2026-27

Statement of Objects & Reasons

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

"To support the sustainable growth and wellbeing of the Port Hedland Community by providing strong civic leadership, delivering high-quality and reliable services, supporting economic development and encouraging active and inclusive community participation"

Differential General Rates and Minimum Payment Rate

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

This Statement of Objects and Reasons outlines how the Town of Port Hedland (the Town) proposes to apply differential rating for the next Financial Year.

The objectives of the rating strategy are to:

- Raise sufficient rates revenue to maintain current services and fund the renewal of infrastructure in line with the Long-Term Financial Plan and Rating Strategy 2025 -2030.

- Ensure that rates are applied fairly and consistency across different property types and property's land use and classification is verified by Landgate.

- Major new infrastructure developments are funded from additional direct rates revenue from new development at:
  - Boodarie Strategic Industrial Area
  - Lumsden Point, and
  - New developments in Wedgefield and Kingsford Smith Business Park

- Maintain transparency, equity and administrative efficiency in the rating process.

GROSS RENTAL VALUATION (GRV)

Under the *Local Government Act 1995*, properties used for non-rural purpose within the townsite boundary are rated using the Gross Rental Valuation (GRV) as the basis for the calculation of annual rates.

GRV represents the estimated annual rental value of a property and is determined independently by the Valuer-General (Landgate).

Valuations are reviewed every three years, with the current valuation period applying from 1 July 2025 to 30 June 2028

Properties are rated based on their predominant land use or zoning, for the Town this results in four GRV differential categories. Each GRV category has a separate basis of rating & a separately calculated rate in the dollar to achieve greater equity across these categories.

Interim valuations are provided regularly to the Town 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, the Town recalculates the rates for the affected properties and issues interim rates notices.

Section 6.28(1)(2) of the Act determines the method of valuation with application to the Minister for Local Government who; under section 6.28(1) determines gross rental value (GRV) basis of capital improvement land.

UNIMPROVED VALUATION (UV)

Unimproved Valuation (UV) applies to land that is predominantly of a rural, mining or resource-related purposes, these can be located both inside and outside the town site boundary.

UV reflects the value of the land excluding buildings and other improvements. Valuations are reviewed annually by the Valuer-General (Landgate), with interim valuations issued when changes occur.

Mining leases, State Agreements, Mining tenements, Pastoral leases, leasing and licences as described by the Mining Act (*Mining Act 1904*) and The Government Trading Enterprises Act 2023 (WA) (GTE Act) are generally rated on a UV basis.

MINIMUM RATE PAYMENTS

In accordance with section 6.35 of the *Local Government Act 1995*, the Town may apply a minimum rate to ensure all ratepayers contribute a base level amount towards the cost of services and infrastructure.

Minimum rate payments help to ensure fairness where properties have a low valuation but still benefit from Towns services and facilities.

A reduced minimum of $250 is applies to the UV Mining/strategic category to reflect the State Government amendment to the *Valuation of Land Act 1978* with intended to provide some rate relief to smaller mining tenement holders.

Budget Focus

For the 2026/27 financial year, the Town proposes differential general rates designed to maintain service levels, support infrastructure renewal and ensure long-term financial sustainability.

The general valuation is supplied by the Valuer General with respect of gross rental values (GRV's) effective from 1 July 2025 and (UV's) effective from 1 July 2026 and as amended by any interim valuations received subsequent to that date.

To ensure overall rate revenue remains stable and equitable, the rate in the dollar has been recalculated to compensate for the increase or decrease in valuations provided.

The Town will continue to review its expenditure in line with the Town's long term financial plan and considered efficiency measures as part of its budget deliberations.

Some of the Budget efficiency measures are detailed below:

- Review & monitor all rateable land for capital improvements.
- Continue to pursue investment in key infrastructure development such as the west end, airport, service industry and logistics.
- Lobby State and Federal Government and private sector for improved infrastructure investment.
- Continued review of the need for and remuneration of each position.
- Structuring operational expenditure to ensure adequate provision for asset renewal.
- Implementation of the Enterprise Resourcing Planning (ERP) system improvements and efficiencies.
- Continued review of service unit budgets for underutilised resources.
- Continue to use local suppliers whenever possible and appropriate

Total gross rate revenue for 2026/27 is projected to be $92,338,214

Substantial funds have been designated for the creation and maintenance of three critically important hubs:

- South Hedland Integrated Sports Hub (SHISH).
- Civic and Arts Precinct.
- JD Hardie Youth and Community Hub.

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.

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- 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 ensures all residential ratepayers contribute fairly to:

- Community services and facilities
- Maintenance of roads, parks and public infrastructure
- Delivery of the Town's strategic objectives
- Design and consultation of major projects

GRV COMMERCIAL / INDUSTRIAL

Means any land that is predominately used for:

- Commercial or industrial operations

OR

- Land that is zoned as commercial or industrial, as identified in the Town of Port Hedland Local Planning Scheme.

This includes the town centre, commercial business precincts, mixed business, shopping centres, 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.

OBJECTS: The object of this differential rate is to apply a base differential to properties associated with producing an income stream. Or a commercial or industrial nature.

REASONS: The minimum rate of $1,900 acknowledges costs associated with the provision and maintenance and 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 Town 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 temporary workers 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 AirBnB'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: The rate for this category supports the Town's preferred option that the operational workforce associated with resource interest be housed in normal residential properties within the town boundaries.

The rate in the dollar is proposed to be four times (x4) the Residential rate category. Mass Accommodation properties have the potential to have a greater impact on the Town's services and assets compared to other rateable properties due to the number of occupants on a relatively small land parcel.

The Town remains committed to the 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.

GRV AIRPORT

Means any land that is:

- Located within Port Hedland International Airport (PHIA) Leased Area

OBJECTS: The Object of this differential rate is to recognise a share of costs associated with tourism, transport infrastructure and mass worker accommodation associated within the Port Hedland International Airport area.

REASONS: Airport properties located in the Port Hedland Airport Precinct receive direct benefit from significant Airport Infrastructure and Mass Accommodation services, this category is to ensure that areas of high activity which impacts upon the Town's environment make a reasonable contribution towards the financial impact and costs incurred in providing community services and activities.

UV MINING / STRATEGIC

Means any land:

- 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

- Land used for Strategic activity that supports or has direct impact on mining activities such as Solar & Green energies.

OR

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

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

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

REASONS: There is a minimum rate of $250 for this category. Mining properties 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 townsite and rural roads throughout the municipality and reflects the ongoing extensive maintenance, which impacts the 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 the Town. 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 future housing planning).

The town is equally supporting sustainability by investing in infrastructure and funding renewal and replacement assets programs, including landscape and infrastructure development to assist with dust mitigation.

UV PASTORAL / OTHER

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.

OR

- Phone Towers & Broadcasting Corporations & Telecommunication operations

OR

- For all other miscellaneous land use nowhere else classified

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 minimum rate of $1,900 for this category acknowledges the 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.

The Town has a continuing focus on development 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.

The reason for a lower rate applied to the Pastoral/Other category, as compared to UV Mining is to reflect the lower level of impact these activities have on general infrastructure and facilities including road infrastructure, recreation facilities.

TOWN'S RATING STRATEGY

The proposed differential rating model has been developed in accordance with the *Local Government Act 1995* and relevant Department of Local Government, Industry Regulation and Safety(LGIRS) Rating Policies, ensuring legislative compliance and regulatory integrity.

The rating structure is underpinned by clearly defined objectives and reasons for each differential category, supporting transparency and enabling ratepayers to understand how and why rates are applied.

Differential rates and minimum payments are designed to achieve fair and equitable distribution of the rate burden, reflecting land use, service demand and impact on Town infrastructure, consistent with State policy principles.

Adjustments to the rate in the dollar offset valuation movements to promote rate stability and predictability, a recognised principle of sound financial management and best practice rating strategy development.

The rating model supports long-term financial sustainability by aligning with the Town's Long Term Financial Plan and ensuring adequate provision for asset renewal and future infrastructure investment.

Revenue growth generated from major new developments is directed to the Strategic Reserve, ensuring intergenerational equity and responsible funding of future infrastructure requirements

Rate Category	Actual Revenue - 2025/26	Proposed Revenue - 2026/27
GRV Residential	$13,513,856	$13,513,856
GRV Commercial/ Industrial	$6,106,046	$6,400,328
GRV Accommodation	$2,070,610	$2,760,813
GRV Airport	$801,180	$801,180
UV Pastoral / Other	$279,129	$292,705
UV Mining	$65,304,947	$68,569,332
TOTAL	$88,075,767	$92,338,214

The above rate model as of 1st May 2026 is proposed to yield $92,338,214 in gross rate revenue.

After concession of $200,000 and an estimated amount of $9,976,045 quarantined and transferred to the Strategic Reserve, net revenue will be $82,162,169

CHANGES FROM ADVERTISED INTENDED RATING

The public notice and invitation of submissions on the Town's intention to levy differential rates 2026/27 and associated draft statement of objects and reason the Town will consider all submission before making a final determination on the amount of rating and the rate in the dollar charges. Rating will be confirmed at the time of adopting the annual budget.

KENN DONOHUE

TEMPORARY CHIEF EXECUTIVE OFFICER