

18.1 PROPOSED DIFFERENTIAL RATES 2017/18

FILE REFERENCE:	GV04
AUTHOR'S NAME AND POSITION:	John Bingham Director Corporate Services
AUTHORISING OFFICER AND POSITION:	Dale Stewart Acting Chief Executive Officer
NAME OF APPLICANT/RESPONDENT:	Not Applicable
DATE REPORT WRITTEN:	10 July 2017
DISCLOSURE OF FINANCIAL INTEREST:	The author and authorising officer have no financial, proximity or impartiality interests in the proposal.
PREVIOUS MEETING REFERENCE:	Agenda Item 13.2 (Minute No. 178/2017) – Ordinary Meeting of Council 20 June 2017 Agenda Item 13.4 (Minute No. 180/2017) – Ordinary Meeting of Council 20 June 2017

Summary

Following the 20 June 2017 Ordinary Meeting of Council public notice was given (i) for Councils intention to adopt the 2017/18 Proposed Differential Rates; (ii) to advertise the Objects and Reasons for the Proposed Differential Rates; and (iii) to invite submissions for at least 21 days from Wednesday 21 June until midday of Friday 14 July 2017.

This report considers those submissions received before the deadline of 12.00pm Friday 14 July 2017 and recommends Council endorse an increase of 1.75% on 2016/17 rate in the dollar levels instead of the original proposed increase of 2% as advertised.

Background

The following 2017/18 Proposed Differential Rates were advertised in The West Australian on Friday 23 June as well as exhibited on public notice boards in accordance with Section 1.7 of the Local Government Act 1995:

ATTACHMENT 18.1A

Rate Code Description	16/17 Rate in the \$	17/18 Rate in the \$	Change YOY	General Minimum	Lesser Minimum
GRV Residential/Community	0.050961	0.051980	2%	830.00	622.50
GRV Commercial/Industrial/Tourism	0.051060	0.052081	2%	1037.50	NA
UV General	NA	0.198959	NA	1037.50	NA
UV Mining/Industrial	0.382467	0.390116	2%	1037.50	NA

The rate revenue level is based on an increase in the rate in the dollar of 2 per cent on 2016/17 levels. The proposed rates model will yield \$31,024,534 before concessions of \$1,156,734 with total amounts raised from General Rates of \$29,867,800.

NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING

Valuations

The valuations used in the proposed rates model have since been revised given recent notifications from the Valuer Generals Office. The following table indicates there has been a significant increase to the UV Mining/Industrial category with one property in particular accounting for the large increase (from \$1,965,000 to \$13,808,000). Changes to UV General include upwards re-valuations to several Pastoral properties.

Rate Category	June OMC Valuation	1/7/17 Valuations	Var. \$	Var. %
GRV Residential/Community	85,438,414	85,438,414	0	0.00%
GRV Commercial/Industry/Tourism	20,548,404	20,548,404	0	0.00%
UV Mining/Industrial	61,152,716	73,482,703	12,369,214	20.2%
UV General	6,661,147	6,995,147	334,000	5.01%
Non-Ratable	1,773,650	1,773,650	0	0.00%
Total Valuation	175,535,104	189,344,528	12,703,214	7.00%

With these upward revaluations for UV Mining/Industrial and UV General the proposed rates model will yield \$35,917,378 before concessions of \$1,214,570 with total amounts raised from General Rates of \$34,702,807.

Concessions

The Rating Strategy adopted by Council at the June OMC included the granting of a Concession on Application for Pastoral and Tourism property owners. This concession is equivalent to the difference payable between an increase of 2% on 2016/17 rate in the dollar levels and the proposed 2017/18 (i.e. a rate in the dollar of 0.198959 and 2016/17 valuations) rate in the dollar. On Tuesday 27 June correspondence was sent to Pastoral and Tourism property owners outlining detail of the proposed concession as well as inviting comment on other such matters relating to the Proposed Differential Rates. A copy of the letter and Application is attached.

ATTACHMENT 18.1B
ATTACHMENT 18.1C

As of writing this report four applications have been received. A copy of each is attached.

ATTACHMENT 18.1D

Comment

Submissions

The following submissions were received in the period Wednesday 21 June and Friday 14 July 2017:

1. Chevron Australia Pty Ltd

Indicates the Supporting Statement of Rating Information for 2017/18 does not acknowledge:

- (i) The additional contribution to the Shire by Chevron; and
- (ii) Does not acknowledge the unique circumstances of Chevron's operations particularly on Barrow Island which have no impact on the Shire.

It is noted within the submission that Chevron has committed more than \$250 million to social and critical infrastructure for the Onslow community.

The submission goes further to emphasise the self-sufficiency of operations run by Chevron in particular bearing all associated costs in relation to the Wheatstone and Barrow Island projects.

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In relation to applying the rating principles to the abovementioned Chevron claims the rationale of the Objects and Reasons to be inequitable given the Shires objective 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 etc. '*

Finally Chevron recommends no increase to the current rate for UV Mining/Industrial ratepayers.

A copy of their submission is attached.

ATTACHMENT 18.1E

In respect to the submission by Chevron Australia Pty Ltd, when new developments occur, it could be considered in a similar manner to a new shopping centre or a new suburb coming on-line in Perth. This is natural growth occurring within our district and the rate in the dollar is consistent with that paid in the past (and proposed for 2017/18) that other similar ratepayers will be levied.

The Shire is very appreciative of the \$250 million contribution to social infrastructure, but only 26% is applicable to Shire infrastructure and assets. Once these assets have been constructed it is the Shire's responsibility to operate and maintain those assets. The natural growth that occurs within our district assists in building, operating and maintaining those assets.

It is considered that natural resource projects have significant impacts on town sites, even when located some distance away. This occurs as a result of additional demands being made on Shire services; either directly as a result of activities generated by the facilities themselves, or indirectly as a result of the needs of town based supporting businesses.

A rate increase of 1.75% on 2016/17 rate in the dollar levels is now proposed. This represents a rate revenue yield reduction of \$86,535 and is favourably comparative to Pilbara Regional Councils proposed increase for 2017/18. Also rates are effectively a charge imposed by Council and the 1.75% aligns with the level Fees and Charges were increased for 2017/18.

The following table highlights the rate in the dollar levels for each category at 1.75% on 2016/17 levels:

Rate Code Description	Advertised 17/18 Rate in the \$	Proposed 17/18 Rate in the \$	Change YOY	General Minimum	Lesser Minimum
GRV Residential/Community	0.051980	0.051853	1.75%	830.00	622.50
GRV Commercial/Industrial/Tourism	0.052081	0.051954	1.75%	1037.50	NA
UV General	NA	0.198472	NA	1037.50	NA
UV Mining/Industrial	0.390116	0.389160	1.75%	1037.50	NA

ATTACHMENT 18.1F is a table showing the (i) the revaluations of properties since the June OMC; (ii) the rating model yields before concessions; and (ii) number of properties on minimum payments.

Consultation

Acting Chief Executive Officer
Finance Manager
Management Reporting Coordinator
Rates Officer

NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING

Statutory Environment

The Local Government Act 1995 following sections apply:

- S 6.32 provides Council with the power to apply rates to property;
- S 6.33 provides Council with the power to apply differential general rates although Ministerial approval is required where a Differential Rate is more than twice the lowest differential rate to be applied;
- S 6.35 provides Council with the power to apply a minimum payment which is greater than the general rate which would otherwise be payable on that land and a lesser minimum in respect of any portion of the district;
- S 6.36 requires Council to give public notice of its intention to impose Differential Rates, inviting submissions within 21 days (or more is desired). Council is also required to consider any submissions received prior to imposing the proposed rate or minimum payment;
- S 6.47 indicates that a local government may resolve to waive or grant a concession for a rate or service charge (absolute majority required). In addition, Regulation 69A of the Local Government (Financial Management) Regulations 1996 also specifies that a local government cannot use its powers under section 6.47 LGA based on whether or not the land is occupied by a person who owns the land (so called absentee owner clause);
- S 5.63 (1) (b) specifically excludes the need for Elected Members to 'Declare a Financial Interest' in imposing a rate, fee or charge.

Local Government (Financial Management) Regulations 1996 Part 5.

The Department of Local Government and Communities prepared a Rating Policy in March 2016 giving guidance on Legislation (the Act S 6.33 and Financial Regulations 52A), the five key principles and the steps involved in submitting an Application to the Minister, if an application is / was required.

Financial Implications

The proposed Differential Rates will raise rate revenue of \$35,830,843 before proposed concessions of \$1,012,142 are granted. Total amount raised from General Rates for 2017/18 will be \$34,818,701. The Long Term Financial Plan (LTFP) rate revenue level is \$29,874,277.

The difference between the total amount raised from General Rates and the LTFP rate revenue level is proposed to be transferred to the Financial Risk Reserve in accordance with the Rating Strategy recommendations. This is complemented by the fact that there exist a single large ratepayer that is currently appealing last years UV valuation that, if successful could significantly reduce rate income this year and indeed require back rates to be refunded. The result of this appeal to the State's State Administrative Tribunal, is not expected to be finalised until approximately November 2017. Thus, the Financial Risk Reserve will create a buffer to shield the Council's income from the effects of a potentially large single valuation reduction, which would have a significant impact on forecast revenues, and severely undermine a balanced Budget approach and pose an extreme financial risk under Council's risk matrix.

Strategic Implications

Shire of Ashburton 10 year Strategic Community Plan 2017-2027

Goal 5 – Inspiring Governance

Objective 1 – Effective Planning for the Future

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Risk Management

This item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "High". As a high risk item the Director Corporate Services is monitoring the issue closely.

Policy Implications

There are no policy implications.

Voting Requirement

Simple Majority Required

Officers Recommendation

That with respect to the proposed 2017/18 Differential Rates Council:

1. Note the submission received and endorse the officer comments addressing the concerns contained within the report; and
2. Consider during 2017/18 Budget deliberations adopting the 2017/18 Differential Rates with a 1.75% increase on 2016/17 rates in the dollar levels and not the 2.0% increase as advertised as follows;

Rate Code Description	Rate in the \$	General Minimum	Lesser Minimum
GRV Residential/Community	0.051853	830.00	622.50
GRV Commercial/Industrial/Tourism	0.051954	1037.50	NA
UV General	0.198472	1037.50	NA
UV Mining/Industrial	0.389160	1039.50	NA

3. Consider during 2017/18 Budget deliberations adopting a concession on application to Pastoral owners equivalent to the difference payable between an increase of 2% on 2016/17 rate in the dollar levels and the proposed 2017/18 (i.e. a rate in the dollar of 0.198959 and 2016/17 valuations) rate in the dollar if they meet the following criteria; the property is used predominantly for Pastoral purposes and:
 - is the predominant income generated for the owner of the property; and
 - meets the Australian Taxation Office guideline of whether or not a person is carrying on the business of primary production per Subsection 995-1 (1) of the Income Tax Assessment Act 1936.
4. Consider during 2017/18 Budget deliberations adopting a concession on application to UV Tourism property owners equivalent to the difference payable between an increase of 2% on 2016/17 rate in the dollar levels and the proposed 2017/18 (i.e. a rate in the dollar of 0.198959 and 2016/17 valuations) rate in the dollar if they meet the following criteria:
 - the property is used predominantly for Tourism purposes and;
 - is the predominant income generated for the owner of the property.
5. Consider during 2017/18 Budget deliberations establishing a Financial Risk Reserve to hold rate revenue deemed at risk of being refunded due to a change in valuation methodology applied by the Valuer General; and
6. Acknowledge the proposed Differential Rates aligns with the principles of the advertised 2017 Property Rating Strategy and the advertised 2017-32 Long Term Financial Plan.

FRIDAY, JUNE 23, 2017 • 81

EMPLOYMENT

General Positions

RURAL EMPLOYMENT

TRACTOR DRIVER/Farmhand
Seeding wheat crops. D/lic.
Australian exp. Immed start.
9061 7027 0429 635 001

TRANSPORT DRIVERS & COURIERS



DRIVERS REQUIRED

MC lic for E/W. Small family company. Good conditions.
Ph Jason 0419 915 264

Trades and Technical

MOTOR MECHANIC
Fulltime for busy workshop in Malaga. Experience essential.
lpg616801@gmail.com

Local Govt. Notices



SHIRE OF ASHBURTON ADOPTED FEES AND CHARGES FOR THE 2017/2018 FINANCIAL YEAR

FEES TO APPLY FROM 1 JULY 2017

Notice is hereby given pursuant to Section 1.7 in conjunction to Section 6.19 of the Local Government Act 1995, that the Shire of Ashburton has Adopted Fees and Charges for the 2017/18 financial year, effective from 1 July 2017.

The schedule of fees and charges for financial year 2017/18 has been adopted by Council at the ordinary meeting held on 20 June 2017.

The fees and charges schedule is available at all Shire Offices and can also be downloaded from the website at www.ashburton.wa.gov.au

Dale Stewart



SHIRE OF ASHBURTON

NOTICE OF INTENTION TO LEVY DIFFERENTIAL RATES 2017/18

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.

Rate Code Description:
GRV Commercial/Industrial/
Tourism:
Rate in the S: 0.052081
General Minimum Payment S:
1037.50

Rate Code Description:
GRV Residential/Community
Rate in the S: 0.051980
General Minimum Payment S:
830.00
Lesser* Minimum Payment S:
622.50

Rate Code Description:
UV Mining/Industrial
Rate in the S: 0.390116
General Minimum Payment S:
1037.50

Rate Code Description:
UV General
Rate in the S: 0.198959
General Minimum Payment S:
1037.50

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 July 2017.

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.

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.com.au/the-shire/rates

Dale Stewart
Acting Chief Executive Officer

Cheer on your local team



See sporting notices appearing every day in

The West Australian



SPW
cremations

Simple Price-Wise Cremations

Budget *Quality* Affordable
Cremation Service

From \$2440*

Incl Cremation Fee

Metropolitan Area Only 24/7

9381 7022

*Conditions Apply

Deceased Estates

TRUSTEES ACT 1962

DECEASED ESTATES

Notice to Creditors and Claimants

CREDITORS and other persons having claims (to which Section 63 of the Trustees Act 1962 relates) in respect of the Estates of the undermentioned deceased persons are required to send particulars of their claims to me on or 23 July 2017 after which date I may convey or distribute the assets, having regard only to the claims of which I then have notice.

BULLEN, Glen, also known as Glen Marcus Bullen, late of Cotton Creek Community via Newman formerly of 35 Spoonbill Crescent, South Hedland died 04.05.2015 (DE33130731 EM26)

GRIFFIN, Noel Douglas, also known as Noel Douglas Griffen, late of Italian Community Nursing Home, 33 Kent Road, Marangaroo, died 31.08.2016 (DE33050172 EM37)

HOLMES, Bertha Helen, late of Windsor Park Aged Care Facility, 110 Star Street, Carlisle died 12.04.2017 (DE19830598 EM36)

MAINWARING, Maurice Murray, also known as Murray, late of Regent Gardens, 248 Lyon Road, Aubin Grove, died 20.05.2017 (DE19671521 EM36)

MATHIE, Neil, also known as Neil S Mathie, late of Concorde Nursing Home, 25 Anstey Street, South Perth, died 17.08.2015 (PM33095723 TM52)

MOULES, Ronald Bruce, late of 28 Wilderness Drive, Dawesville, died 05.04.2017 (DE19960960 EM113)

TOWNSEND, Lesley Kathleen, late of Unit 158 Sunderland House, Airforce Estate, Bull Creek Drive, Bull Creek died 10.05.2017 (DE19753839 EM13)

TREWERN, Hazel Maud.

ral Service to the life of odore Symons conducted at TTA Cemetery, Chapel, on Y (29.6.2017) ing at 10.30am. nclusion of the e cortege will for a Burial ing at 12.30pm.

CHRISTIAN FUNERALS

HATLEY CRES
S 9370 5315
funerals.com.au

ON:
and friends are invited to attend a on of Life Service yl Thompson to n Our Chapel 401 o Road Balcatta SDAY (27.6.2017) cing at 12pm.

SONS

0 732 766

TTA - STIRLING

IN:
neral Service for Mr Clive Neville formerly of Arthur will take place in matorium Chapel, Street, BUNBURY, cing at 12pm SDAY Afternoon 017).

IAM BARRETT & SONS

9721 4311

BUNBURY
an eTribute at funerals.com.au

Funeral Directors

"After
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stories



Shire of Ashburton
 Administration Centre
 246 Poinciana Street
 PO Box 567, Tom Price, WA, 6751
 E soa@ashburton.wa.gov.au
 T (08) 9188 4444
 F (08) 9189 2252

ashburton.wa.gov.au

ABN 45 503 070 070

Enquiries: (08) 9188 4444
 Our Ref: XX/XX

27 June 2017

XXXXXX
 XXXXXX
 XXXXX
 WA xxx

Dear Mr xxx

RE: Proposed Differential Rates 2017/18 – Application for Concession

I am writing to inform you of recent Council decisions impacting your rates for 2017/18.

At the Council Meeting of 20 June 2017, Council resolved to apply a 2% increase to the 2016/17 rates in the dollar for most rate categories. For non-Mining UV properties however, including rural tourism and pastoral properties it is proposed for 2017/18 to have a new UV General Rate Category with an effective rate in the dollar of \$0.198959 for 2017/18, with a 71% eligibility concession (reduction) available to genuine pastoral properties on application.

The objectives and reasons for proposing this level and new rate category is set out in the 'Notice of Intention to Levy Differential Rates 2017/18' which may be viewed either on the Shire's website or at the Shires Administration Offices.

As a pastoral property owner, Council is considering granting you a concession equivalent to the difference payable between an increase of 2% on 2016/17 rate in the dollar levels and the proposed 2017/18 (i.e. \$0.198959) rate in the dollar subject to conditions.

In summary, your rates for 2017/18 are intended to reflect an increase of 2% on average given valuation increases / decreases that may have occurred with some properties from year to year.

Enclosed is the Shire's Draft 'Application for Concession' form which will need to be completed for Council to consider granting you a concession.



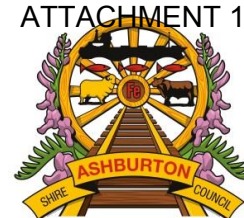
Council welcomes comment in writing to the undersigned, by Friday 14th July 2017 on the following:

- The proposal for a concession at 71% for eligible Pastoral properties and or the proposed draft Concession Form;
- The proposed 2% effective rate increase for Pastoral properties for 17/18; and
- Other such matters relating to the proposed differential rates for 17/18 as you might care to comment on.

Should you require further clarification of information on this proposal, then please contact, Saul Gordon Rates Clerk on telephone 08 9188 4442 or email at Saul.Gordon@Ashburton.wa.gov.au.

Yours Sincerely,

Dale Stewart
Acting Chief Executive Officer



Draft Application for Concession on Municipal Rates and Charges 2017/18

(This form is to be returned to Shire of Ashburton, PO Box 567, Tom Price WA 6751 or emailed to soa@ashburton.wa.gov.au)

Part A – Customer Details

Assessment No:

Business Name:

Station Name:

Full Name:

Address:

Suburb:

Postcode:

Contact (H):

(M):

Email:

Part B – Declaration to be completed by Pastoral Property Owners

I declare my Pastoral Property that relates to the Shire of Ashburton is (i) used predominantly for Pastoral purposes; (ii) is the predominant income generated for the owner from the property; and (iii) meets the Australian Taxation Office guideline of whether or not a person is carrying on the business of primary production per Subsection 995-1 (1) of the Income Tax Assessment Act 1936.

Signature of Applicant: _____ / ____ / ____

Office Use Only

- ☐ The application was received by 35 days of the date of issue of the applicant and that 50% of the rates were paid by the due date or entered into an eligible instalment arrangement.

SoA Signature: _____ / ____ / ____

Draft Application for Concession on Municipal Rates and Charges 2017/18



(This form is to be returned to Shire of Ashburton, PO Box 567, Tom Price WA 6751 or emailed to soa@ashburton.wa.gov.au)

Part A – Customer Details

Assessment No:	A50001		
Business Name:	CHEELA PLAINS PASTORAL CO PTY LTD		
Station Name:	Cheela Plains		
Full Name:	EVAN ROBERT PENSINI		
Address:	CHEELA PLAINS STATION, PMB 246		
Suburb:	PARABURDOO WA	Postcode:	6754
Contact	(H): 08 91 898 084	(M):	0451 898 084
Email:	robinpensini@bigpond.com		

Part B – Declaration to be completed by Pastoral Property Owners

I declare my Pastoral Property that relates to the Shire of Ashburton is (i) used predominantly for Pastoral purposes; (ii) is the predominant income generated for the owner from the property; and (iii) meets the Australian Taxation Office guideline of whether or not a person is carrying on the business of primary production per Subsection 995-1(4) of the Income Tax Assessment Act 1936.

Signature of Applicant: *[Signature]* - 4 1 7 12017

Office Use Only

- ☐ The application was received by 35 days of the date of issue of the applicant and that 50% of the rates were paid by the due date or entered into an eligible instalment arrangement.

SoA Signature: _____ / ____ / ____



Draft Application for Concession on Municipal Rates and Charges 2017/18

(This form is to be returned to Shire of Ashburton, PO Box 567, Tom Price WA 6751 or emailed to soa@ashburton.wa.gov.au)

Part A – Customer Details

Assessment No:	A34536		
Business Name:			
Station Name:	Mt Stuart Station		
Full Name:	MARTIN + DE BORJA AVERY		
Address:	PO BOX 17		
Suburb:	BADGINNARA	Postcode:	6521
Contact	(H): 99430530 / 96524068	(M):	
Email:	avery01@acti8.net.au		

Part B – Declaration to be completed by Pastoral Property Owners

I declare my Pastoral Property that relates to the Shire of Ashburton is (i) used predominantly for Pastoral purposes; (ii) is the predominant income generated for the owner from the property; and (iii) meets the Australian Taxation Office guideline of whether or not a person is carrying on the business of primary production per Subsection 995-1 (1) of the Income Tax Assessment Act 1936.

Signature of Applicant: Robert Avery 71 7 2017

Office Use Only

- ☐ The application was received by 35 days of the date of issue of the applicant and that 50% of the rates were paid by the due date or entered into an eligible instalment arrangement.

SoA Signature: _____ / _____

(This form is to be returned to Shire of Ashburton, PO Box 567, Tom Price WA 6751 or emailed to soa@ashburton.wa.gov.au)

Part A – Customer Details

Assessment No:	A34741		
Business Name:			
Station Name:	MT STUART STATION		
Full Name:	MARTIN + DEBORAH AVERY		
Address:	PO BOX 17		
Suburb:	BADGINARRAH	Postcode:	6521
Contact	(H): 99430530 / 96524068 (M):		
Email:	avery01@acti8.net.au		

Part B – Declaration to be completed by Pastoral Property Owners

I declare my Pastoral Property that relates to the Shire of Ashburton is (i) used predominantly for Pastoral purposes; (ii) is the predominant income generated for the owner from the property; and (iii) meets the Australian Taxation Office guideline of whether or not a person is carrying on the business of primary production per Subsection 995-1 (1) of the Income Tax Assessment Act 1936.

Signature of Applicant: Deborah Avery 7 1 7 12017

Office Use Only

- ☐ The application was received by 35 days of the date of issue of the applicant and that 50% of the rates were paid by the due date or entered into an eligible instalment arrangement.

SoA Signature: _____ / ____ / ____

Draft Application for Concession on Municipal Rates and Charges 2017/18



(This form is to be returned to Shire of Ashburton, PO Box 567, Tom Price WA 6751 or emailed to soa@ashburton.wa.gov.au)

Part A – Customer Details

Assessment No:	A35928		
Business Name:	<i>Vic Raja Aboriginal Corp</i>		
Station Name:	Ullawarra Station		
Full Name:	<i>Charlie Saffthorne</i>		
Address:	<i>P.O. Box 1284</i>		
Suburb:	<i>Pannawarron</i>	Postcode:	<i>6701</i>
Contact	(H): <i>08 99412998</i>	(M):	
Email:			

Part B – Declaration to be completed by Pastoral Property Owners

I declare my Pastoral Property that relates to the Shire of Ashburton is (i) used predominantly for Pastoral purposes; (ii) is the predominant income generated for the owner from the property; and (iii) meets the Australian Taxation Office guideline of whether or not a person is carrying on the business of primary production per Subsection 995-1 (1) of the Income Tax Assessment Act 1936.

Signature of Applicant: *C. Saffthorne* / /

Office Use Only

- ☐ The application was received by 35 days of the date of issue of the applicant and that 50% of the rates were paid by the due date or entered into an eligible instalment arrangement.

SoA Signature: _____ / /

SHIRE OF ASHBURTON	
Recd. No.	<i>1773426</i>
<i>12 JUL 2017</i>	
File	<i>RVO2</i>
Officer	

Shire of Ashburton
 Lot 246, Poinciana Street, Tom Price, 6751
 PO Box 567, Tom Price, WA, 6751
 T: (08) 9188 4444
 F: (08) 9189 2252
 E: soa@ashburton.wa.gov.au
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 SOA CS 063 Version 1.0 21/06/2017



Peter Fairclough
General Manager – Policy, Government
& Public Affairs

14 July 2017

Mr Dale Stewart
A/Chief Executive Officer
Shire of Ashburton
PO Box 567
Tom Price WA 6751

Via email: soa@ashburton.wa.gov.au

Dear Mr Stewart

SHIRE OF ASHBURTON - PROPOSED DIFFERENTIAL RATES 2017-18

Thank you for the opportunity to comment on the Shire of Ashburton's proposed differential rates for 2017-18.

Chevron Australia Pty Ltd (Chevron) appreciates the Shire's consideration of previous years' submissions with respect to differential rates. We continue to have a strong interest in this matter as the operator of the Gorgon and Wheatstone projects and the Barrow Island oilfield, all of which are located within the Shire of Ashburton (Shire). All of these Chevron-operated assets pay annual rates to the Shire under the UV Mining/Industrial rate category.

Chevron notes the Shire has commissioned Moore Stephens to provide advice regarding the differential rates for this year, which offers considerable commentary on UV Mining/Industrial rate category, noting among other things that –

- Most of the Shire's rate revenue is derived from UV properties and a high percentage is generated from the Mining/Industrial differential rate;
- The rate in the dollar is high compared to the comparison local governments; and
- A small number of assessments contribute the majority of the revenue.

These points are borne out by the 2016-17 Budget whereby around \$23 million or around 80% of the Shire's budgeted rate revenue has been derived from this category of ratepayer. Moore Stephens also highlights that, of comparison Shires, the Shire of Ashburton already applies the highest rate in the dollar for mining related properties, based on the 2016-17 rate.

Noting the foregoing, the Shire's Notice of Intention to Levy Differential Rates, proposing a rate increase to 39.0116 cents per dollar for the UV Mining/Industrial category, is of significant concern to Chevron.

The comments contained within the Supporting Statement of Rating Information for 2017-18 that the increased rate is to *'reflect the additional financial impact mining and related industries have on Shire infrastructure and services relevant to other land use types'* does not acknowledge the additional contribution to the Shire by Chevron, nor the unique circumstances of our operations, particularly on Barrow Island which have no impact on Shire infrastructure and services.

Our Gorgon and Barrow Island oil operations are entirely self-sufficient, given their remote location.

In relation to the Wheatstone Project, the lots held by Chevron within the Ashburton North Strategic Industrial area (Lots 567, 568 & 1577) were developed by Chevron, with the Wheatstone joint venture participants bearing all associated costs including:

- Structure Plan/s;
- Wheatstone Development Plan;
- rezoning land;
- planning approvals;
- building assessment;
- road construction and maintenance;
- filling and drainage;
- water supply;
- waste water treatment;
- power generation;
- rubbish collection and disposal; and
- recreation facilities.

The Chevron LNG Plants and Accommodation has minimal financial impact on the Shire's infrastructure and services. The development of the Barrow Island operations have also been wholly borne by Chevron and its JV partners.

More than \$250 million has been committed by the Wheatstone Project to social and critical infrastructure for the Onslow community. Additionally, Chevron maintains a number of private roads, electricity, water and waste services to minimise the burden on municipal services.

The Supporting Statement of Rating Information for 2017-18 also states:

'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.'

Chevron considers this rationale to be inequitable and does not reflect that the UV Mining/Industrial category is a small group of ratepayers, that already contribute 80% of the Shire's revenue. Again, the Wheatstone Project's contribution to the Onslow community has delivered transport, recreation community and leisure facilities to the town.

The Moore Stephens rate review report identifies the established rating principles of:

- objectivity;
- fairness and equity;
- consistency;

- transparency; and
- administrative efficiency.

The Report notes: *Rating structures should identify the predominant use of the land by means of an objective Assessment.* In terms of fairness and equity the report notes the Department of Local Government and Communities under delegated authority from the Minister for Local Government wrote to the Shire in August 2015 stating:

'In the future, the Shire may wish to consider establishing separate categories to take account of the different types of activity in the current UV Mining/Industrial category to ensure fairness and equity among the diverse ratepayers in the category.'

Chevron would be interested in exploring this matter further with the Shire in the interests of better achieving established rating principles.

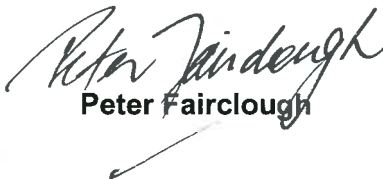
In the interim, Chevron recommends no increase to the current rate for UV Mining/Industrial ratepayers.

Chevron acknowledges the challenges of determining the 2017-18 council rates. However, Chevron is concerned that the 2016-17 rate of 38.2467 cents per dollar for UV Mining/Industrial ratepayers is already high and the proposed increase does not reflect the considerable contribution from the resources sector ratepayers and perpetuates an inequitable rates burden.

Chevron therefore seeks that the Shire reconsider the differential rate for the UV Mining/Industrial category and would welcome the opportunity to discuss this matter with you.

Please contact Cara Babb (Government Affairs Advisor) on 9216 4490 or Cara.Babb@chevron.com if you would like to discuss this matter further.

Yours sincerely



Peter Fairclough

Rating Model 2017/18

Rate Category	Total Props	UV	GRV	General Min	Lesser Min	RiD	2016/17 RiD	RiD diff	Calculated Rates	Props on Min	Concession	Actual Rates to Raise
GRV RESIDENTIAL/COMMUNITY	2,619		85,438,414	830	622.50	\$ 0.051853	\$ 0.050961	1.75%	\$ 4,430,237	120	7%	4,498,292
GRV COMMERCIAL/INDUSTRIAL/TOURISM	187		20,548,404	1,037.50		\$ 0.051954	\$ 0.051060	1.75%	\$ 1,067,572	48		1,092,666
UV MINING/INDUSTRIAL	985	73,482,703		1,037.50		\$ 0.389160	\$ 0.382467	1.75%	\$ 28,596,529	417		28,849,782
UV GENERAL	45	6,995,147		1,037.50		\$ 0.198472	\$ 0.162445	22.18%	\$ 1,388,341	4	67%	1,390,103
	5113	148,252,486	129,415,082						35,482,679			35,830,843