructure has also placed significant pressure on cashflow. It is anticipated that with the above mentioned projects now finalised, we will see a significant positive impact on cashflow, revenue and reserves both in the short term and long term.

In regard to 2023/24, the following actions have been undertaken:

Efficiency Measures:

- Continued review of the need for and remuneration of each vacant position;
- Review of Shire land and reserves to release to the market for affordable housing;
- Disposal of under-utilised light fleet and plant;
- Continued use of local suppliers whenever possible and appropriate;
- Planning for the continued implementation of GRV rating for capital improvements under the State's Rating Policy – Valuation of Land – Mining;
- Conduct of two full budget reviews each financial year;
- Diversification of Shire revenue base with the development of workers accommodation, aerodrome upgrade and expansion of Coolgardie Waste Site to a Class 3 Facility,
- Implementation of bushfire mitigation firebreaks and strategies

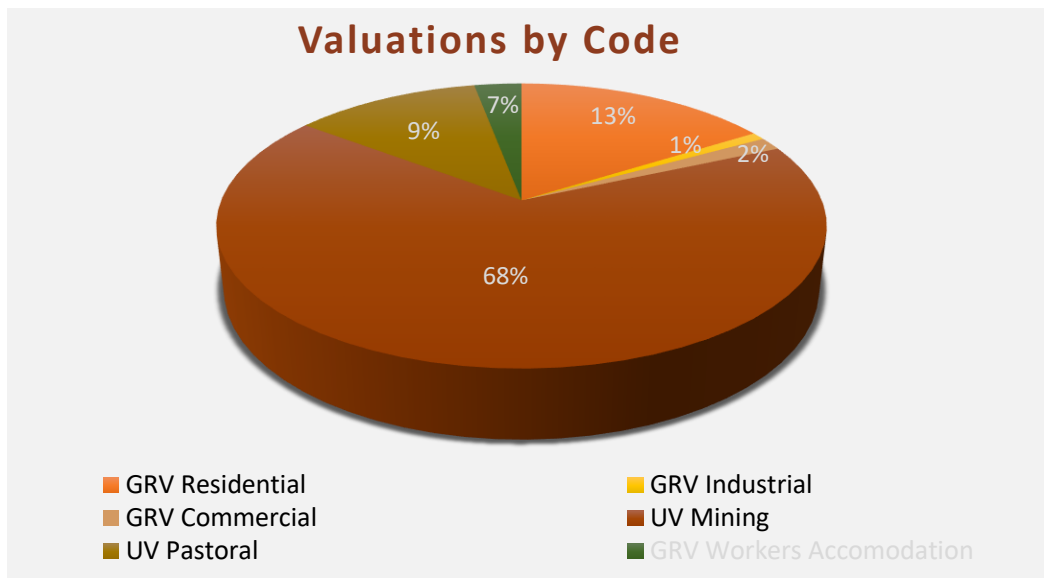
Service Improvements:

- Availability of short term workers accommodation
- Operation of Class III Cell at Coolgardie Waste Site
- Free access for all residents to the Coolgardie & Kambalda aquatic centres
- Free access for all residents to the Coolgardie & Kambalda waste facilities
- Increased hours in operation of Shire Tip Sites
- Refurbishment of Coolgardie Community Hub
- Construction of residential housing to attract and retain key worker personnel
- Improved park & playground infrastructure
- Expansion of local road and footpath network and associated infrastructure;
- Availability of land for workforce and residential housing
- Increase in frequency and areas of road maintenance;;
- Review of service levels for Shire verges, parks, ovals and gardens
- Review of service levels for waste services
- Review of service levels for provision of customer service

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Table 1 represents the Estimated total 2023/24 rates to be levied by land use / zoning.

Table 1: Indicative Percentage Rates Contribution by Land Use / Zoning



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 supplies and updates the GRV for all properties within the Shire Coolgardie every five years. The most recent general revaluation was effective from 1 July 2022.

Interim valuations are provided monthly to Council by the Valuer General 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.

Table 2 below summarises the proposed 2023/24 minimum payments and rates in the dollar for GRV:

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Table 2: Proposed differential rates for 2023/24 financial year

Proposed Differential Rates 2023/24			
GRV/UV	Differential Rate Categories	Proposed Minimum Rate	Proposed Rate in \$
GRV	Residential	\$757	0.081401
GRV	Commercial	\$757	0.081401
GRV	General Industry, Light Industry, Industrial Area, Light Industrial Area	\$757	0.081401
GRV	Strategic Industry	\$757	0.122151
GRV	Transient Workforce Accommodation / Workforce Accommodation	\$2,271	0.244202

Residential means any land:

- that is predominantly used for residential purposes;
- or
- which is vacant of any construction and is zoned as residential under the Shire's Planning Scheme.

The reason for the rate in the dollar for this category is to reflect the level of rating required to raise the necessary revenue to operate efficiently and provide the diverse range of services and programs and associated infrastructure/facilities required for residential and urban areas.

Commercial means any land:

- That is predominately used for either:
 - commercial purposes;
 - tourism purposes;
 - a combination of commercial and tourism purposes;
- or
- Which is vacant of any construction, and is zoned as Commercial, Tourism, Town Centre, or Mixed Business under the Shire's Planning Scheme.
- or
- That does not have the characteristics of any other GRV differential rate category.

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In the last two community survey the community has emphasised the need for the Council to;

- Improve Community Infrastructure
- Improve maintenance on parks, ovals, verges and footpaths
- Increase funding on road renewal and maintenance
- Attract small and local businesses outside mining,
- Encourage new business developments,
- Provide incentive for businesses to come and stay and stop making it so impossible to start up business.
- Provide childcare facilities so mums can return to work
- Need to keep the town alive, become a ghost town;
- Clean up the town – car bodies and rubbish in the bush, dirty and rundown town, entry into town is an eyesore, derelict houses getting worse,
- Street lighting and footpaths needs to be fixed;
- Improve family friendly services/facilities,
- Improve gravel roads,
- Promote cheap housing, attract more families;
- Establish/fund/encourage clubs and associations;
- Ensure water source for DFES in the event of major bushfire;
- Introduce meals on wheels for elderly;
- Provide more sporting/after work opportunities for all ages
- General environmental awareness (reuse, recycle, reduce) and street rubbish (promote tidy town).

The reason for the rate in the dollar for this category is to recognise the level of rating contribution made to operate efficiently and provide the diverse range of services and programs and associated infrastructure/facilities required. Council is focussed on trying to manage its community and infrastructure assets through the funding of renewal and replacement asset programs. Furthermore to recognise the costs associated with economic development, tourism and marketing, parking, environmental health and regulatory services and amenity.

The rate for this category results in a 1.9% increase in the rate-in-the-dollar for the 2023/24 financial year. The minimum rate of \$757, also a 1.9% increase, is to ensure that all ratepayers make a reasonable contribution for basic services and infrastructure.

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General Industry, Light Industry, Industrial Area, Light Industrial Area means any land:

- That is predominately used for either industrial purposes;
or
- Which is vacant of any construction, and is zoned as Industrial or Mixed Business under the Shire's Planning Scheme.

The reason for the rate in the dollar for this category is to recognise the level of rating contribution made to operate efficiently and provide the diverse range of services and programs and associated infrastructure/facilities required as identified above. Council is focussed on trying to manage its community and infrastructure assets through the funding of renewal and replacement asset programs Furthermore to recognise the costs associated with regulatory services and associated road networks to service industry.

The rate for this category results in a 1.9% increase in the rate-in-the-dollar for the 2023/24 financial year. The minimum rate of \$757, also a 1.9% increase, is to ensure that all ratepayers make a reasonable contribution for basic services and infrastructure.

Strategic Industry means any land that has;

1. A relevant interest as defined in s. 6.29(1) of the Local Government Act to be its gross rental value if the land has on it the following capital improvements:
 - 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.
2. A resource interest defined as land not the subject of a "relevant interest" within the meaning of s. 6.29(1) but used for:
 - a) The extraction, processing or refining of minerals as defined in s. 8 of the Mining Act 1978, or
 - b) The extraction, processing or refining of petroleum as defined in s. 5 of the Petroleum and Geothermal Energy Resources Act 1967,to be its gross rental value if the land has on it the following capital improvements:
 - i. accommodation, recreation or administration facilities and associated buildings, or
 - ii. 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.

The reasons for the category are to recognise a greater share of costs associated with economic development, heavy haulage movements and transport infrastructure associated with heavy plant and equipment. In addition, they also impact on the provision of environmental and strategic planning services as well as access to all other services and facilities provided by Council.

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If introduced in the 2023/24 financial year, it is proposed the rate-in-the-dollar would be 0.122151 for the 2023/24 financial year.

Transient Workforce Accommodation / Workforce Accommodation means any land:

- That is predominately used for the purpose of workforce accommodation;
- or
- That is predominately used for the purpose of transient workforce accommodation;

This differential rate would maintain a proportional share of rating required to raise the necessary revenue to operate efficiently and 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 and 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 all other services and facilities provided by Council.

Despite the lower rate per accommodation unit, TWA properties have the potential to have a greater impact on Council services/assets than other properties due to their number of occupants in a relatively small land parcel (i.e. concentrated coach/vehicle movements on local roads). In order to appropriately maintain and manage Council's asset and infrastructure in the longer term, a higher differential rate in the future may be proposed for this category to reflect the greater potential and actual intensity of use of Council assets and infrastructure.

The rate for this category supports Council's preferred option that the operational workforce associated with resource interests be housed in normal residential properties within the town boundaries. The Shire has undertaken a review of both the Goldfields Esperance Region and the Pilbara in determining the proposed differential rate.

The rate for this category results in a 1.9% increase in the rate-in-the-dollar for the 2023/24 financial year. The minimum rate of \$2,271, also a 1.9% increase, is to ensure that all ratepayers make a reasonable contribution for basic services and infrastructure.

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UNIMPROVED VALUE PROPERTIES (UV)

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

Table 3 below summarises the proposed 2023/24 minimum payments and rates in the dollar for Unimproved Values:

Table 3: Proposed differential rates for 2023/24 financial year (UV)

Differential Rates 2023/24			
GRV/UV	Differential Rate Categories	Proposed Minimum Rate	Proposed Rate in \$
Unimproved Value	\$	\$	%
Pastoral/Rural	\$732	0.118190	1.90%
Mining/Other	\$467	0.232260	1.90%

Pastoral/Rural means any land:

- That currently has a pastoral lease granted;
and
- That is used predominantly for the purpose of grazing (including agistment), dairying, pig- farming, poultry farming, fish farming, tree farming, bee-keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind or for any combination of these activities.

This rating category reflects the level of rating required to raise the necessary revenue to operate efficiently and provide for rural infrastructure and services in addition to the urban services, programs and infrastructure which are available to be accessed by the properties in this category.

The rate for this category results in a 1.9% increase in the rate-in-the-dollar for the 2023/24 financial year. The minimum rate of \$732, also a 1.9% increase, is to ensure that all ratepayers make a reasonable contribution for basic services and infrastructure.

Mining means any land that a mining, exploration, prospecting or retention lease and/or license has been granted;

The reasons for this category is to reflect the impact on utilisation of rural infrastructure (comparative to Pastoral) by heavy transport and associated higher traffic volumes. Consequently, there is a greater impost on the Shire's network requiring increased

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maintenance to service these users. In addition, these properties have access to all other services and facilities provided by Council.

The rate for the rate for this category results in a 1.9% increase in the rate-in-the-dollar for the 2023/2024 financial year. The minimum rate of \$467, also a 1.9% increase, is to ensure that all ratepayers make a reasonable contribution for basic services and infrastructure.

The key points for the 2023/2024 Rating Strategy:

- Raise sufficient yield to try and maintain current services and future infrastructure renewal to meet community expectations and stimulate the Shire of Coolgardie economy whilst trying to ensure a balanced budget;
- Review of the number and type of rating differential categories and move towards uniform rating across all differentials;
- Identify the rates burden more objectively
- Uniform rating will improve transparency, administrative efficiency;
- Critical analysis of the yield generated by each differential category as a percentage of the total yield, comparing to the contribution by each category, the valuation % of each category, and the services consumed;
- Provide a level of certainty and consistency for ratepayers with a stable long term rates model;
- Properties are rated according to Town Planning zonings and predominant land use with each having a separate calculated rate in the dollar and established minimums to achieve greater equity across all sectors and ensure a base level contribution.