



shire of Ashburton
opportunity to community

Notice of Intention to Levy Differential Rates 2024-2025

Statement of Objects and Reasons





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

1. Overall Objective

The purpose of the levying of rates is to meet the Council's budget requirements each financial year to deliver services, community infrastructure and to enhance liveability within the Shire of Ashburton.

Annual revenue required from rates is informed by the Shire's comprehensive Integrated Planning and Reporting Framework that includes the following Strategic Plans:

- Long Term Financial Plan 2024 – 2039;
- Strategic Community Plan 2022 – 2032;
- Corporate Business Plan 2023 – 2027;
- Asset Management Plans; and
- Workforce Plan

These Strategic Plans can be viewed on the Shire's Website from the below link:

[Strategic Plans - Shire of Ashburton](#)

Council has considered the Key Values contained within the Rating Policy: Differential Rates released by the Department of Local Government, Sport and Cultural Industries, being:

- Objectivity;
- Fairness and equity;
- Consistency; and
- Transparency and administrative efficiency.

A copy of this policy is available from:

[Rating Policy: Differential Rates \(dlgsc.wa.gov.au\)](http://dlgsc.wa.gov.au)

Council has determined its required rates yield after reviewing all revenue sources, expenditure, and efficiency measures as part of the 2024/25 budget deliberations.

In accordance with the Long-Term Financial Plan 2024 – 2039, that Council adopted at the Ordinary Meeting of Council held on 16 April 2024, total rates required for 2024/25 will be in the region of \$68.2 million.



2. Efficiency Measures

Council has reviewed its expenditure, own source revenue generating capacity and considered efficiency measures as part of its budget deliberations. In particular, the following actions have been undertaken:

- Reviewed position descriptions and remuneration as vacancies arise;
- Remote work arrangements being considered for positions where housing is limited, and the role can be undertaken offsite;
- Condition assessments of all assets undertaken to better inform asset renewal priorities;
- Continued use of local suppliers whenever possible and appropriate;
- Pilbara Regional Waste Management Facility operations brought back in house at a significant operating cost saving;
- Commenced the Shire's digitisation journey with a view to delivering vastly improved systems and processes over the next 3 – 5 years.
- Robust review of insurance services that has identified future opportunities to self-insure.
- Negotiated new banking arrangements with reduced transaction fees and increased investment interest rates;
- Multiple budget reviews conducted;
- Ongoing investment in additional properties to provide for growing workforce requirements and mitigate current housing shortage across the Pilbara;
- Discussions with Main Roads WA and relevant government agencies regarding Roebourne – Wittenoom Road ownership and maintenance obligations.
- Lobbying State and Federal Governments and the private sector for greater infrastructure investment. – i.e. Tom Price Hospital renewal.

3. Planned Service Improvements

- Onslow Airport runway lengthening and upgrades planning well advanced to accommodate the retirement of the Fokker 100 Fleet and the anticipated larger aircraft to be used in the future.
- Minna Oval Sports Pavilion Construction – Tom Price.
- Ocean View Caravan Park Stage 3 Construction – Onslow
- \$10 million investment to improve the condition of the rural road network.
- Continued investment in residential housing to increase the stock of staff accommodation.
- Heating of swimming pools in Onslow, Paraburdoo and Tom Price.
- Increased liquid waste capacity at the Pilbara Regional Waste Management Facility to meet the needs of the Onslow community.
- Onslow Streetscape Development Stage 1.



4. Methods of Rating

The Act specifies where land is used predominantly for rural purposes, the rate levied shall be based upon its Unimproved Value (UV); and where land is predominantly for non-rural purposes, the rate levied shall be on its Gross Rental Value (GRV). UV land may also contain mining activity where rights to conduct mining-related activity occur, hence one physical patch of land may be rated twice, or more (once for rural purposes and once, or more, for mining-related purposes).

A change in valuation methodology for a property must be made by a recommendation of Council to the State Government Department responsible for Local Government. The Minister responsible for Local Government must then approve or decline a change in the valuation methodology for a property, based on the information provided by the Department.

In accordance with the Act the Shire of Ashburton uses both GRV and UV valuations in the striking of annual rates. Typically, assessments with a GRV are re-valued every three (3) years and those with a UV are re-valued annually. Valuations are supplied by the Valuer General (Landgate) in accordance with legislation.

Interim valuations are issued to the Shire from Landgate for property assessments where changes have occurred because of, amongst other reasons, subdivisions, building construction / demolition, additions and / or property rezoning. In such instances, the Shire is required to amend the rates for the property assessments concerned and issue an amended rate notice to the owner.

5. Differential Rating

Differential rating provides flexibility in the level of rates being raised from specifically identified property assessments, or groups of property assessments, within the district. It is common for councils to base differential rating for property assessments on Town Planning Scheme zonings, however other criteria such as land-use may also be used.

The aim of the Council of the Shire of Ashburton is to ensure rate revenue is collected on a perceived equitable basis from all property assessments. For this reason, the Council has proposed to adopt differential rates for the upcoming financial year.

Section 6.33 of the Act makes provision for the Shire to be able to levy differential rates based on several criteria.

A local government may impose differential general rates according to any, or a combination, of the following characteristics –

- The purpose for which the land is zoned, or
- A purpose for which the land is held or used as determined by the local government, or
- Whether or not the land is vacant land, or
- Any other characteristic or combination of characteristics prescribed.

Section 6.33 of the Act prevents Council from levying a differential rate that is greater than twice the lowest differential rate without Ministerial approval.

6. Differential Rating Categories.

The following are the proposed Differential General Rates Categories and Minimum Payments for the Shire of Ashburton for the 2024/2025 financial year, to be effective from 1 July 2024.

Rate Category	Rate in Dollar	Minimum Payment	Percentage of Revenue
GRV Residential/Commercial/Industrial	0.09830	\$1,350	10%
GRV Transient Worker Accommodation	0.19500	\$1,350	12%
UV Pastoral	0.19290	\$1,350	2%
UV Non-Pastoral	0.38568	\$1,350	76%

The Shire's 2024-2025 rating will be based on land use, being;

- GRV – Residential / Commercial / Industrial
- GRV – Transient Workforce Accommodation
- UV – Pastoral
- UV – Non-Pastoral



The objects and reasons for differential rate charges are as follows:

6.1 GRV – Residential / Commercial / Industrial

This category incorporates residential single dwellings, duplex, multi-unit, strata improved properties and vacant land.

It also incorporates properties having a predominant land use of light industry, general industry, commercial including hotel/motel, shops, restaurants, offices, roadhouses, tourist centres, caravan parks, holiday accommodation and mixed-use properties.

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

6.2 GRV – Transient Workforce Accommodation.

This incorporates all mass accommodation facilities provided for a workforce that is not permanently located within the Shire.

Temporary workers and the operators of Transient Workforce Accommodation are consumers of Shire services but unless they are also property owners within the Shire, are not contributing to the cost of services which they use and have access to.

Mass accommodation properties have the potential to have a greater impact on Shire services and assets than other property types due to their number of occupants in a relatively small land parcel.

Council is focussed on sustainably managing its community services and infrastructure assets across 4 towns through the funding of renewal and replacement asset programs. These programs include but are not limited to investment in the resealing and resheeting of roads, replacement, and development of footpath networks and drainage, recreational assets such as sporting ovals, parks and swimming pools, refurbishing public ablutions, considering the future impacts of climate change and other building maintenance programs.

The diverse range of services and programs and associated infrastructure/facilities required for developed residential and urban areas are available to FIFO workers in the same manner as they are available to all other residents of the Shire and the contribution from this category has been set at a level that reflects this fact.



6.3 UV – Pastoral

This incorporates all properties:

- that has been granted a pastoral lease under the repealed Land Act 1993; 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; or
- land that does not have the characteristics of any other UV differential rate category.

The object of this differential rate is to be the base rate by which all other UV rated properties are assessed.

The Pastoral - UV rate in the dollar applied is lower than the UV Non-Pastoral rate in the dollar to recognise -

- The impact economic and climatic fluctuations have on financial capacity to pay,
- The lower overall level of impact pastoral activities generally has on infrastructure and facilities such as road infrastructure and recreation facilities, and
- The permanent nature of pastoral businesses relevant to mining and other non-pastoral businesses.

6.4 UV – Non-Pastoral

This rating category covers:

- All Mining Leases and Licenses, Exploration Licenses, Prospecting Licences, Retention Licenses, General Purpose Leases, Special Prospecting Licenses for Gold and Miscellaneous Licenses as defined under the Mining Act 1978 that have been granted; or
- Predominately used for the purpose of resource processing; or
- Predominately used for the purpose of stock piling.

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

The objective is to raise rates reflective of the ongoing costs involved in maintaining the road network across the Shire, and towards supporting 4 diverse regional communities spread out over a large geographical area, half the size of Victoria.



7. Minimum Payments

Section 6.35 of the Act allows Council to impose a minimum rate, which may not apply to more than 50% of rateable properties within a rating category.

Every property, regardless of size, value, and use, receives some minimum level of benefit from the Shire's works and services. Minimum rates ensure that all ratepayers make a reasonable contribution to essential services and infrastructure.

A proposed minimum rate of \$1,350 has been applied to all rating categories for 2024/25.

8. Important Note

As at the date of publication of this document the Valuer General's Office continue to supply interim valuations to the Shire, which are effective for the coming financial year. This may impact the final applied rates in the dollar and minimum payments for each of the categories.

9. Invitation for Submissions

Submissions are invited from any elector or ratepayer with respect to the proposed differential rates, and any related matters.

Submissions should be addressed to:

Chief Executive Officer
Shire of Ashburton PO Box 567
Tom Price WA 6751

Alternatively, by email to:

soa@ashburton.wa.gov.au

All submissions are to be received by no later than 4:00 pm, Wednesday 12 June 2024.

Kenn Donohoe
Chief Executive Officer