



Shire of Halls Creek PUBLIC NOTICE

NOTICE OF INTENTION TO LEVY DIFFERENTIAL RATES - 2021/2022 FINANCIAL YEAR

In accordance with Section 6.36 of the Local Government Act, 1995, notice is given to ratepayers that the Shire of Halls Creek intends to impose the following differential rates for the "Unimproved Value" and "Gross Rental Value" rate categories as follows:

Rate Category	Rate in the Dollar	Minimum Rate
<u>Unimproved Value</u>		
Rural/Pastoral	0.03565	\$871
Mining Leases	0.36403	\$833
Exploration Leases	0.22717	\$534
Prospecting Leases	0.22717	\$534
<u>Gross Rental Value</u>		
GRV Town Improved	0.08471	\$834
GRV Town Vacant	0.15190	\$1,072

Submissions by ratepayers of the Shire in respect of the proposed rates are now invited. Submissions are to be submitted to the Chief Executive Officer, Shire of Halls Creek, PO Box 21, Halls Creek WA 6770 or be emailed to hcshire@hcshire.wa.gov.au Submissions are to be received by 4.00 pm on Friday, 25 June, 2021.

A Statement of the Objectives and Reasons for the proposed rates is available from the Shire of Halls Creek website:

<https://www.hallscreek.wa.gov.au/> or by contacting Lloyd Barton, Director Corporate Services, telephone (08)9168 6007.

Noel Mason

Chief Executive Officer

2021/2022 Differential Rates and Minimum Payments

OBJECTS AND REASONS

The Shire of Halls Creek provides facilities and services to residents and visitors to the Shire. The revenue collected through rates makes up the short fall between the cost of these services and the income received from user charges, grants and other income.

The Shire of Halls Creek applies differential rates and minimum rates payments and has used the principles of fairness and equity, consistency, transparency and administrative efficiency to determine the level and structure of rates levied.

Differential rates are a rate-in-the dollar amount that is multiplied by a rating property valuation as provided by the Valuer General's Office. Shire's use different rate-in-the-dollar amounts in an attempt to fairly apply rates across all sectors within its district. This is because different sector's values are calculated differently and some sectors are identified as consuming more service than other sectors. The rating structure in place at the Shire of Halls Creek is:

Unimproved Value

- Rural/Pastoral
- Mining Leases
- Exploration and Prospecting Leases

Gross Rental Value

- GRV Improved
- GRV Vacant

Other considerations made in determining the rates required and the rate-in-the-dollar includes:

- Corporate Plan
- Long Term Financial Plan
- Review of expected revenue
- Review of expenditure, including efficiency and effectiveness
- Local Government cost index
- Consideration of alternative sources of funding
- Amount to be raised from rates
- Economic conditions – impact on different categories of ratepayers

Council has determined its required rates yield after reviewing all revenue sources, expenditure and efficiency measures as part of its budget process. Below are the objects and reasons for each proposed rate and minimum:

Unimproved Values (UV)

Properties that are predominantly of a rural purpose are assigned an Unimproved Value that is supplied and updated by the Valuer General.

The table below summarises the proposed 2021/22 rates-in-the-dollar and minimum payments for Unimproved Values:

Category	Proposed Minimum Payment	Proposed Rate in the Dollar	Total No. of Properties	Proposed 2021/22 Rate Revenue	Proposed Average Rate Per Property
Unimproved					
Rural/Pastoral	\$ 871.00	0.03565	47	\$ 597,805.00	\$ 12,719.26
Mining Prospecting	\$ 833.00	0.36403	39	\$ 710,612.00	\$ 18,220.82
Prospecting/Exploration	\$ 534.00	0.22717	225	\$ 516,633.00	\$ 2,296.15

Rural/Pastoral

The rating in this category reflects the level of rating required to raise the necessary revenue to operate efficiently and provide for rural infrastructure and services in addition to town services, programs and infrastructure which are available to be accessed by the properties in this category.

In 2020/2021 the Rural/Pastoral differential was significantly reduced (from a rate in the dollar of 0.14185 (2018/2019) to 0.0112) to offset the impact of the significant increase in the valuation of UV Rural Pastoral properties by the Valuer General's Office and to avoid a consequent significant increase in rates during the height of the COVID 19 pandemic. While this negated the financial burden to this group of ratepayers during an economically difficult time, the low differential cannot continue as it exacerbates the variance between the highest and lowest rates differentials. In order to address this, the Shire proposes to return to the equivalent of a 0.14185 rates differential (as applied 2018/2019) for UV Rural / Pastoral properties over a two year period. In addition this category should also attract any general increase faced by other rate categories to ensure equity and consistency in the Shire's rating strategy. The proposed rate-in-the-dollar increases the rates from this sector by a total \$200,907 compared to 2020/21.

The UV minimum of \$871.00 is to ensure that all ratepayers make a reasonable contribution for basic services and infrastructure.

Mining

The Shire has imposed a higher rate in the dollar for the mining sector in considering the potential impact and cost that mining activities have on the Shire's road network, specifically in relation to heavy traffic. Road construction and maintenance within the Shire, an area of 143,000 km², is one of the major activities and costs in the budget. All roads that are not within the township are unsealed and require significant work after each wet season and the roads servicing heavy traffic need frequent grading through the dry season.

Mining also has an increased demand on health and environmental inspections and monitoring throughout the process.

It is proposed that the rate-in-the-dollar for this category be reduced by 4.9 per cent to derive a total increase of 1.5 per cent in rates from this sector. The UV minimum rate of \$833 is to ensure that all ratepayers make a reasonable contribution for basic services and infrastructure.

Exploration and Prospecting

The Shire seeks to encourage exploration and prospecting and take into account the reduced activity compared to mining in relation to the road network and environmental inspections and monitoring.

The proposed rate-in-the-dollar has been reduced by approximately 2.6 per cent. Due to an increase in valuations and the number of licences this derives an increase in rates revenue from this sector of 1.5 per cent. The UV minimum of \$534 is to ensure that all ratepayers make a reasonable contribution for basic services and infrastructure. The lower minimum for this category reflects the reduced use of services.

Gross Rental Values

The Local Government Act 1995 determines that properties of non-rural purpose be rated using the Gross Rental Valuation (GRV) as the basis for the calculation of annual rates.

The table below summarises the proposed 2021/22 rates-in-the-dollar and minimum payments for Gross Rental Values:

Category	Proposed Minimum Payment	Proposed Rate in the Dollar	Total No. of Properties	Proposed 2021/22 Rate Revenue	Proposed Average Rate Per Property
Gross Rental Value					
Town	\$ 834.00	0.08471	335	\$ 1,078,079.00	\$ 3,218.15
Town-Vacant	\$ 1,072.00	0.15190	19	\$ 20,781.00	\$ 1,093.74

Town

The reason for the rate in the dollar for this category is to reflect the level of rating required to raise the necessary revenue to operate efficiently and provide the diverse range of services and programs and associated infrastructure/facilities required within the town of Halls Creek.

The proposed increase in the rate-in-the-dollar for this category is 0.7 per cent. Combined with valuation increases and additional properties this results in a 1.5 per cent increase in rates from this sector. The GRV minimum of \$834 is to ensure that all ratepayers make a reasonable contribution for basic services and infrastructure.

GRV Vacant

The higher differential for vacant properties is to encourage growth and development in Halls Creek, and discourage the purchasing of vacant land for purely speculative purposes that does not lead to development. Encouraging development of vacant land is important given the shortage of suitable housing. This applies to the rate in the dollar and the minimum payment.

Differential Rates Model 2021/22 April Data with VG Estimate of valuations after Appeal										
Model 7: Proposed Rates Differentials and minimums varied for 1.5% rates increase with UV Rural Pastoral Catchup over two years										
Rate Type	2020/21 Rate in \$	2021/22 Proposed Rate in \$	% Change to Rate in \$	No. Properties	Rateable Value	Proposed 2021/22 Rate Revenue	2020/21 Budgeted Revenue	Increase	Percent Increase	Comments
Differential General Rate										
Gross rental valuations										
GRV Town	0.08412	0.08471	0.70%	331	\$ 12,687,328	\$ 1,074,742	\$ 1,058,859	\$ 15,883	1.5%	
GRV Town Vacant	0.14185	0.15190	7.09%	5	\$ 38,000	\$ 5,772	\$ 5,687	\$ 85	1.5%	
UV - Rural/Pastoral	0.0112	0.03565	218.30%	25	\$ 16,231,097	\$ 578,639	\$ 377,732	\$ 200,907	53.2%	Rate in the \$ on reduced valuations - yields approx 53%
UV - Mining	0.38269	0.36403	-4.88%	33	\$ 1,938,342	\$ 705,612	\$ 695,184	\$ 10,428	1.5%	
UV - Prospective/Exploration	0.23338	0.22717	-2.66%	147	\$ 2,090,910	\$ 474,992	\$ 467,972	\$ 7,020	1.5%	
Sub total				541	\$ 32,985,677	\$ 2,839,756	\$ 2,605,434	\$ 234,322	9.0%	
Minimum Payment										
Gross rental valuations										
	2020/21 Minimum	Proposed Minimum	% Change in Minimum							
GRV Town	\$ 822	\$ 834	1.50%	4	\$ 14,735	\$ 3,337	\$ 3,288	\$ 49	1.5%	
GRV Town Vacant	\$ 1,643	\$ 1,072	-34.75%	14	\$ 29,600	\$ 15,009	\$ 14,787	\$ 222	1.5%	
UV - Rural/Pastoral	\$ 821	\$ 871	6.11%	22	\$ 146,600	\$ 19,166	\$ 18,883	\$ 283	1.5%	
UV - Mining	\$ 821	\$ 833	1.50%	6	\$ 6,732	\$ 5,000	\$ 4,926	\$ 74	1.5%	
UV - Prospective/Exploration	\$ 562	\$ 534	-5.01%	78	\$ 111,114	\$ 41,641	\$ 41,026	\$ 615	1.5%	
Sub total				124	\$ 308,781	\$ 84,154	\$ 82,910	\$ 1,244	1.5%	
Total				665	\$ 33,294,458	\$ 2,923,910	\$ 2,688,344	\$ 235,566	8.8%	