



2023/2024 Rates- Objects & Reasons

- Objectivity
- Fairness & Equity
- Consistency
- Transparency and administrative efficiency

“To guide the growth and development of the Hedland community, economy and environment through the provision of strong civic leadership, provision of high-quality services and facilitation of active community participation”

In accordance with section 6.36 of the *Local Government Act 1995* (the Act), the Town of Port Hedland (the Town) is required to publish its Objects and Reasons for implementing Differential Rates.

Introduction and Objective

Rates are levied on all rateable properties within the boundaries of the Town of Port Hedland Municipality in accordance with the Act.

The overall objective of the proposed rates in the 2023/24 budget is to achieve the net funding required to successfully achieve the objectives set out in the Town of Port Hedland Long Term Financial plan 2022 -2037 with a focus on staying the course, of the projected rate increases of 3.5% annually over the 15 year term, as the Town strives to achieve the strategies set out in the Strategic community plan 2022 -2032.

As part of the Council deliberations and consideration to all other revenue sources, expenditure and efficiency saving measures, the Local Government rating principles have been applied fairly and equitably to ensure fair contribution is achieved based on the method of Valuation reflecting predominate Land use or Zoned area as determined by the Town Planning scheme.

GROSS RENTAL VALUATION (GRV)

The Act determines that properties of a non-rural purpose within a Townsite boundary be rated using the Gross Rental Valuation (GRV) as the basis for the calculation of annual rates.

The Valuer-General determines the GRV for all properties within the Town of Port Hedland every three years. The current general valuation is effective from 1 July 2022. (Valuation period 2022/23 to 2025/26)

Properties are rated according to predominant land use or the Town Planning Scheme's zoning. Three differential categories form the GRV basis, each having a separately calculated rate in the dollar to achieve greater equity across categories.

The GRV is determined by Landgate collecting rental evidence to determine the fair rental value for each property or groups of properties. Interim valuations are provided regularly to Council by the Valuer-General for properties where changes occur (i.e. subdivisions or strata title of properties, 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.

In addition to the above, section 6.28 (1) (2)(3) of the Act concludes the basis for rating 'relevant resource interest' is to be unimproved value of land, except land on which capital improvement are located, Reviews are continually undertaken and monitored for consideration to applying to the Minister for Local Government who; under section 6.28(1) determines gross rental value (GRV) basis of capital improvement la

The current gross rental valuation schedule was & is effective from 1 July 2022.

UNIMPROVED VALUATION (UV)

As Council has adopted differential rates, the basis of UV is applied upon land that is predominantly of a rural purpose in nature and can be located both inside and outside the town site boundary. All mining and petroleum interest, predominant Land use or zoned strategic industry, mining, mining resource, resource processing, stockpiling, salt mining and all state agreements in all instances located both inside and outside the townsite boundary are rated on the basis of unimproved value, with the exception of Ministerial approval to rate GRV.

Covering but not limited to Mining leases, State Agreements, Mining tenements, Pastoral leases, along with all other leasing and licences as described by the Mining Act (*Mining Act 1904*) the Port Hedland Port Authority (**Ports Legislation Amendment Act 2014**) leased land and privately owned land.

Unimproved values are reviewed and provided to the Town annually by the Valuer-General at Landgate, with a valuation roll provided. Interim valuations are provided monthly to Council by Landgate for properties where changes have occurred, in such instances Council recalculates the rates for the affected properties and issues interim rates notices.

The current unimproved rental valuation schedule is effective from 1 July 2023.

MINIMUM RATE PAYMENT

6.35. Minimum payment

(1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.

(2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.

(3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than –

a. 50% per cent of the total number of separately rated properties in the **district**; or

b. 50 % per cent of the number of properties in each **category** referred to in subsection (6), on which a minimum payment is imposed

Regarding the UV Mining differential, the lower minimum is applied to ensure that the rate burden is distributed equitably between all property owners. A lesser minimum of \$200 is applied to Mining categories to reflect the State Government amendment to the *Valuation of Land Act 1978* with the objective of providing some minor rate relief to small tenement owners

2023/2024 Budget Focus

The following are the proposed Differential General Rates and Minimum Payments for the Town of Port Hedland for the 2023/24 financial year, and are effective from 1 July 2023.

The rate in the dollar will be based on the general valuation as supplied by the Valuer General (VG) with respect of gross rental values (GRV's) effective from 1 July 2022 and (UV's) effective from 1 July 2023 and as amended by any interim valuations received subsequent to that date.

The Rate modelling undertaken for the 23/24 period will yield in net revenue 65,178.350

Rate Category	2022/23 Current	2023/24 Proposed	2023/24 Proposed	2023/2024 % Share
	Rate in the Dollar	Rate in the Dollar	Minimums	Percentage of Revenue
	\$	\$	\$	%
GRV Residential	0.07062	0.06700	1300	20.71
GRV Commercial/ Industrial	0.08979	0.08957	1900	9.24
GRV Accommodation	0.13050	0.13300	1900	3.68
UV Pastoral	0.11298	0.12000	1900	0.25
UV Mining	0.20215	0.214690	200	65.96
UV Other	N/A	0.10750	1900	0.13

The above calculation is before concessions and other doubtful debt and risk considerations are applied.

Council has reviewed its expenditure in line with the Town's Long term financial plan 2022/32 and considered efficiency measures as part of its budget deliberation.

Efficiency Measures

- Continue to review & monitor all land for capital improvements
- Continue to use local suppliers whenever possible and appropriate
- Structuring operational revenues and expenditure to ensure adequate provision for asset renewal into the future
- Lobby State and Federal Governments and private sector for improved infrastructure investment.
- Continue to pursue investment in key infrastructure development such as the West end, airport, service industry and logistics.

Service Improvements

- Spoil bank Marina Project due for completion in 2023

- Continue to joint venture with Hedland Maritime Initiative to redesign the West End Precinct.

- Substantial funds designated by the Town for the creation of three critically important recreation hubs:

- South Hedland Integrated Sports Hub (SHISH)
- Port Hedland Sports and Community Hub
- JD Hardie Youth and Community Hub.

Differential General Rates and General Minimum Payments

The following are the objects and reasons for each of the differential rates:

GRV RESIDENTIAL

Means any land that is predominately used for:

- Singular and multi-dwellings and is zoned Residential/Rural Residential approved by the Town of Port Hedland planning department under the Town of Port Hedland Local Planning Scheme.

OR

- Which is vacant of any construction and is zoned Residential/Rural Residential under the Town of Port Hedland Local Planning Scheme.

OBJECTS: The Object of this differential rate is to apply a base differential rate to residential properties for non-business purposes.

REASONS:

The minimum rate of \$1,300 for this category is to ensure that all ratepayers make a reasonable contribution towards the financial impact and costs incurred in providing community services and activities, maintaining Town infrastructure, furthering the Town's strategic goals and encouraging and supporting residential development within the town sites.

Equally supporting sustainability by investing in infrastructure and funding renewal and replacement assets programs.

GRV COMMERCIAL / INDUSTRIAL

Means any land:

Identified as land being used for either commercial or industrial operations or zoned as identified in the Town of Port Hedland Local Planning Scheme. This includes but is not limited to; the town centre, commercial business precincts, mixed business, shopping centres, Airports and Aerodromes, Wedgefield Industrial Estate (including care takers buildings) and Strategic Industry zones, industrial, transport and light industry uses, the West End precinct and Port Hedland Port Authority leased land inside and outside town site boundary and privately owned land.

Miscellaneous Licenses with Local Government Ministerial approval -

- Miscellaneous Licenses (all approved uses) defined under the Mining Act 1978 that have been granted by Department of Mines Industry and Regulation & Safety & deemed rateable, with infrastructure on the land.

OBJECTS:: The object of this differential rate is to apply council rates to all income producing facilities, raising revenue to fund costs associated with maintaining infrastructure renewal & services provided to these properties, or locations,

REASONS: The differential acknowledges costs associated with the provision and maintenance & renewal of infrastructure used by commercial or industrial businesses including road structure, lighting and drainage, car parking, landscaping and higher costs in relation to infrastructure and regulatory services, landscape & infrastructure development to assist with dust mitigation.

In maintaining fairness & equity ensuring consistency with previous years, the Council continues a close working relationship with Development WA minimising risk and preventing land banking; and encourages all businesses equally by supporting sustainability by investing in business infrastructure to assist with business, social & economic growth and funding renewal and replacement assets programs.

GRV ACCOMMODATION

Means any land:

- Where approved transient workforce accommodation facilities are located (TWA's)

OR

- Land approved and predominantly used for providing large scale accommodation for visitors to the Town as identified in the Town of Port Hedland Local Planning Scheme,

OR

- Holiday Accommodation, Hotel, Lodge, Motel, Tourist Development and Tourism Resort, Identified Air B & B's, Caravan Parks or alike.

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 Port Hedland.

REASONS: Patrons and employees of these premises are consumers of the Town's services and facilities. Mass Accommodation properties have the potential to have a greater impact on Council services and assets than other properties due to the number of occupant's on a relatively small land parcel.

The Council remains committed to the Towns Long term financial plan of sustainability centralised around export, mining, construction, maintenance and access to the Port, should be housed in normal residential properties within the town boundaries. It is only through this that the town benefits 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.

Furthermore, this differential recognises the costs associated with tourism and economic development activities, as well as the use of these properties predominately for business travel.

Equally supporting sustainability by investing in infrastructure for new housing, motels and funding renewal and replacement assets programs.

UV MINING

This rating category covers:

- Mining Leases and Licences, Exploration Licenses, Prospecting Licenses, Retention Licenses, General Purpose Leases, Special Prospecting Licenses for Gold and Miscellaneous Licenses (all approved uses) defined under the Mining Act 1978 that have been granted by Department of Mines Industry and Regulation & Safety and determined as rateable.

OR

- predominately used for the purpose of resource processing;

OR

- Processing or refining of fuel sources

OR

- predominately used for the purpose of stock piling;

OR

- Does not have the characteristics of any other UV differential rate category.

OBJECTS: The object of this differential rate is to reflect and raise revenue to manage the impact on the Town by mining and resource sectors.

REASONS: The impact on utilisation of urban and rural infrastructure by heavier transport and higher traffic volumes associated with resource sector operations supports the large investment that the Town of Port Hedland makes to road and road drainage infrastructure. This services remote mining activities on rural roads throughout the municipality and reflects the extra maintenance, impacts and frequency that is required to ensure a minimum level of serviceability is achieved. Along with additional costs associated with monitoring and managing the effects of environmental impacts relating to dust, noise, air pollution and smell, and community complaints to such events which are all considered here.

In addition, these properties have access to all other service facilities provided by Council. Properties with a land use UV often have a State or Regional significance, some of which are subject to legacy State Agreements that limit the methods of valuation to UV restrictive formulae for calculation of valuation. The differential rate for this category is considered to levy a proportional comparative with their impact on

local community (ie: Heavy haulage vehicle movement, environmental health and strategic planning).

Equally supporting sustainability by investing in infrastructure and funding renewal and replacement assets programs also landscape & infrastructure development to assist with dust mitigation.

UV PASTORAL

Means any land:

- that has been granted a pastoral lease under the repealed *Land Act 1933*;
- OR
- renewal of pastoral leases (administered by the Department of Lands);
- OR
- land predominately used for pastoral activities as defined in the *Land Administration Act 1997*.

OBJECTS: The object of this differential rate is to be the base rate by which all other UV rated properties are assessed. Raised revenue is to provide for rural infrastructure and services in addition to the Town services, facilities and infrastructure which are available to be accessed by the properties in this category.

REASONS: The Town has a continuing focus on development and diversification of Pastoral Properties in the region, encouraging development of tourism and rangeland activities in conjunction with reforms being introduced by the State Government, to support the opportunity for live cattle trade (Strategic Community Plan 2022/2032), and associated activities from the Port to further diversify the local economy.

Equally supporting sustainability by investing in infrastructure and funding renewal and replacement assets programs.

UV OTHER

Means any land:

- Telecommunication
 - Phone Towers
 - Broadcasting Corporations
 - Miscellaneous land use – inside Townsite boundary Nowhere else classified (NEC)
 - Miscellaneous land use outside townsite boundary– with infrastructure (NEC)
- **OBJECTS:** The object of this differential rate is to be the base rate by which all UV rated properties both inside & outside town site boundaries where predominately rural areas. Revenue is to provide for rural road development, maintenance & infrastructure.

- REASONS: The Town has a continuing focus on development and Rural & Pastoral Properties in the region, encouraging development with communication broadband internet & Wi Fi services in the modern digital economy, connectivity is essential for regional businesses and communities to build and maintain a sustainable future.

This rate differential also considers the anomalies & complexities of land uses and occupation associated with the fringe of The Towns 'town site boundaries'.

TOWN'S RATING STRATEGY

The key points for the 2023/24 Rating Strategy:

- Raise sufficient yield to maintain current services and future infrastructure renewal to meet community expectations, as outlined in the adopted Long Term Financial Plan 2022/2037 whilst ensuring a balanced budget;
- 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.
- Properties are rated according to predominant land use, this classification is provided to council from Landgate; or zoning with regard the Town Planning Scheme 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.
- With the continual trend of significant decreases in available grant funding has had a flow on effect to how the Town continues to meet ongoing asset management and service levels.
- Maintaining a strong focus for housing development across both Port and South Hedland. Continuous improvement in childcare/supporting both Social and economic benefits with regards to improvement in this area.

- The table below shows the total yield derived from each differential category providing an equitable ratio rate per category, reflecting the vision Local, State & Federal Governments have for the long term growth for Port Hedland.

Rate Category	Actual - 2022/2023	Proposed - 2023/2024
GRV Residential	\$14,148,256	\$13,502,837
GRV Commercial/ Industrial	\$5,725,950	\$6,023,052
GRV Accommodation	\$2,072,562	\$2,399,072
UV Pastoral	\$158,199	\$168,028
UV Mining	\$40,164,612	\$42,995,954
UV Other	N/A	\$89,409
TOTAL	\$62,269,578.00	\$65,178,350

The above rate model as at 14th April 2023 is proposed to yield \$65,178,350 in rate revenue. This model continues to reflect an equitable distribution of the rate burden reflecting the Towns Rating Strategy and ensuring the Town can continue to deliver services, along with maintaining road & asset renewal for the Towns suburbs, and deliver Councils Long term financial plan 2022/2037.

SUBMISSIONS

Submissions are invited from any elector or ratepayer with respect to the proposed rates, and any related matter, within a minimum 21 days of the date of this notice.

Submissions should be addressed to the Chief Executive Officer, Town of Port Hedland, PO Box 41, Port Hedland WA 6721 and be clearly marked Submission – Differential Rating 2023/24. Alternatively, submissions can be emailed to council@porthedland.wa.gov.au.

All submissions should be received no later than 5:00pm 20 June 2023 in order to be considered as part of the final rating strategy.

CARL ASKEW

CHIEF EXECUTIVE OFFICER