

Statement of Objects and Reasons 2025/2026

This Statement is published by the Shire of Coolgardie in accordance with Section 6.36 of the *Local Government Act 1995* to advise the public of its objectives and reasons for implementing differential rates.

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

The overall objective of the proposed rates for the 2025/26 Budget is to achieve objectives set out in Shire's Long Term Financial Plan 2025-2035.

Below is a summary of proposed rate in the dollar and minimum payments for 2025/26:

Differential Rate Category	Proposed Rate in \$	Minimum Rate
GRV – Residential	0.089586	\$834
GRV – Commerical	0.089586	\$834
GRV – Industrial	0.089586	\$834
GRV – Transient Workforce Accommodation	0.179172	\$1,668
UV Pastoral/Rural	0.153561	\$746
UV Mining – Prospecting	0.191951	\$476
UV Mining – Exploration	0.230341	\$476
UV Mining - Other	0.307122	\$476

As part of the Shire's deliberations and consideration to all other revenue sources, expenditure and efficiency saving measures, the Local Government rating principles have been applied fairly and equitably based on the method of valuation reflecting predominant land use as advised by the Department of Mines or Landgate, or zoned area as determined by the Shire's Local Planning Scheme.

The Shire has also considered the Key Values contained within the Department of Local Government, Sports & Cultural Industry (DLGSCI) "*Rating Policy: Differential Rates*" which can be viewed at:
www.dlgsc.wa.gov.au/departments/publications/publication/rating-policy-differential-rates

The DLGSCI's *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 minimum period of 21 days, calling for submissions in accordance with the Act.

The Shire will consider all submissions received within that prescribed time, ahead of adopting its Annual Budget.

The Shire of Coolgardie's objectives and reasons for differential rate charges for 2025/26 includes the introduction of two new rating categories of:

- UV – Prospecting
- UV – Exploration

These new rate categories will allow the Shire to set rates for each category that is more reflective of the level of use of facilities and infrastructure based on the type of land activity.

As part of the budget process, Councillors have reviewed the projected changes in Operating Income and Expenditure, along with efficiency measures, proposed capital works, projects and new initiatives.

The key points around the 2025/26 Rating Strategy include:

- 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.
- Identify the rates burden more objectively.
- Levels of rating to improve transparency and 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.

Clear objectives and reasons for the use of all differential rating is communicated throughout the Annual Budget process.

The estimated rate yield of \$14.95 million provides for capital works, services and programs which include:

- Road Renewal Program
- Provision of medical services
- Waste management infrastructure improvements
- Playground renewal program
- Footpath and Drainage Infrastructure Renewal Programs
- Renewal of Plant and Equipment
- Provision of quality community services and infrastructure

The Shire's management team have assessed the fees and charges for 2025/26 and increased these where necessary to ensure that the cost of providing the service is being met, and to also reduce reliance on increasing rates to subsidise.

Additional revenue received from an increase in rates will be used to return the programs and services to the level that is expected by ratepayers and residents, to enhance lifestyle and encourage residency.

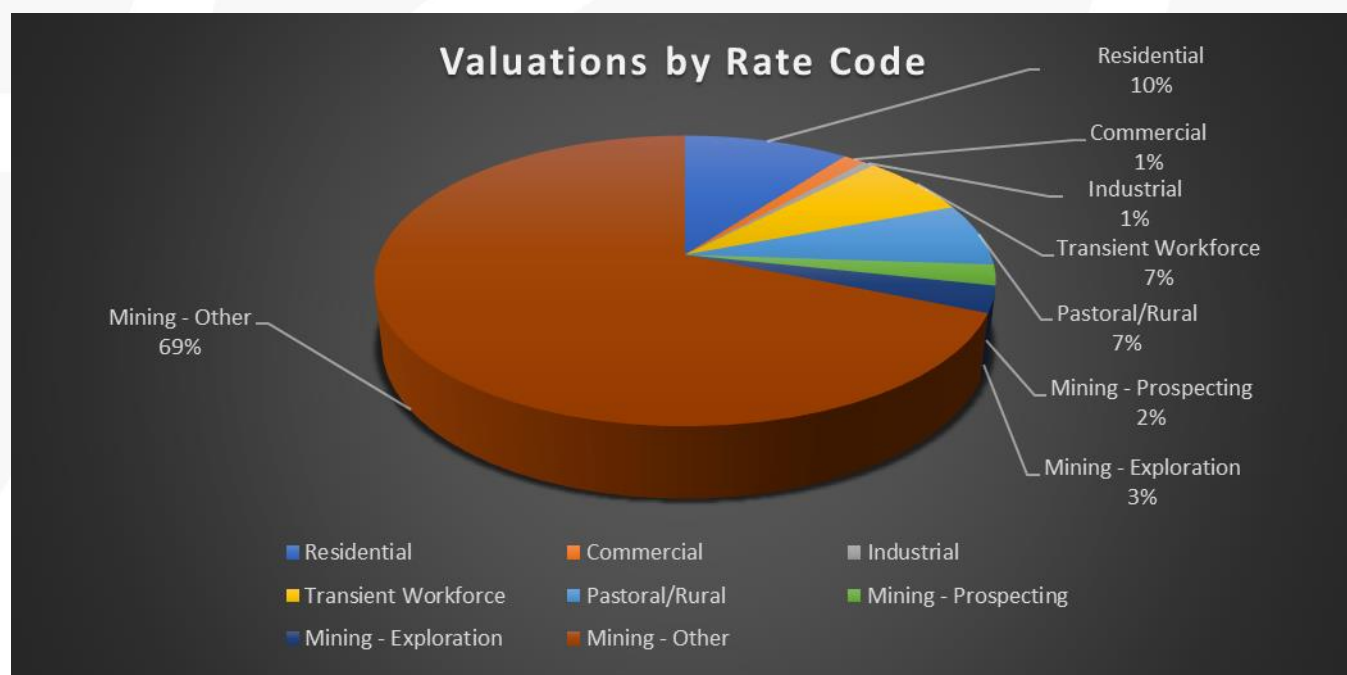
Council has reviewed its expenditure and considered efficiency measures as part of its budget deliberations. The most significant impact on the estimated surplus for 2024/25 and the 2025/26 Draft Budget has been the significant investment in the development of Kambalda Workers' Accommodation Facilities, Kambalda Aerodrome and Coolgardie Waste Facilities.

This investment in new and upgraded infrastructure has also placed significant pressure on cashflow. It is anticipated that with the abovementioned projects now finalised, the Shire will see a significant positive impact on cashflow, revenue and reserves - both in the short term and long term.

Further operational assessment will be undertaken throughout the next budget period as Council conducts regular reviews to ensure all revenue and expenditure streams are in line with current projections. This will include the assessment of several large assets that have been underperforming to potentially seek to sell these assets to realise the capital value from them and extinguish long term debt.

Table 1 below represents the estimated total 2025/26 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 provides the GRV for all properties within the Shire of Coolgardie every five years, or on request following significant alterations to the property. In such instances the Shire recalculates the rates for the affected properties and issues interim rates notices.

The current active GRV came into effect on **01 July 2022**.

TOWNSITE / OTHER

Identified as land being used for residential or public use purposes, or zoned as such as identified in the current Shire of Coolgardie Local Planning Scheme. This includes but is not limited to:

- Residential properties (houses or vacant land).
- Land within townsite boundaries that is used by organisations that operate for community benefit (health and medical centres, art centres, sports clubs etc).

Objects: The object of this differential rate is to apply Shire rates via uniform rating across the “sub-land uses” that are within townsite boundaries consistently, and transparently raising revenue to fund costs associated with maintaining infrastructure renewal and services provided to these properties or locations. This is to ensure that all properties contribute an equitable amount to the services desired and required by the community.

Reasons: The differential rate acknowledges costs associated with the provision, maintenance and renewal of infrastructure used by residents and ratepayers for day-to-day living, including but not limited to:

- road networks
- footpaths
- lighting
- drainage
- landscaping

Council’s goal is to maintain and improve the Shire’s infrastructure and further encourage and support development within the townsites.

INDUSTRIAL

Identified as land being used for industrial purposes, or zoned as such as identified in the current Shire of Coolgardie Local Planning Scheme. This includes but is not limited to:

- Land used for industrial purposes
- Vacant land that is zoned as industrial

Objects: The object of this differential rate is to apply Shire rates to income-producing facilities, to raise revenue to fund costs associated with the provision of services available to these properties or locations.

Reasons: This category acknowledges the costs associated with the provision and maintenance of infrastructure used by industrial businesses, typically by heavier vehicles and more frequent vehicle movement compared to that of residential areas.

The Shire strives to encourage local business by supporting sustainability and investing in infrastructure that assists with business, social and economic growth, and funding asset renewal and replacement programs.

COMMERCIAL

Identified as land being used for commercial purposes - or zoned as such as identified in the current Shire of Coolgardie Local Planning Scheme. Land used for commercial purposes is typically small areas amongst residential areas that is used for the enhancement of living, or tourism and culture purposes. Commercial properties include, but are not limited to:

- Shopping centres, chemists, newsagencies
- Restaurants, taverns, cafes and delis
- Service stations
- Hotels, motels and caravan parks

Objects: The object of this differential rate is to apply Shire rates to income-producing facilities, to raise revenue to fund costs associated with the provision of services available to these properties or locations.

Reasons: This category acknowledges the costs associated with the provision and maintenance of infrastructure used by commercial businesses which attract a higher amount of foot and vehicle traffic on a more condensed area of land. Heavier vehicles can be associated with commercial properties, as they are required to deliver the larger amount of goods or specialised services to those properties.

The Shire strives to encourage local business by supporting sustainability and investing in infrastructure that assists with business, social and economic growth, and funding asset renewal and replacement programs.

WORKFORCE ACCOMMODATION (Transient Workforce)

This rate category encompasses properties that are used for providing short term accommodation and associated facilities for transient employees and contractors. It is 'camp-style' lodging as approved either by the Local Planning Scheme, or as approved by the Minister for Local Government where the camp is situated outside of town boundaries.

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 Shire's services and facilities. Mass accommodation properties have the potential to have a greater impact on Shire services and assets than other properties due to the number of occupants on a relatively small land parcel. Council remains committed to the Shire's Long Term Financial Plan of sustainability centralised around mining, construction, maintenance, and access to the Goldfields.

It is only through this that the individual towns benefit 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, asset renewal requirements, 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. The rate for this category supports Council's preferred option that the operational workforce associated with the resource sector be housed in normal residential properties within the townsite boundaries.

UNIMPROVED VALUE PROPERTIES (UV)

The Local Government Act 1995 provides that properties predominantly used for a rural purpose are assigned an Unimproved Value as supplied and reviewed by the Valuer General on an annual basis. The unimproved value of land refers to the market value of the land in its natural state without improvements such as buildings, fences, dams etc.

The rate in the dollar set for the UV Rural/Pastoral category forms the basis for calculating all other UV differential rates. Interim valuations are provided regularly to the Shire by the Valuer General for properties where changes have occurred during the year (ie, subdivisions of property, amalgamations, and/or property rezoning). In such instances the Shire recalculates the rates for the affected properties and issues interim rate notices.

PASTORAL / RURAL

This category comprises of the properties within the Shire that are primarily used for rural or farming practices or are rural land types outside townsite boundaries.

Objects: This rate is to be the base rate by which all non-mining 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 reason for this rate is to ensure that all ratepayers on rural land make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the Shire.

PROSPECTING

This category covers all tenements that are used predominantly for prospecting purposes as defined under the *Mining Act 1978*. The Shire recognises that whilst prospecting is considered a mining activity, it deserves separation from the typically more profitable category of UV – Mining.

This category covers smaller tenements where prospecting activity is occurring. The lower rate acknowledges the early-stage nature and limited footprint of these operations.

Objects: The differential rate applied to this category considers the cost to provide services and operate facilities that are available to all residents and ratepayers within the Shire, whilst acknowledging that these tenement types are generally not income-producing.

Reasons: Whilst all ratepayers are required to contribute to the costs of maintenance and provision throughout the Shire - particularly the maintenance of the rural road network that prospectors heavily rely on – a reduced rate in the dollar has been applied to prospecting leases. This reduction also negates the concessions considered by Council in previous years, resulting in a more equitable contribution by all ratepayers in this category.

EXPLORATION

This category covers all tenements that are used predominantly for exploration purposes as defined under the *Mining Act 1978*. The Shire recognises that whilst exploration is considered a mining activity, it deserves separation from the typically more profitable category of UV – Mining.

This category applies to land under exploration licences where more intensive activities occur. The increased rate reflects the greater potential impact on infrastructure and Shire services.

Objects: The differential rate applied to this category considers the cost to provide services and operate facilities that are available to all residents and ratepayers within the Shire, whilst acknowledging that these tenement types are generally not income-producing.

Reasons: Whilst all ratepayers are required to contribute to the costs of maintenance and provision throughout the Shire - particularly the maintenance of the rural road network that exploration tenement holders heavily rely on – exploration leases will be rated differentially to reflect the nature of the lease type.

MINING/OTHER

This rating category covers all Mining Leases, Mineral Leases, General Purpose Leases, and any other lease type not mentioned as defined under the *Mining Act 1978* with a UV valuation. It also includes properties with a UV valuation that are held for mining purposes.

This category applies to mining leases in production, processing, or development stages. These properties place the highest demand on Shire infrastructure, particularly roads, and contribute substantially to the rate base as a result.

Objects: This differential rate is to reflect the level of management required to mitigate the impact of the mining and resource sector on the Shire's townships.

Reasons: The rates mining properties pay is to ensure adequate contribution to the cost of Shire services due to heavier transport and higher traffic volumes associated with the resource sector. This has a large impact on Shire infrastructure, resulting in the need for more frequent and robust maintenance. A lower minimum rate is applied to mining assessments compared to rural properties.

Currently, the Shire is facing a substantial backlog in the roadworks program. A substantial portion of the increased revenue from the proposed higher rate for this category will fund the backlog in the roads program that the Shire is currently facing, with additional focus being on the rural roads used to service mining tenements.

The pressure placed on Shire roads has increased significantly with much larger trucks being used and more tonnage being carried in greater frequencies. In addition, the level of service vehicles for mining and exploration is increasing, as well as staff entry and exit to the sites - this impact is seeing significant damage to the road network.

SUBMISSIONS

Electors and ratepayers are invited to provide submissions with respect to the proposed rates.

Submissions should be marked "Submission – Differential Rating 2025/26" and be addressed to:

Chief Executive Officer
Shire of Coolgardie
PO Box 138
KAMBALDA WEST WA 6442

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

All submissions should be received by the Shire by 4:00pm on **Thursday, 17 July 2025** in order to be considered as part of the final rating strategy.