



Shire of
YILGARN

“good country for hardy people”

*Special Meeting
of Council*

29th May

2018



NOTICE OF SPECIAL MEETING

Councillors:

Please be advised that a

Special Meeting of Council to consider the proposed
Differential Rate in the dollar for the 2018/2019 financial
year.

**Will be held in the Council Chambers on
Tuesday, 29th May 2018
Commencing at 4pm**

Peter Clarke
A/Chief Executive Officer

29/05/2018

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1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Presiding Member declared the meeting open at ____pm

2. ANNOUNCEMENTS FROM THE PRESIDING MEMBER

3. ATTENDANCE

Presiding Member	Cr O Truran	President
Members	Cr W Della Bosca Cr B Close Cr G Guerini Cr P Nolan Cr D Pasini Cr S Shaw	Deputy President-
Council Officers	P Clarke C Watson N Mwale L Della Bosca	Acting Chief Executive Officer Executive Manager Corporate Services Finance Manager Minute Taker

Apologies:

Observers:

4. DECLARATION OF INTEREST

5. PUBLIC QUESTION TIME

6 Reporting Officer – Executive Manager Corporate Services

6.1 Differential Rates – 2018/19

File Reference	8.1.1.5
Disclosure of Interest	Nil
Voting Requirements	Absolute Majority
Attachments	Rating Strategy
	Object and Reasons
	Submissions

Purpose of Report

To consider the proposed Differential Rate in the dollar for the 2018/2019 financial year for all land categories that was advertised in accordance with the *Local Government Act (1995)*.

Background

At the March 2018 Ordinary meeting of Council resolved the following as the commencement of the Differential Rating process for the 2018/2019 financial year:-

26/2018

Moved Cr Guerini/Seconded Cr Della Bosca

That Council:

1. *Endorse the Differential Rating – Objects and Reasons for the 2018/2019 rating years as presented;*
2. *Endorse the following proposed Differential General Rates Categories, Rates in the Dollar and Minimum amounts for the Shire of Yilgarn for the 2018/2019 financial year:*

<i>Land Category</i>	<i>Rate – Cents in the Dollar</i>	<i>Minimum Payment</i>
<i>GRV - Residential/Industrial</i>	<i>11.1773</i>	<i>\$500</i>
<i>GRV - Commercial</i>	<i>7.8681</i>	<i>\$400</i>
<i>GRV - Minesites</i>	<i>15.7362</i>	<i>\$400</i>
<i>GRV - Single Persons Quarters</i>	<i>15.7362</i>	<i>\$400</i>
<i>UV - Rural</i>	<i>1.7487</i>	<i>\$400</i>
<i>UV - Mining</i>	<i>17.3058</i>	<i>\$400</i>

3. *Endorse a public consultation process on the proposed Differential General Rates and General Minimum Rates as follows:*
 - *Statewide and local public notice on Wednesday 2nd May 2018 as per the requirements of section 6.36 of the Local Government Act 1995.*
 - *Individual ratepayer consultation for all ratepayers in General Rate Categories with less than 30 ratepayers.*

Carried (6/1)

*Cr Nolan recorded his vote against the motion

In accordance with Section 6.33 (3) of the Local Government Act 1995, a Local Government is not, without the approval of the Minister, to impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

With the Differential General Rates being proposed in the 2018/2019 Rating Strategy and Objects & Reasons, Council falls under the umbrella of this section of the Act. Note however that it is only applicable to UV Mining.

Accordingly, Ministerial approval is required and the proposal to impose this rate required that it be advertised for a period of not less than 21 days with any submissions received subsequently being presented to Council for consideration.

Comment

Following the statutory advertising period (21 days) and being advertised in the "*Kalgoorlie Miner*" and "*Crosswords*" editions of 2 May 2018 and 3 May 2018 respectively. At the close of the submission period of Thursday, 24 May 2018, the following two (2) submissions were received.

- Cr Phil Nolan
- McMahon Mining Title Services Pty Ltd

The submissions received are attached to this Report together with comments from staff and recommended actions related to the various points that have been submitted for Council consideration.

Statutory Environment

Local government Act 1995

6.33. Differential general rates

- (3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

6.36. Local government to give notice of certain rates

- (1) Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so.

- (2) A local government is required to ensure that a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).
- (3) A notice referred to in subsection (1) —
 - (a) may be published within the period of 2 months preceding the commencement of the financial year to which the proposed rates are to apply on the basis of the local government's estimate of the budget deficiency; and
 - (b) is to contain —
 - (i) details of each rate or minimum payment the local government intends to impose; and
 - (ii) an invitation for submissions to be made by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters within 21 days (or such longer period as is specified in the notice) of the notice; and
 - (iii) any further information in relation to the matters specified in subparagraphs (i) and (ii) which may be prescribed;and
 - (b) is to advise electors and ratepayers of the time and place where a document describing the objects of, and reasons for, each proposed rate and minimum payment may be inspected.
- (4) The local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.

Strategic Implications

Attachment - 2018/2019 Rating Strategy, contains a detailed listing of the Local Government Act rating provisions.

Policy Implications

Nil

Financial Implications

The endorsed rate in the dollar will form the basis of the 2018/2019 budgeted rates revenue.

Recommendation

That Council:

1. Council notes that it has complied with Sections 6.36 of the *Local Government Act 1995* in respect advertising requirements and preparation of the "2018/2019 Rating Strategy" and "Objects and Reasons" documents being prepared;
2. Receives the submission from Cr Phil Nolan and McMahon Mining Title Services Pty Ltd and notes the comments made therein and further, endorses the comments and recommendations submitted by staff in relation to the submissions;
3. Endorse the following proposed Differential General Rates Categories, Rates in the Dollar and Minimum amounts for the Shire of Yilgarn for the 2018/2019 financial year:

Land Category	Rate – Cents in the Dollar	Minimum Payment
GRV - Residential/Industrial	11.1773	\$500
GRV - Commercial	7.8681	\$400
GRV - Minesites	15.7362	\$400
GRV -Single Persons Quarters	15.7362	\$400
UV - Rural	1.7487	\$400
UV - Mining	17.3058	\$400

and

4. Make application to the Minister for Local Government to impose the UV Mining Differential Rate, being more than twice the lowest differential UV rate.



Rating Strategy

2018/19

OBJECTIVES

The objectives of the Rating strategy are to:

- Provide a robust and considered framework for Rates categories, Minimum Rates, and Differential Rates that incorporates the principles of:
 - Objectivity;
 - Fairness and Equity;
 - Consistency;
 - Transparency; and
 - Administrative efficiency
- Ensure a stable rates revenue stream for the Shire from year to year; and
- Deliver a stable rating price path for our community.

WHAT ARE RATES?

Rates are levied on all rateable properties within the boundaries of the Shire of Yilgarn in accordance with the *Local Government Act 1995*. Rates are a tax, not a fee-for-service; as such they need to be set in accordance with principles of taxation – equity, efficiency, simplicity, sustainability and policy consistency.

The overall objective of the proposed rates in the 2018/19 Budget is to provide for the net **funding requirements of the Shire's services, activities and the current and future capital requirements** of the Shire, after taking into account all other forms of revenue.

The formulation of a rating system is about achieving a means by which Council can raise sufficient revenue to pay for the services it provides. Throughout Australia, the basis of using property valuations has been found to be the most appropriate means of achieving rating equity; however, the achievement of a wholly equitable rating system for all properties, in all areas, is a difficult task if it is based on the property valuations alone. For this reason, there are refinement options made available, such as differential rating, which the Shire of Yilgarn has elected to use.

In Western Australia land is valued by Landgate Valuation Services (Valuer-General's Office – a state government agency) and those values are forwarded to each Local Government.

Two types of values are calculated - Gross Rental Value (GRV) which generally applies for urban areas; and Unimproved Value (UV) which generally applies for rural land.

WHAT DO RATES PAY FOR?

Rates revenue represents approximately half of the Shire's operating income each year and it is an income stream that the Shire has a substantial degree of control over. This reliability and control is an important consideration in terms of the Shire's financial flexibility.

General rates revenue supports a broad range of local government infrastructure and services, including building control; animal control; community services; active and passive open space; roads, footpaths and drainage; libraries; Swimming Pool; sport & recreation; community events;

town planning; governance and corporate support; cemeteries; emergency management; public conveniences; economic development; Health services; and tourism and regional promotion.

TOTAL OPERATING REVENUE – ALL SOURCES

	2017/18 Budget	2016/17 Actual	2015/16 Actual	2014/15 Actual	2013/14 Actual	2012/13 Actual
Rates	3,686,019	3,708,006	3,827,876	4,378,978	4,024,584	4,119,579
Grants	1,568,503	3,701,459	1,947,410	3,398,584	1,566,674	2,348,993
Fees & Charges	1,023,814	1,049,254	924,459	1,038,612	1,003,660	1,048,222
Interest	178,000	155,406	212,230	252,195	264,526	320,994
Other	211,800	261,321	393,987	387,475	177,333	1,394,988
TOTAL	6,668,136	8,875,446	7,305,962	9,455,844	7,036,777	9,232,776

GENERAL PURPOSE GRANTS

Local Government Financial Assistance Grants funded by the Commonwealth Government are distributed among all local governments in Western Australia each year. The funding is allocated on the basis of horizontal equalisation to ensure that each local government in the State is able to function at a standard not lower than the average standard of other local governments.

All local governments are entitled to receive at least the minimum grant. That minimum grant cannot be less than 30 per cent of what the local government would receive if all grants were allocated on a per capita basis. The grants commission calculates the equalisation requirement of each local government by assessing the revenue raising capacity and expenditure need of each local government.

The equalisation requirement is the difference between the assessed expenditure need and the assessed revenue raising capacity of each local government.

The Shire of Yilgarn's total general purpose grant for 2017/18 is \$2,202,043 including untied roads grant (59% of budgeted rate revenue). \$1,108,840 or 50% of the 2017/18 general purpose grant was pre-paid in the 2016/17 financial year.

CURRENT RATING CATEGORIES (2016/17)

The Shire of Yilgarn adopted the following rating categories when adopting the 2017/18 Budget:

GRV – Gross Rental Value

Category 1 – Residential/Industrial GRV

The Residential/Industrial GRV rate applies to all properties with a land use that does not fall within the category of Commercial.

Category 2 – Commercial GRV

The Commercial GRV rate is levied on properties with a commercial land use.

Category 3 – Mine sites GRV

The Mine sites GRV rate is levied on properties with a mining land use.

Category 4 – Single Persons Quarters (SPQ) GRV

The SPQ GRV rate is levied on properties with a transient workforce accommodation land use.

UV – Unimproved Value

Category 5 - Rural UV

This category is applied to all rural properties which do not fall into one of the other categories, and is the base for computing the rate in the dollar for Unimproved Value properties.

Category 6 – Mining UV Lease / License

The Mining UV rate for leases and licenses is levied on properties with a lease or license on unimproved mining land use.

Minimum Rates

In 2017/18 the Shire imposed a higher minimum payment on GRV Residential/Industrial to discourage holding undeveloped land within the town-sites, which reduces the amenity of the area, and thereby encourages development.

This situation is still applicable and as such, It is proposed to retain the higher minimum for GRV Residential/Industrial in the 2018/19 financial year.

DIFFERENTIAL RATES

A differential rate occurs when categories of property within the UV or GRV land valuation methods are rated differently. The imposition of differential rates represents a policy decision of the Shire to redistribute the rates burden in its local government area by imposing a higher rate on some ratepayers by comparison to others. In doing so, the Shire gives consideration to the principles of objectivity; fairness; consistency; transparency; and administrative efficiency.

The Shire will also give appropriate consideration to the capacity of particular categories of ratepayers to pay.

As property rates are a form of value or wealth tax, it is not possible to ensure equity between individual property owners, since not all properties will be assessed at the same value. Therefore our objective is to endeavour to ensure that each rating category bears its fair and reasonable share of the cost of providing local government services.

APPROVAL OF DIFFERENTIAL RATES

The current framework for rates at the Shire of Yilgarn necessitates the Shire to seek Ministerial approval each year, prior to the making of the rates. Approval is necessary because the UV Mining category is more than twice the lowest Differential Rate.

LONG TERM FINANCIAL PLAN

The Yilgarn Shire Council adopted a Long Term Financial Plan in July 2013, which has been taken into account in preparing this document. The Shire is currently reviewing and updating the Long Term Financial Plan, Asset Management Plan and Corporate Business Plan.

RATES REVENUE 2012/13 TO 2017/18

	Budget 2017/18		Actual 2016/17		Actual 2015/16		Actual 2014/15		Actual 2013/14		Actual 2012/13	
	RID / Min	Revenue	RID / Min	Revenue	RID / Min	Revenue	RID / Min	Revenue	RID / Min	Revenue	RID / Min	Revenue
Gross Rental Value												
Residential / Industrial	0.11012	327,739	0.11012	328,620	0.10690	319,900	0.10380	311,676	0.10070	267,802	0.09720	264,480
Residential / Industrial - Minimum	\$500	63,500	\$500	62,500	\$370	36,630	\$365	36,865	\$360	36,000	\$355	37,985
		391,239		391,120		356,530		348,541		303,802		302,465
Commercial	0.07752	77,160	0.07752	77,160	0.07310	72,199	0.07100	69,185	0.06890	78,852	0.06650	73,012
Commercial - Minimum	\$400	2,800	\$400	2,800	\$370	2,590	\$365	2,555	\$360	2,520	\$355	2,840
		79,960		79,960		74,789		71,740		81,372		75,852
Minesite	0.15504	18,629	0.15504	18,629	0.22500	27,563	0.40010	50,779	0.38110	77,298	0.35100	93,853
Minesite - Minimum	\$400	1,200	\$400	1,200	\$370	740	\$365	1,460	\$360	1,440	\$355	1,420
		19,829		19,829		28,303		52,239		78,738		95,273
Single Persons Quarters	0.15504	263,331	0.15504	260,935	0.22500	518,189	0.40010	1,046,548	0.38110	969,279	0.35100	733,219
Single Persons Quarters - Minimum	\$400	400	\$400	400	\$370	370	\$365	365	\$360	1,440	\$355	355
		263,731		261,335		518,559		1,046,913		970,719		733,574
Unimproved Value												
Rural	0.01723	1,658,717	0.01930	1,661,911	0.01820	1,563,867	0.01740	1,482,959	0.01690	1,452,273	0.01640	1,451,109
Rural - Minimum	\$400	15,200	\$400	14,000	\$370	12,580	\$365	13,870	\$360	13,680	\$355	14,200
		1,673,917		1,675,911		1,576,447		1,496,829		1,465,953		1,465,309
Mining	0.17050	1,257,519	0.17050	1,213,718	0.18050	1,275,316	0.21140	1,357,051	0.20140	1,014,343	0.19000	1,384,361
Mining - Minimum	\$400	106,000	\$800	140,019	\$360	105,480	\$365	120,867	\$360	138,759	\$355	147,325
		1,363,519		1,353,737		1,380,796		1,477,918		1,153,102		1,531,686
Total Revenue (Before Discount)		3,792,195		3,781,892		3,935,424		4,494,180		4,053,686		4,204,159

COMPARISON TO NEIGHBOURING OR SIMILAR COUNCILS - Rate in the Dollar

Based on individual Councils 2017/18 Budget notes

	Shire of Westonia			Shire of Coolgardie			Shire of Dundas			Shire of Ravensthorpe		
	Rate in \$	Valuation	Revenue	Rate in \$	Valuation	Revenue	Rate in \$	Valuation	Revenue	Rate in \$	Valuation	Revenue
Gross Rental Value												
Residential	0.060690	678,355	41,169	0.074652	16,276,872	1,215,104				0.108901	10,407,985	1,133,440
Industrial										0.144197	493,532	71,166
Commercial										0.122287	1,398,211	170,983
Townsite							0.158624	3,242,716	514,373			
Mining	0.152548	1,591,500	242,780				0.234967	383,000	89,992			
Roadhouse / Service Station							0.158624	937,860	148,767			
Transient Workforce Accom										0.301308	780,000	235,020
Short Stay Accom										0.301308	72,800	21,935
Unimproved Value												
Rural				0.110513	1,174,514	129,799						
Rural / Pastoral	0.014049	42,200,440	592,847									
Pastoral							0.050000	708,393	35,420			
Mining Leases							0.149590	6,059,915	906,503			
Exploration Leases							0.149590	1,211,119	181,171			
Prospecting Leases							0.149590	116,628	17,446			
Mining	0.014049	102,057	1,434	0.220435	20,123,801	4,435,990				0.010889	156,029	1,699
Other										0.009620	178,888,456	1,720,907

COMPARISON TO NEIGHBOURING OR SIMILAR COUNCILS - Minimums

Based on individual Councils 2017/18 Budget notes

	Shire of Westonia			Shire of Coolgardie			Shire of Dundas			Shire of Ravensthorpe		
	Minimum	Valuation	Revenue	Minimum	Valuation	Revenue	Minimum	Valuation	Revenue	Minimum	Valuation	Revenue
Gross Rental Value												
Residential	355	33,057	6,035	694	4,204,823	458,734				938.40	1,589,113	412,896
Industrial										938.40	64,508	14,076
Commercial										938.40	51,501	9,384
Townsite							349	65,571	50,605			
Mining	355	-	-									
Roadhouse / Service Station												
Transient Workforce Accom										938.40	-	-
Short Stay Accom										938.40	-	-
Unimproved Value												
Rural				684	13,500	9,576						
Rural / Pastoral	355	211,260	6,390									
Pastoral							349	16,143	1,745			
Mining Leases							349	41,677	17,101			
Exploration Leases							349	64,665	20,591			
Prospecting Leases							290	55,752	15,950			
Mining	200	35,468	1,600	437	687,217	295,412				938.40	2,049,521	116,362
Other										938.40	5,229,644	90,086

VALUATIONS

In Western Australia land is valued by Landgate Valuation Services (of the WA Valuer Generals Officer) and those values are forwarded to each Local Government for rating purposes.

Two types of values are calculated - Gross Rental Value (GRV) which generally applies for urban areas; and Unimproved Value (UV) which generally applies for rural land. GRV general valuations are currently carried out on a triennial basis in the Perth metropolitan area and every 5 years in country areas of the State. UV's are determined annually.

The most recent revaluation of GRV rated properties will apply from 1 July 2018.

GRV means 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 was liable for all rates, taxes and other charges thereon and the insurance and other outgoings necessary to maintain the value of the land. The GRV normally represents the annual equivalent of a fair weekly rental. For instance a GRV of \$10,400 represents a weekly rental of \$200.

Proposed Rating Strategy – 2018/19

Category 1 – Residential/Industrial GRV

The Residential/Industrial GRV rate applies to all properties zoned residential & industrial and includes all GRV properties that do not fall within the categories of Commercial, Minesite GRV and Single Persons Quarters.

The object of the proposed rate is to ensure the proportion of rates raised is consistent with prior years.

The rate in 2017/18 is 11.0121 cents in the dollar with a minimum rate of \$500.

Recommendation:

That the rate for 2018/19 for Residential/Industrial GRV be increased to 11.1773 cents in the dollar with a minimum rate of \$500.

This represents a rate increase of 1.5%

Category 2 – Commercial GRV

The Commercial GRV rate is levied on properties with a commercial land use.

The object of the proposed rate in the dollar is to ensure the proportion of rates raised is consistent with prior years and to keep rates to a minimum level to encourage local business to remain competitive and viable.

Council has previously applied a differential rate to Commercial properties by discounting the rate in the \$ applied to residential/industrial properties by approximately 30% to ensure commercial properties operating in the Shire remain competitive and viable.

The rate in 2017/18 was 7.7518 cents in the dollar with a minimum rate of \$400.

Recommendation:

That the rate for 2018/19 for Commercial GRV properties be 7.8681 cents in the dollar with a minimum rate of \$400.

This represents a rate increase of 1.5%

Category 3 – Minesites GRV

The Minesites GRV rate is levied on properties with a mining lease with improvements on the land.

The object of the proposed rate in the dollar is to reflect the cost of servicing mining activity including road infrastructure and other amenities.

The rate in 2017/18 was 15.5036 cents in the dollar with a minimum of \$400.

It is noted that Council has substantially reduced (62%) the rate for this category from 40.0100 cents in the dollar in 2014/15.

Recommendation:

That the rate for 2018/19 for Minesite GRV properties be 15.7362 cents in the dollar with a minimum of \$400.

This represents a rate increase of 1.5%.

Minesites GRV is rated higher than Commercial GRV and Residential/Industrial GRV because of the greater impact on road infrastructure by way of heavy haulage trucks as well as ancillary use of Shires services and facilities.

Category 4 – Single Persons Quarters (SPQ) GRV

The SPQ GRV rate is levied on properties with a transient workforce accommodation land use.

The differential rate for SPQ GRV is intended to maintain the relativity comparative to residential rates and provides an average rate per accommodation unit of less than Council's proposed minimum rate.

The rates for this category supports Council's preferred option that the operational workforce associated with resource interests be housed in normal residential properties within the town boundaries.

The rate in 2017/18 was 15.5036 cents in the dollar with a minimum of \$400.

It is noted that Council has substantially reduced (62%) the rate for this category from 40.0100 cents in the dollar in 2014/15.

Recommendation:

That the rate in the \$ for 2018/19 for Single Persons Quarters GRV be 15.7362 cents in the dollar with a minimum of \$400.

This represents a rate increase of 1.5%.

Category 5 - Rural UV

This category is applied to all rural properties which do not fall into one of the other categories, and is the base for computing the rate in the dollar for Unimproved Value properties. The valuations of UV properties are reviewed on an annual basis by Landgate.

The object of the proposed rate in the dollar is to ensure the proportion of rates raised is consistent with prior years.

The rate in 2017/18 was 1.7229 cents in the dollar with a minimum of \$400.

Recommendation:

That the rate in the \$ for 2018/19 for Rural UV be 1.7487 cents in the dollar with a minimum of \$400.

This represents a rate increase of 1.5%.

Category 6 – Mining UV

The Mining UV rate is levied on properties with a prospecting, exploration and UV mining land use.

Mining UV is rated more than twice that of Rural UV because of the greater impact on road infrastructure by way of heavy haulage trucks as well as ancillary use of Shires services and facilities.

The differential rate in the \$ is required to generate revenue to support the large investment that the Shire of Yilgarn makes in road and road drainage infrastructure to service remote mining activities on rural roads throughout the Shire and reflects the extra maintenance, impacts and frequency that is required to ensure a minimum level of serviceability above that normally required to meet the needs of farmers.

The rate in 2017/18 was 17.0500 cents in the dollar with a minimum of \$400.

It is noted that Council has substantially reduced (19%) the rate for this category from 21.1400 cents in the dollar in 2014/15.

Recommendation:

That the rate for Mining UV for 2018/19 be 17.3058 cents in the dollar with a minimum of \$400.

This represents a rate increase of 1.5%.

LOCAL GOVERNMENT ACT RATING PROVISIONS

The *Local Government Act 1995* sets out the basis on which differential general rates may be based as follows:

6.32. Rates and service charges

- (1) When adopting the annual budget, a local government —
 - (a) in order to make up the budget deficiency, is to impose* a general rate on rateable land within its district, which rate may be imposed either —
 - (i) uniformly; or
 - (ii) differentially; and
 - (b) may impose* on rateable land within its district —
 - (i) a specified area rate; or
 - (ii) a minimum payment; and
 - (c) may impose* a service charge on land within its district.

** Absolute majority required.*

- (2) Where a local government resolves to impose a rate it is required to —
 - (a) set a rate which is expressed as a rate in the dollar of the gross rental value of rateable land within its district to be rated on gross rental value; and
 - (b) set a rate which is expressed as a rate in the dollar of the unimproved value of rateable land within its district to be rated on unimproved value.
- (3) A local government —
 - (a) may, at any time after the imposition of rates in a financial year, in an emergency, impose* a supplementary general rate or specified area rate for the unexpired portion of the current financial year; and
 - (b) is to, after a court or the State Administrative Tribunal has quashed a general valuation, rate or service charge, impose* a new general rate, specified area rate or service charge.

** Absolute majority required.*

- (4) Where a court or the State Administrative Tribunal has quashed a general valuation the quashing does not render invalid a rate imposed on the basis of the quashed valuation in respect of any financial year prior to the financial year in which the proceedings which resulted in that quashing were commenced.

6.33. Differential general rates

- (1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —
 - (a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or
 - (b) a purpose for which the land is held or used as determined by the local government; or
 - (c) whether or not the land is vacant land; or
 - (d) any other characteristic or combination of characteristics prescribed.

- (2) Regulations may —
 - (a) specify the characteristics under subsection (1) which a local government is to use; or
 - (b) limit the characteristics under subsection (1) which a local government is permitted to use.
- (3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.
- (4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.
- (5) A differential general rate that a local government purported to impose under this Act before the Local Government Amendment Act 2009 section 39(1)(a) came into operation 1 is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate

6.46. Discounts

Subject to the Rates and Charges (Rebates and Deferments) Act 1992, a local government may, when imposing a rate or service charge, resolve* to grant a discount or other incentive for the early payment of any rate or service charge.

** Absolute majority required.*

6.47. Concessions

Subject to the Rates and Charges (Rebates and Deferments) Act 1992, a local government may at the time of imposing a rate or service charge or at a later date resolve to waive* a rate or service charge or resolve to grant other concessions in relation to a rate or service charge.

** Absolute majority required.*

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% of the total number of separately rated properties in the district; or
 - (b) 50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.

- (4) A minimum payment is not to be imposed on more than the prescribed percentage of —
 - (a) the number of separately rated properties in the district; or
 - (b) the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.

- (5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.

- (6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —
 - (a) to land rated on gross rental value; and
 - (b) to land rated on unimproved value; and
 - (c) to each differential rating category where a differential general rate is imposed.



Differential Rates 2018/19

Objects and Reasons

OBJECTS OF AND REASONS FOR PROPOSED DIFFERENTIAL RATES

For the year ending 30 June 2019

Introduction

The following Objects and Reasons are provided in accordance with Section 6.36 of the Local Government Act 1995 (the Act) and Council's "Notice of Intention to Levy Differential Rates" to advertise the Objects and Reasons for the differential rates as part of the 2018/2019 Budget process on various categories of properties within the Shire.

Rates

Rates are levied on all rateable properties within the boundaries of the Shire of Yilgarn in accordance with the Local Government Act 1995. The overall objective for the raising of the proposed rates and charges in the 2018/2019 Budget is to provide for the funding requirements of the Shire's services, activities, financing costs and the current and future capital requirements of the Shire in light of the Ten Year Long Term Financial Plan. The application of differential rating maintains equity in the rating of properties across the Shire.

Council will implement the following differential rating categories:

- Gross Rental Value Residential/Industrial
- Gross Rental Value Commercial
- Gross Rental Value Mine Sites
- Gross Rental Value Single Persons Quarters (SPQ)
- Unimproved Values Rural
- Unimproved Values Mining

Valuations

Landgate is the statutory authority responsible for the valuation process in accordance with the provisions of the Local Government Act 1995 and the Valuation of Land Act 1978 (as amended). The rates in the dollar (RID) will be based on the general valuations as supplied by the Valuer General in respect to Gross Rental Values (GRV) and Unimproved Values (UV) effective from 1 July 2018 and as amended by interim valuations received after this date.

Gross Rental Valuations (GRV)

GRV properties are reviewed every 5 years as per the Valuation of Land Act 1978 (as amended), with the latest review being effective 1 July 2018.

Unimproved (UV)

UV properties are reviewed on an annual basis, effective 1 July each year.

OBJECTS OF AND REASONS FOR PROPOSED DIFFERENTIAL RATES

For the year ending 30 June 2019

Objections to Valuations

There are provisions for ratepayers to lodge an objection to valuations within 60 days of the issue of the rate notice. Any objection to a valuation should be on the grounds that the valuation is unjust or incorrect and not simply based on the quantum of rates payable.

Further information and brochures on objection procedures are available from Landgate by visiting their website at www.landgate.wa.gov.au. Ratepayers are also encouraged to contact the Shire Office to discuss their valuation concerns prior to lodging any formal objection.

Rating Yield Objective

In setting the rate in the dollar for each category, Council has taken into consideration the following factors:

Main Source of Revenue

Rates are the main source of revenue for the Shire of Yilgarn. Given that Grants, Fees and Charges, Investment Earnings and Other Revenue sources are limited it is important the current level of rates revenue is maintained if Council is to continue service delivery and re-new its asset base. The Shire seeks to impose rates for each category in an equitable and principled manner.

Asset Management

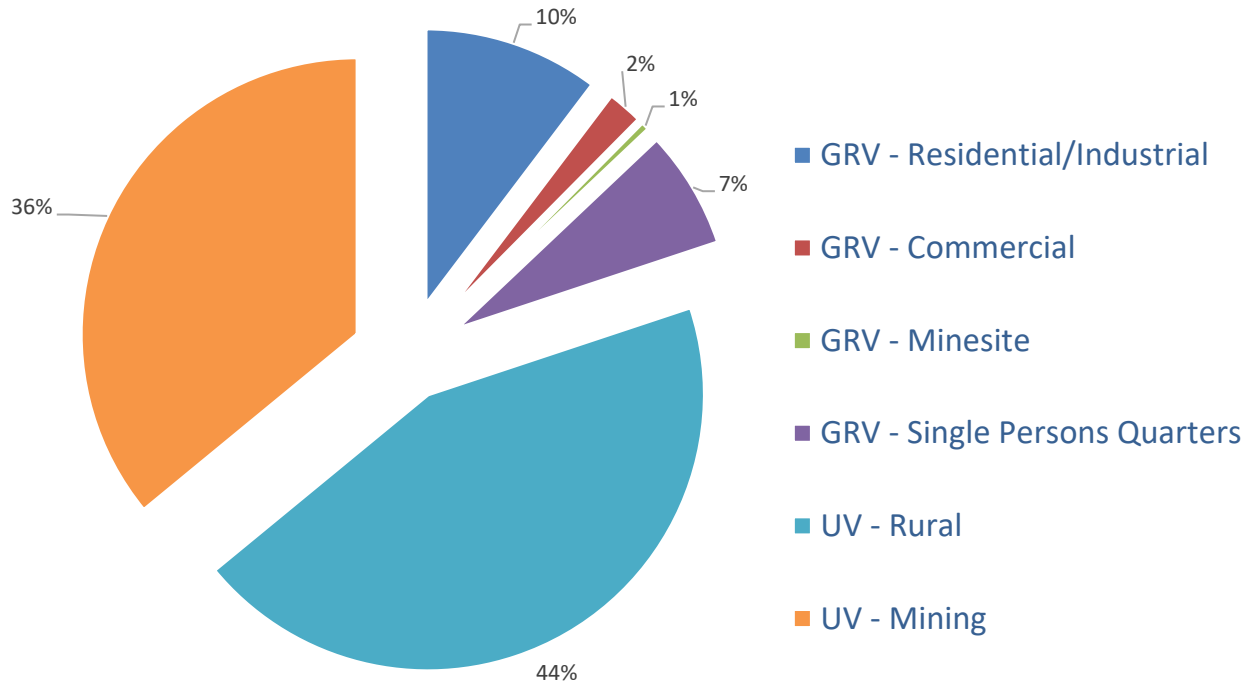
The Shire has, under its management, approximately 253 kilometres of sealed roads and 2,531 kilometres of gravel roads. The Shire also owns numerous public buildings including; administration building; Senior Citizens Centre; Town Halls; Swimming Pool; Bowls/Tennis facility; Southern Cross Recreation Centre; childcare facilities; public toilets; Shire Depot; Aged Housing; Staff Housing; Medical Centre; Museum; Caravan Park, Community Resource Centre / Library and numerous sporting and community facilities. Many of these facilities require substantial upkeep due to their age.

2018/19 Budget Proposal

The following are the proposed Differential General Rates and Minimum Payments for the Shire of Yilgarn for the 2018/19 financial year, to be effective from 1 July 2018:

Land Category	Rate – Cents in the Dollar	Minimum Payment
GRV Residential/Industrial	11.1773	\$500
GRV Commercial	7.8681	\$400
GRV Minesites	15.7362	\$400
GRV Single Persons Quarters	15.7362	\$400
UV Rural	1.7487	\$400
UV Mining	17.3058	\$400

Indicative Percentage of Rates Contribution by Differential



GRV – Gross Rental Value

Category 1 – Residential/Industrial GRV

The Residential/Industrial GRV rate category applies to all properties zoned residential and industrial and includes all GRV properties that do not fall within the categories of Commercial, Minesite and Single Persons Quarters.

OBJECT: The object of this differential is to ensure that all residential and industrial ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefit of residents. This differential rate is to be the base rate by which all other GRV rated properties are assessed.

REASONS (why the rate differs from other categories): Revenue derived from this category to assist funding the service levels expected of the community, achieving the Strategic Community Plan and minimum standards of performance to which the Council will be measured by the State Government and others.

The proposed rate of 11.1773 cents in the dollar represents a 1.5% increase on those imposed in 2017/18.

Category 2 – Commercial GRV

The Commercial GRV rate category is levied on properties with a commercial land use.

OBJECT: The object of this differential rate is to apply rates to all income producing facilities, raising revenue to fund costs associated with the service provided to these properties.

REASONS (why the rate differs from other categories): Additional costs associated with servicing commercial activity including car parking, landscaping and other amenities. Other costs associated with tourism and economic development activities have a benefit to these ratepayers. Lower rate in the dollar compared to Residential/Industrial to reflect the economic circumstances associated with doing business in a remote location. This will encourage retention of commercial activities during current economic circumstances, providing diversification of the economy and opportunity for local employment.

The proposed rate of 7.8681 cents in the dollar represents a 1.5% increase on those imposed in 2017/18.

Category 3 – Minesites GRV

The Minesites GRV rate category covers all Mining Leases with improvements on the land.

OBJECT: The object of this differential rate is to raise additional revenue to fund cost impacts to the Shire of the mining sector.

REASONS (why the rate differs from other categories): Supports the large investment that the Shire of Yilgarn makes in road and road drainage infrastructure to service 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 above that normally required to meet the needs of farmers (Rural UV). Additional costs associated with monitoring of environmental impacts of clearing, noise, dust and smell.

The proposed rate of 15.7362 cents in the dollar represents a 1.5% increase on those imposed in 2017/18.

Category 4 – Single Persons Quarters (SPQ) GRV

The Single Persons Quarters (SPQ) GRV rate category is levied on properties with a transient workforce accommodation land use.

OBJECT: The object of this differential rate is to ensure that non-residential workers who spend a significant portion of the year in the Shire contribute to services and facilities within the community.

REASONS (why the rate differs from other categories): Patrons and employees of these premises are consumers of services and facilities, however unless they are also property owners within the Town, they are not contributing to the costs of providing the services and facilities. Mass Accommodation properties have the potential to have a greater impact on Council services/assets than other properties due to their number of occupants in a relatively small land parcel.

This differential rate is intended to maintain the relativity comparative to residential rates and provides an average rate per accommodation unit of less than Council's proposed minimum payment.

The proposed rate of 15.7362 cents in the dollar represents a 1.5% increase on those imposed in 2017/18, or a reduction of 50% of the rate charged in 2014/15.

Although not submitted as rationale for the basis of the above rate in the dollar, nor rates proposed to be levied, it should be stated that Council remains committed to a philosophy that the operational workforce(s) associated with resource interests centralised around mining, construction and maintenance should be housed in normal residential properties within the town boundaries.

It is only through this that the Shire 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. Additionally, a residential workforce will mean greater utilisation of State and Federal Government facilities and services such as education, health and social services leading to increased service viability.

UV – Unimproved Value

Category 5 - Rural UV

The Rural UV rate category is applied to all rural properties which do not fall into one of the other categories. The valuations of UV properties are reviewed on an annual basis by Landgate.

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

REASONS (why the rate differs from other categories): Raise revenue 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. The Shire has a continuing focus on development and diversification of agricultural properties in the Region, encouraging development of tourism and land care activities to further diversify the local economy from the effects of the downturns associated with mining activity.

The proposed rate of 1.7487 cents in the dollar represents a 1.5% increase on those imposed in 2017/18.

Category 6 – Mining UV

The Mining UV rate category is levied on properties with a prospecting, exploration and mining land use.

OBJECT: The object of this differential rate is to raise additional revenue to fund cost impacts to the Shire of the mining sector.

REASONS (why the rate differs from other categories): Supports the large investment that the Shire of Yilgarn makes in road and road drainage infrastructure to service 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 above that normally required to meet the needs of farmers (Rural UV). Additional costs associated with monitoring of environmental impacts of clearing, noise, dust and smell.

The proposed rate of 17.3058 cents in the dollar represents a 1.5% increase on those imposed in 2017/18.

Minimum Rates

The proposed minimum rates are the same as was applied in 2017/18.

The object and reason for the minimum rates is to ensure that all property owners in the Shire of Yilgarn are levied a unified and equitable minimum amount. It is also recognition that all rateable properties receive some minimum level of benefit from the works and services provided by the Shire.

Submissions

Submissions addressed to the Chief Executive Officer, Shire of Yilgarn, PO Box 86, Southern Cross 6426 by electors or ratepayers in respect of the Intention to Levy Differential Rates may be made to Council within twenty-one (21) days of this notice and close 4pm on Thursday 25th May 2017.

SUBMISSION 1

Attention: Mr Peter Clarke, CEO, Yilgarn Shire

Dear Peter

Please accept this email as my submission in relation to Council's decision to impose differential rates (DR) for the forthcoming period.

Please accept this email as my submission in relation to Council's decision to impose differential rates (DR) for the forthcoming period.

1. Please also note that I've been unable to find the advertising required under the LG Act and I believe that this matter should be rectified if it has not been done in accordance with the Act.

My submission is similar in vein to my submissions in recent years.

Fairness and Equity

I submit that the differential rating proposed is not fair, equitable and reasonable as required by the Act.

2. The proposed rating imposes unfair and inequitable burden on certain mining tenement holders, and residential and commercial property owners. In the case of mining tenement holders this has been the case for quite a number of years, indeed since mining rate-payers saw large increases in their rates.
3. There has never been a documented explanation/definition of rating categories made available to Councillors despite my numerous requests for same over a number of years.
4. At the most recent Council meeting, Councillors were still unable to anticipate, without debate, what rating category might apply to the SPQ proposed for Hydra St, Southern Cross.....commercial or SPQ? This is, in my view, an indication that the rating categories applied in Yilgarn are, in certain cases, arbitrary and opportunistic.
5. There has never been a costed, reasoned argument presented to rate-payers, or to Council, justifying DR.

6. Indeed, during the period immediately after the introduction of DR, the differential was low, implying that there were no reasons to impose a high differential. Subsequently mining rates saw large increases, and in the absence of a reasoned argument, I suggest that was to allow certain rate payers, notably UV rural, to enjoy none, or very small increases in their rates.
7. This inequity was the subject of Ministerial direction, as a result of objections in the period preceding 2014/15 or thereabouts, to bring the widely different rates into a more equitable position, and while that has been done to a limited degree over time, the wide differential remains without a costed analysis or explanation.

Today we are in the position of still not having a costed, reasoned argument supporting the wide differential, even after the passage of more than half a decade since the Ministerial direction.

8. I therefore again request that the matter of the quantum of the widely differing rates is again referred to the Minister.

I believe that a number of matters need to be addressed including.....

1. **9.** That definitions of the rating categories intended to be applied are documented and promulgated.
2. **10.** That the rates imposed on UV mining holders is unjustified relative to the rates imposed on UV rural rate-payers.
3. **11.** That mining holders should be differentiated from each other, on the basis that some mining operations are heavy road users while others are not.
4. **12.** That Yilgarn Shire provides a costed and reasoned explanation of the proposed rates. I note that the Reasons and Objects provided this year appear to be copied from the Shire of Port Hedland, which I venture has quite different circumstances compared with Yilgarn Shire.
5. **13.** That Yilgarn Shire properly imposes fees and charges on all heavy road users.....I note that Yilgarn has failed to exercise its right to impose some existing fees on some ratepayers.
6. **14.** That Yilgarn reconciles the position of some UV mining and UV rural rate-payers and recognises that these classes of rate-payer are heavy road users and rate them accordingly.

I'm happy to meet with you to clarify any matters referred to above.

Yours sincerely

Cr Phil Nolan

0417 497 588

Disclosure: P Nolan has interests in mining tenements in Yilgarn Shire.

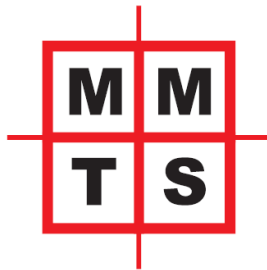
	ISSUES RAISED	RESPONSE	RECOMMENDED ACTION
1	Not been able to find advertising required under the Act and I believe that this matter should be rectified if it has not been done in accordance with the Act.	CEO responded via email on 24 April 2018 quoting Section 6.36 of the <i>Act</i> in relation to advertising of Differential Rates and offering to discuss any issues.	No Action Required
2	The proposed rating imposes unfair and inequitable burden on certain mining tenement holders, and residential and commercial property owners. In the case of mining tenement holders this has been the case for quite a number of years, indeed since mining rate-payers saw large increases in their rates.	Since the 2014/2015 financial year, Mining GRV and SPQ GRV rates in the dollar have dropped from 40.0100 to 15.7362, a 62% reduction and Mining UV has fallen from 21.1400 to 17.3058 or a 19% reduction. Total savings to Mining Companies from rates raised in these categories in 2014/2015 to those raised in 2017/2018 is \$702,000.	Acknowledge that previous years Differentials disadvantaged Mining Companies but consider that rates in the \$ are now back to acceptable levels.
3	<u>There has never been a documented explanation/definiton of rating categories made available to Councillors despite my numerous requests for same over a number of years.</u>	The <i>Local Government Act</i> now requires Council to prepare a “Rating Strategy” and “Rating Objects and Reasons”. These documents have been modelled on those LG’s that Differentially Rate and Council’s document clearly articulates the rating categories, rating revenue over a 6 year period, comparison to neighbouring and similar sized LG’s .	Dismiss Objection as documented explanation/definitions supplied in the “Rating Strategy” and “Rating Objects and Reasons”.
4	At the most recent Council meeting, Councillors were still unable to anticipate, without debate, what rating category might apply to the SPQ proposed for Hydra St, Southern Cross.....commercial or SPQ? This is, in my view, an indication that the rating categories applied in Yilgarn are, in certain cases, arbitrary and opportunistic.	At the April 2018 Ordinary Meeting Council was advised of the DA for the SPQ and was informed that not only Lease fees would apply, but the applicant would also be rated accordingly however, a valuation from Landgate would need to be sourced prior to rating. From staff recollection there was no mention of the actual rating category, only that rates would apply. Therefore, Staff question the comments “ <i>Councillors were still unable to anticipate,</i>	Endorse the response and no action required

		<i>without debate, what rating category might apply to the SPQ proposed for Hydra St, Southern Cross.....commercial or SPQ? and “an indication that the rating categories applied in Yilgarn are, in certain cases, arbitrary and opportunistic.”</i>	
5	<u>There has never been a costed, reasoned argument presented to rate-payers, or to Council, justifying DR.</u>	Differential Rating has been in existence in the Shire of Yilgarn for many years (pre 1996) and it is believed that it was first implemented to allow Council to rate certain categories, particularly Mine Site Infrastructure and SPQ’s, as mining companies were offering little to the Shire yet expected services and facilities be maintained for their workforce. The “Rating Strategy” and “Rating Objects and Reasons” documents clearly demonstrate reasons associated with each rating category proposed.	Dismiss Objection as documented explanation/definitions supplied in the “Rating Strategy” and “Rating Objects and Reasons”.
6	Indeed, during the period immediately after the introduction of DR, the differential was low, implying that there were no reasons to impose a high differential. Subsequently mining rates saw large increases, and in the absence of a reasoned argument, I suggest that was to allow certain rate payers, notably UV rural, to enjoy none, or very small increases in their rates.	Acknowledge the comments and accept that the Differential Rating levels became excessive and as per Staff response in Question 2, levels have now been reduced to something more acceptable.	Endorse the Response and No Action Required
7	This inequity was the subject of Ministerial direction, as a result of objections in the period preceding 2014/15 or thereabouts, to bring the widely different rates into a more equitable position, and while that has been done to a limited degree over time, the wide differential	See responses to Questions 2 and 6.	Acknowledge

	remains without a costed analysis or explanation.		
8	I therefore again request that the matter of the quantum of the widely differing rates is again referred to the Minister.	<p>Following consideration of the submission/s received on the proposed Differential Rating for the 2018/2019 financial year, Council will refer this to the Minister for his consideration.</p> <p>As in recent times, if the Minister considers that the Differential Rates set are excessive in particular rating categories, the Minister has the prerogative to reject same and instruct Council to re-evaluate the rates in the \$ for particular categories.</p>	Council's consideration of the submission/s received and its decision based on same will be referred to the Minister for Local Government for consideration.
9	That definitions of the rating categories intended to be applied are documented and promulgated.	<p>The definitions of the rating categories are documented in the "Rating Strategy" and "Rating Objects and Reasons" and are distributed via advertising as per the <i>Local Government Act</i>.</p> <p>Council is meeting its obligations as per the <i>Act</i> in respect to the proposed imposition of Differential Rating and this is an annual requirement.</p>	Endorse the Response and No Action Required
10	That the rates imposed on UV mining holders is unjustified relative to the rates imposed on UV rural rate-payers.	<p>This statement is subjective and biased based on the disclosure within the submission:-</p> <p><u><i>Disclosure: P Nolan has interests in mining tenements in Yilgarn Shire.</i></u></p>	Endorse the Response and No Action Required
11	That mining holders should be differentiated from each other, on the basis that some mining operations are heavy road users while others are not.	It is considered that Differential Rate Categories are not just based on usage of roads but other economic factors like length of tenure, environmental impacts on future potential to raise rates i.e., land following mining is usually no longer viable for any other commercial enterprise to utilise.	Endorse the Response and No Action Required

		There are also population impacts that relate to an itinerant workforce, being that services are provided by the Shire without little return in residential rating and in ABS and other statistics for calculation of grants and other benefits.	
12	That Yilgarn Shire provides a costed and reasoned explanation of the proposed rates. I note that the Reasons and Objects provided this year appear to be copied from the Shire of Port Hedland, which I venture has quite different circumstances compared with Yilgarn Shire.	As previously stated, the “Rating Strategy” and “Rating Objects and Reasons” provides a costed and reasoned explanation of the proposed rates. Staff contacted a number of mining orientated Local Governments to ascertain the documents that they prepare and did use these as a template to produce the Shire of Yilgarn’s “Rating Strategy” and “Rating Objects and Reasons”. The inclusion of the Town of Port Hedland was a typo when presented to Council and was excluded in the document provided following advertising. The remainder of the document is specific to the Shire of Yilgarn.	Endorse the Response and No Action Required
13	That Yilgarn Shire properly imposes fees and charges on all heavy road users.....I note that Yilgarn has failed to exercise its right to impose some existing fees on some ratepayers.	Fees and Charges are separate to Rating and are set in accordance with Section 6.17 of the <i>Local Government Act</i> . The notation that “ <i>Yilgarn has failed to exercise its right to impose some existing fees on some ratepayers</i> ” is not relevant to Differential Rating.	Endorse the Response and No Action Required
14	That Yilgarn reconciles the position of some UV mining and UV rural rate-payers and recognises	It is acknowledged that UV Mining and UV Rural ratepayers both utilise heavy haulage vehicles but UV Rural is seasonal and normally does not have	

	that these classes of rate-payer are heavy road users and rate them accordingly.	significant wear and tear on the roads other than in the specific seasonal period whereas UV Mining are having an impact constantly upon the road network.	Endorse the Response and No Action Required
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Maylands WA 6931
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23 May 2018

Peter Clarke
Acting Chief Executive Officer
Shire of Yilgarn
PO Box 86
Southern Cross WA 6426

via email to: ceo@yilgarn.wa.gov.au

Dear Peter

SUBMISSION – DIFFERENTIAL RATING 2018/19

We act for a number of exploration and prospecting companies in WA and thank you for the opportunity to make a general submission regarding the proposed rates for 2018-19.

We would like to take the opportunity to ask the Shire to consider a separate UV category with a lower rate in dollar for Exploration/Prospecting Licences (a change that has been made in other Shires).

There are different types of mining tenements under the *Mining Act 1978*. A Mining Lease would be required to extract minerals for the purpose of sale. Exploration/Prospecting Licences only allow the holder to search for and test to establish the potential presence of mineralisation. These licences do not accord rights of production or development, and there are limits on the total material (including overburden) that may be removed over the whole term of a licence. Exploration activities are normally of low intensity and short duration with minimal impact on Shire infrastructure and services. As such, they are not characterised by the same traffic volumes or weights or demands on Shire infrastructure and resources.

Unlike mining companies, Exploration and Prospecting companies do not make profits extracting commercial quantities of resources for sale and are generally equity funded with limited cash flow.

We also note that valuations provided by the Valuer General are used to calculate rates each year, and that valuations are based on the rent rate imposed by the Department of Mines, Industry Regulation and Safety.

In 2018-2019, the Department will increase the rent rate by 1.5% for exploration licences and 6% for prospecting licences and all other mining tenements to fund the Exploration Incentive Scheme (EIS). This rent increase will result in an automatic increase in rates even before any further increase in the rate in the dollar or minimum is applied by the Shire. The EIS is aimed at generating exploration activity and the lower rent rate increase for exploration licences is intended to protect the junior sector in finding the deposits of the future. Further increase in rates on top of the automatic increase, may amount to double-dipping and diminish these intended effects.

I would be happy to discuss this matter further on (08) 6467 7997.

Yours sincerely

Shannon McMahon
Principal

SUBMISSION 2

	ISSUES RAISED	RESPONSE	RECOMMENDED ACTION
1	Acting on behalf of a number of Exploration and Prospecting companies in WA.	With the amount of Exploration and Prospecting tenements held by numerous mining companies in the Yilgarn Shire, it is surprising that individual submissions have not been submitted.	No Action Required
2	<p>Request that the Shire consider a separate UV category with a lower rate in the dollar for Exploration/Prospecting Licences (a change that has been made in in other Shires).</p> <p>There are different types of mining tenements under the <i>Mining Act 1978</i>. A Mining Lease would be required to extract minerals for the purpose of sale. Exploration/Prospecting Licences only allow the holder to search for and test to establish the potential for mineralisation. These licences do not accord rights of production or development, and there are limits on the total material (including overburden) that may be removed over the whole term of a licence. Exploration activities are normally of low intensity and short duration with minimal impact on Shire infrastructure and services. As such, they are not characterised by the same traffic volumes or weights or demands on Shire infrastructure and resources.</p>	<p>In the “2018/2019 Rating Strategy” it provides a comparison to neighbouring or similar type Councils and of the four (4) local Governments highlighted, only the Shire of Dundas provides for UV categories relating to Exploration and Prospecting Licences.</p> <p>Mining/Exploration Companies are continually taking out Exploration and Prospecting tenements within the Shire of Yilgarn’s boundary which adds substantially to the administrative functions of the Shire in maintaining these Licences. Whether the activities are of low intensity and short in duration, the administrative functions of the Shire does not lessen.</p> <p>Whilst it is acknowledged that Shire infrastructure and resources are less impacted through the activities of Exploration/Prospecting Licences, the amount of these types of Licences suggests that roads are impacted by such activity. There could be arguments for many of the Differential Rating categories to be expanded upon e.g., a lower rate on UV Rural for non-productive land but where does this stop.</p>	Endorse the Response and no Action required

<p>3</p>	<p>We also note that valuations provided by the Valuer General are used to calculate rates each year, and that valuations are based on the rent imposed by the Department of Mines, Industry regulation and Safety.</p> <p>In 2018-2019, the Department will increase the rent rate by 1.5% for exploration licences and 6% for prospecting licences and all other mining tenements to fund the Exploration Incentive Scheme (EIS). The rent increase will result in an automatic increase in rates even before any further increase in the rate in the dollar or minimum is applied by the Shire. The EIS is aimed at generating exploration activity and the lower rent rate increase for exploration licences is intended to protect the junior sector in finding the deposits of the future. Further increase in rates on top of the automatic increase, may account to double-dipping and diminish these intended effects.</p>	<p>Valuations provided by Landgate affect all UV rating categories as they are assessed annually.</p> <p>The Report presented by the Executive Manager Corporate Services at the March 20218 Ordinary meeting relating to the 2018/2019 Differential Rates indicated that the proposed rate in the dollar for 2018/2019 represents a 1.5% increase over those imposed in 2017/2018.</p> <p>This minimal increase is seen to be responsible in the current economic climate and if the State Government is imposing a 1.5% rent rate for exploration licences, then Council is merely mirroring this increase. Council should not be obligated to reduce its rates simply based on a State Government decision.</p> <p>The 6% increase to be imposed by the State Government under the Exploration Incentive Scheme for prospecting licences has no bearing on Council's rates. It should also be noted that the majority of Exploration and Prospecting Licences would be subject to Minimum Rates and there are no increases proposed for the 2018/2019 financial year.</p>	<p>Endorse the Responses and No Action Required</p>
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