



## NOTICE OF INTENTION TO LEVY DIFFERENTIAL RATES 2019/20

INCLUDING STATEMENT OF RATING INFORMATION

MAY 2019

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

<b>Rate Code Description</b>	<b>Rate in the \$</b>	<b>General Minimum Payment \$</b>	<b>Lesser* Minimum Payment \$</b>
GRV-Commercial / Industrial / Tourism	0.065926	1,262.50	
GRV-Residential / Community	0.102364	1,010.00	727.50
GRV-Transient Workforce Accommodation	0.131845	1,262.50	
UV-Mining / Industrial	0.369571	1,262.50	
UV Pastoral	0.062196	1,262.50	
UV-Tourism	0.169018	1,262.50	

The figures shown above are estimates and may change as part of Council deliberations after consideration of any submission.

Submissions are invited from electors and ratepayers in respect of the proposed rates, minimum payment and any related matters by 12:00 noon Friday 14 June 2019.

Submissions are to be addressed to the Chief Executive Officer, PO Box 567, Tom Price WA 6751 or via email [soa@ashburton.wa.gov.au](mailto:soa@ashburton.wa.gov.au).

Electors and ratepayers may view a document describing the objects and reasons for each proposed rate and the minimum payment at the Shire of Ashburton offices and libraries during normal working hours or at [www.ashburton.wa.gov.au/the-shire/rates](http://www.ashburton.wa.gov.au/the-shire/rates)

**Rob Paull**  
**Chief Executive Officer**

## SUPPORTING STATEMENT OF RATING INFORMATION 2019/20

### *(Including Objects and Reasons for the Rating Structure)*

This Statement is published by the Shire of Ashburton 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.

The purpose of levying of property rates is to meet Council's budget requirements in each financial year and in future periods, to deliver services, facilities and community infrastructure to the district as a whole. Property valuations provided by the Valuer General (Landgate) are used as the basis for the calculation of rates each year.

Section 6.36 of the Local Government Act provides the ability to differentially rate properties based on certain characteristics. The application of differential rating maintains equity in the rating of properties across the Shire, enabling the Council to provide facilities, services and infrastructure to the entire community and visitors to the area.

### *Powers to Rate Property*

There are two property valuation methods available under Section 6.28 of the Act, Gross Rental Value (GRV) and Unimproved Value (UV).

GRV is 'the gross annual rental that the land might reasonably be expected to realise if let on a tenancy from year to year upon condition that the landlord is liable for all rates, taxes and other charges thereon and the insurance and other outgoings necessary to maintain the value of the land'.<sup>1</sup>

UV land is 'valued as if it has had no improvements (as though) it remains in its original, natural state, any land degradation is taken into account'.<sup>1</sup>

As a default, a local government sets a single general rate in the dollar for each valuation type (GRV and UV). This is termed a uniform general rate in the valuation dollar and applied to all properties within a valuation type regardless of their land use.

Rather than adopting a single uniform general rate, a local government may apply different rates in the dollar within either valuation category (GRV or UV). A differential rate can be applied using the following characteristics, or combination thereof:

- The zoning of the land;
- The predominant use (as determined by the local government);
- If the land is vacant or not.

Location can only be used as a characteristic in setting a differential rate in very limited circumstances (namely a lesser minimum rate). Unfortunately, in Ashburton with its geography, this can present some challenges when properties with the same land use or zoning and as a consequence the same rate in the valuation dollar, may have vastly different levels of access to services.

---

<sup>1</sup> Landgate, Rating and Taxing Valuations Publication, April 2008

## **SUPPORTING STATEMENT OF RATING INFORMATION 2019/20 (Continued)**

### ***Powers to Rate Property (continued)***

The Local Government Act provides for rural use properties used for mining, exploration or prospecting purposes are assigned an Unimproved Value as supplied by the Valuer General. It refers to all land for which a mining tenement has been issued by the Department of Mines and Petroleum (DMP), and valued as such by the Valuer General's Office.

The valuation determined by the Valuer General for mining tenements is calculated by multiplying the following factors.

- Rental cost of the tenement type (mining lease, prospecting lease, exploration license, petroleum producing licence etc.);
- UV basis as determined by the DMP; and
- Tenement/license area.

The valuation of mining tenements is not reviewed each year, as occurs with other UV properties and changes when the tenement rental is amended.

### ***Objections and Appeals to a Valuation***

Objections to valuations must be lodged with the Valuer General's Office within 60 days after issue of the rates notice. Rates are still required to be paid before the due date if an objection is lodged with a refund paid if the objection is successful. Forms are available from the Shire Office or on the Shire website.

Under the provisions of the Local Government Act 1995, a property owner is able to lodge an objection to rates imposed by a Council on the following grounds:

- There is an error on the rate assessment, either in respect to the owners or property details; or
- The characteristics of the land differ from that used in the differential rating system.

The objection is to be received within 60 days of the issue of the rate notice. Please contact Shire staff if you would like to discuss this matter further.

### ***Pensioner's Discount***

Eligible Pensioners are entitled to receive a discount on their rates. The Shire will determine the nature and extent of entitlement from details as at 1 July, in relation to ownership and occupation. Also a pro-rata rebate amount will be paid if a person becomes the holder of an eligible card type during the financial year which is effective from the date of registration. A deferral arrangement is also possible.

If the circumstances of a Pensioner, who is already claiming the rebate, have changed during the previous year, they will need to update their details (i.e. card number, etc.) with the Shire.

Please contact Shire staff if you believe you may be eligible for the rebate.

## **SUPPORTING STATEMENT OF RATING INFORMATION 2019/20 (Continued)**

### ***Exemptions, Instalments, Concessions and Waivers***

The Shire requires organisations seeking exemption from rates in accordance with section 6.26 of the Act to make application to the Council for determination.

The Shire will provide concessions to Pensioners in accordance with the requirements of the Rates and Charges (Rebates and Deferments) Act 1992.

Council will offer three rate payment options as follows:

- Payment in full 35 days after the date of service appearing on the rate notice;
- Two instalments; and
- Four Instalments.

Interest on overdue rates not paid in accordance with the three payment options will be subject to an overdue interest rate set by the Council at the time of adoption of the annual budget.

Ratepayers with unpaid and overdue rates may be offered a scheme of arrangement for payment subject to the approval of the Chief Executive Officer.

### ***Councils Overall Objective***

Councils Long Term Financial Plan (LTFP) aims for a smooth and predictable approach when generating rates revenue. This ensures Council can deliver and maintain the Shire's infrastructure and services for the community.

The rate in the dollar applied to the valuations to determine property rates will facilitate Council's objective of raising a total of \$37,689,036 in rate revenue. This approach is consistent with Council's Corporate Business Plan (CBP) and LTFP.

Council values capacity and sustainability to deliver assets and services required by the business community with focus on roads, buildings and facilities maintenance and renewal as these provide strategic economic benefit to the district.

### ***Key Values***

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, Sport and Cultural Industries, including:

- Objectivity
- Fairness and Equity
- Consistency
- Transparency and Administrative Efficiency

A copy of the Rating Policy Differential Rates (s.6.33) March 2016 released by the Department of Local Government, Sport and Cultural Industries the policy can be obtained from:

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

## SUPPORTING STATEMENT OF RATING INFORMATION 2019/20 (Continued)

### *Key Values (continued)*

Council has taken a number of efficiency measures and service improvements in the 2018/19 financial year and these continue into 2019/20 both reducing operating costs and maintaining services for the community including:

- Organisational re-structure including new Business Improvement function.
- Engagement of external
- Outsourcing of payroll function reducing risk and cost.
- Consolidation of fleet numbers via car-pooling and staff salary sacrificing options reducing cost.
- Procurement Policy enhancements strengthening systems and processes in alignment with Office of Auditor General.
- Undertaking of Staff Survey improving culture.
- Staff housing strategy development.
- Rent relief program to improve staff retention.
- Development of Asset Management plans for roads, drainage and footpaths.
- Completion of Paraburdoo Community Hub featuring sports and recreation facilities.
- Records Management archiving.
- Workplace Health and Safety audit, policy review and practices improvements.
- Reductions in consultancy costs.
- Engagement with local suppliers.
- Implementation of new finance processes improving internal controls.
- Ministerial approval of Transient Workforce Accommodation to align rating structure with Departments five rating principles; and
- Tourism Strategy development to promote the region's economic development.

### *Rating Structure*

The Local Government Act 1995, provides that properties of a non-rural purpose be rated using the Gross Rental Valuation (GRV) as the basis for the calculation of annual rates. Property values are independently assessed for all GRV properties every three years.

GRV properties were revalued in 2017 and were effective from 1 July 2018. The next full revaluation of GRV properties is scheduled to be applicable from 1 July 2021.

The base GRV valuation is effective from 1 July 2018. Interim valuations are provided to the Shire regularly by the Valuer General if changes, such as subdivisions or strata title of property, amalgamations, building constructions, demolition, additions and/or property rezoning occur during the year. In such instances, the Shire amends the valuation on record and recalculates the rates for the affected properties for the purpose of issuing an interim rate notice.

A new rating category of 'GRV – Transient Workers Accommodation' (TWAs) is proposed for the 2019/20 rating structure. The application to the Minister for change of valuation method for TWAs was approved by the Minister on 27 November 2018.

Council is considering a separate Unimproved Valuations (UV) category with a lower rate in the dollar for Exploration / Prospecting Licences. For 2019/20 Council will maintain one UV Mining / Industrial category and reconsider the change again in the 2020 Rating Strategy.

## SUPPORTING STATEMENT OF RATING INFORMATION 2019/20 (Continued)

### *Rating Structure (Continued)*

Consideration has also been given to a change to method of valuation for UV Tourism to GRV due to infrastructure improvements in place at each property. As with UV Mining it is recommended Council consider the change when formulating the 2020 Rating Strategy.

The proposed General Rating structure for the 2019/20 Proposed Differential Rates is as follows:

- GRV Properties
  - GRV - Residential / Community
  - GRV - Commercial / Industrial / Tourism
  - GRV - Transient Workforce Accommodation
  
- UV Properties
  - UV - Mining / Industrial
  - UV - Pastoral
  - UV - Tourism

NB: The rating structure retains a minimum for each category with GRV–Residential / Community applying a Lesser Minimum for those properties located in the Wittenoom town-site. With the recent introduction of the Wittenoom Closure Bill 2019, rating of properties will go ahead until such time the Bill is enacted and the Shire is informed by the Valuer General Office (VGO) the properties are no longer rateable.

### *Differential Rates – Gross Rental Value (GRV)*

Council intends to adopt differential rating principles for GRV category properties based upon the land use as follows:

#### *GRV Commercial/Industrial*

DIFFERENTIAL RATE	RATE IN THE \$	GENERAL MINIMUM PAYMENT \$	LESSER MINIMUM PAYMENT \$
GRV Commercial/Industrial	0.065926	1,262.50	N/A

This rate is applicable to properties that have a predominant land use of commercial or industrial, including Hotels, Shops, Restaurants and Offices as well as Roadhouses, Tourist Centres, Caravan Parks and Holiday Accommodation.

The reason for the rate in the dollar applied to the GRV Commercial / Industrial category land is to reflect the financial impact and costs these activities have on Shire infrastructure and services.

## SUPPORTING STATEMENT OF RATING INFORMATION 2019/20 (Continued)

### *Differential Rates – Gross Rental Value (GRV) (Continued)*

#### ***GRV Commercial/Industrial (Continued)***

The objective is to raise revenue to contribute toward associated costs, but not limited to, rubbish collection in relevant areas, town planning control costs, health inspections and administration costs, complexity in building control, traffic volumes and vehicle mass due to commercial and industrial activity, parking facilities, traffic management, pedestrian access, commercial and industrial signage, visitor servicing and street furniture.

#### ***GRV Residential/Community***

<b>DIFFERENTIAL RATE</b>	<b>RATE IN THE \$</b>	<b>GENERAL MINIMUM PAYMENT \$</b>	<b>LESSER MINIMUM PAYMENT \$</b>
GRV Residential/Community	0.102364	1,262.50	727.50

This differential rate is applicable to properties that have a predominant land use of residential, or used by organisations involved in activities for community benefit including Arts and Craft facilities, Youth Centres, Day Care Centres, Sporting Grounds/Clubs (that do not run a commercial business/kitchen) and health & emergency service facilities.

The reason the GRV Residential/Community rate in the dollar applied is to reflect the financial impact and costs to provides community services and activities as well as maintain the Shire's infrastructure. Also to further the Shire's strategic goals to encourage and support residential development in the town sites and organisations that contribute toward a safe, healthy, cohesive and vibrant community.

#### ***GRV Transient Workforce Accommodation***

<b>DIFFERENTIAL RATE</b>	<b>RATE IN THE \$</b>	<b>GENERAL MINIMUM PAYMENT \$</b>	<b>LESSER MINIMUM PAYMENT \$</b>
GRV Transient Workforce Accommodation	0.131845	1,262.50	N/A

This differential rate is applicable to properties that have a predominant land use of transient workforce accommodation.

The reason the GRV Transient Workforce Accommodation rate in the dollar applied is to reflect the financial impact and costs to infrastructure and facilities available to FIFO workers in the same manner they are available to other residents of the Shire. TWA properties have the potential to have a greater impact on Council assets and services than other properties due to the high density number of occupants in a relatively small land parcel e.g. bus coaches of FIFO workers using local roads. Therefore a higher differential rate is proposed compared to other GRV rating categories.



**SUPPORTING STATEMENT OF RATING INFORMATION 2019/20 (Continued)*****Differential Rates – Unimproved Values (UV)***

Council intends to adopt differential rating principles for UV category properties based upon the land use of each property as follows:

***UV Mining/Industrial***

<b>DIFFERENTIAL RATE</b>	<b>RATE IN THE \$</b>	<b>GENERAL MINIMUM PAYMENT \$</b>	<b>LESSER MINIMUM PAYMENT \$</b>
UV Mining/Industrial	0.369571	1,262.50	N/A

This rate is applicable to properties with a land use associated with mining tenements (including Exploration Licences, General Purpose Leases, Mineral Leases, Mining Leases, Petroleum Exploration Permits, Petroleum Production Licences) and for Industrial properties with a mining purpose/mining infrastructure predominate use (including crown leases).

The reason a higher rate has been applied to the UV Mining/Industrial category land is to reflect the additional financial impact mining and related industries have on Shire infrastructure and services relevant to other land use types.

The objective is to raise a higher level of rate revenue from mining and related infrastructure properties than from other UV General category properties to contribute toward current and future costs associated with the provision of civil infrastructure for services and facilities including, but not limited to, transport, recreation, community and leisure facilities, waste management and planning and development costs.

***UV Pastoral***

<b>DIFFERENTIAL RATE</b>	<b>RATE IN THE \$</b>	<b>GENERAL MINIMUM PAYMENT \$</b>	<b>LESSER MINIMUM PAYMENT \$</b>
UV Tourism	0.062196	1,262.50	N/A

This rate is applicable to tourism ventures located within the Shire issued with an unimproved valuation. The land is predominately used for providing a tourism service, including Caravan Parks and Holiday Accommodation.

## SUPPORTING STATEMENT OF RATING INFORMATION 2019/20 (Continued)

### *Differential Rates – Unimproved Values (UV) (Continued)*

The reason for a lower rate applied to the UV Tourism category, as compared to UV Mining/Industrial, is to reflect the lower level of impact these activities have on general infrastructure and facilities including road infrastructure, recreation facilities and the permanent nature of the business activity relevant to mining and related industry.

The reason for a higher rate applied to the UV Tourism category as compared to UV Pastoral is to achieve an average rate yield more comparable to other Tourism properties with a GRV valuation.

The objective is to raise less revenue from UV Tourism properties than Mining/Industrial properties but more than UV Pastoral properties.

### *UV Tourism*

DIFFERENTIAL RATE	RATE IN THE \$	GENERAL MINIMUM PAYMENT \$	LESSER MINIMUM PAYMENT \$
UV Pastoral	0.169018	1,262.50	N/A

This rate is applicable to properties issued with pastoral leases granted by the State Government.

The reason for the lower rate applied, as compared to UV Mining / Industrial, to the UV Pastoral category is to:

- Recognise the impact of fluctuations in climatic conditions have on the financial capacity to pay;
- The lower level of impact pastoral activities generally have on infrastructure and facilities such as road infrastructure and recreation facilities; and
- The permanent nature of the business activity relevant to mining and related industries.

### *Minimum Payments*

Applying a minimum payment seeks to ensure all ratepayers contribute a minimum amount to basic services and facilities. The Council has determined two levels of General minimums and one lesser minimum.

### *General Minimum Payments*

A General minimum of \$1,262.50 has been applied to properties in the following differential rate categories:

- GRV Commercial/Industrial;
- GRV Transient Workers Accommodation;
- UV Mining/Industrial;
- UV Pastoral; and
- UV Tourism areas.

**SUPPORTING STATEMENT OF RATING INFORMATION 2019/20 (Continued)*****Differential Rates – Unimproved Values (UV) (Continued)******General Minimum Payments (Continued)***

Another General minimum of \$1,010 has been set for GRV Residential/Community.

***Lesser Minimum Payment***

A Lesser minimum of \$727.50 has been set for Wittenoom properties to reflect the special circumstances attributable to Wittenoom properties in relation to the status of the townsite (i.e. de-gazetted). This is set at a 25% discount to GRV Residential/Community minimum payment level.