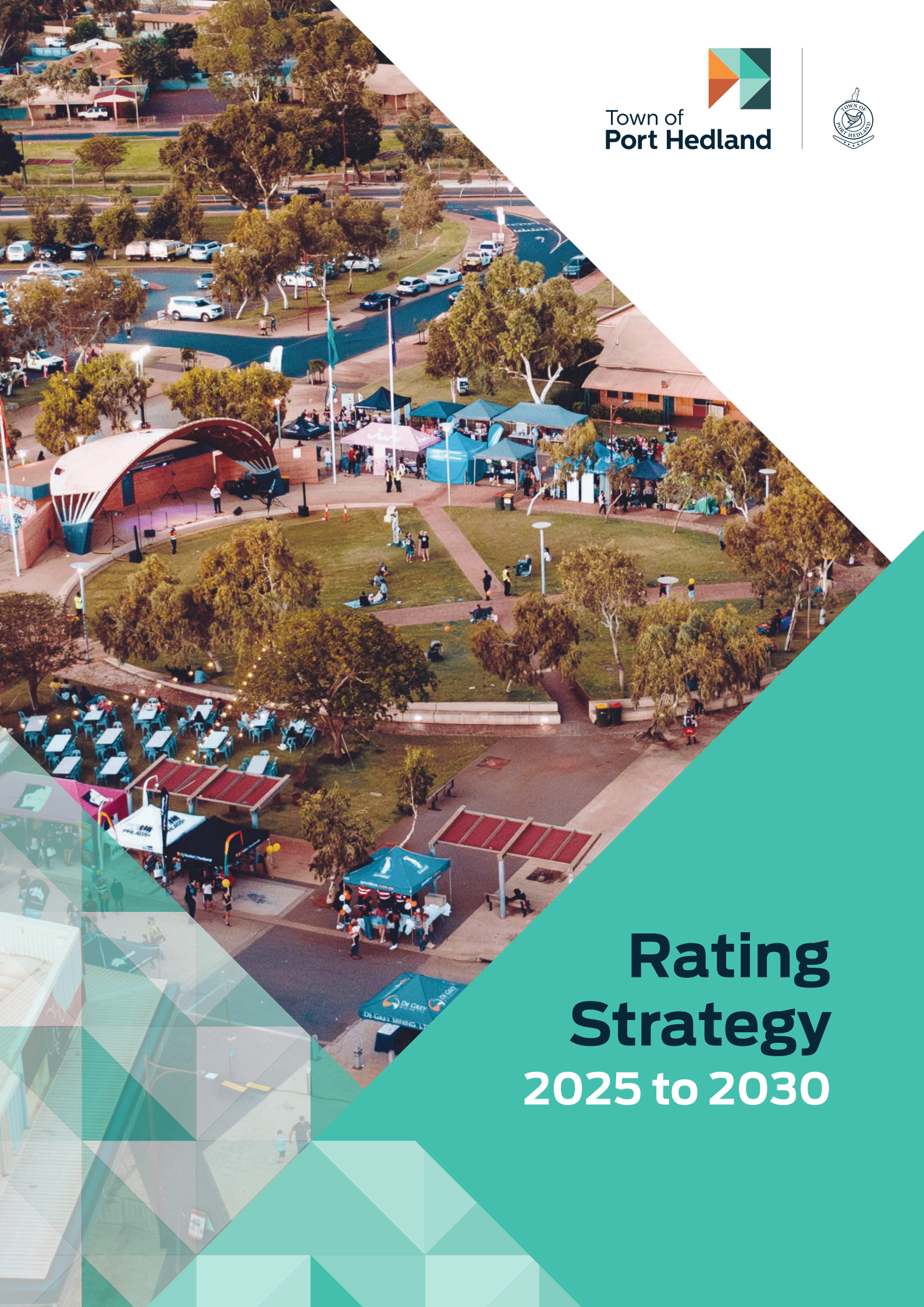




Rating Strategy 2025 to 2030



The Town of Port Hedland would like to acknowledge the Kariyarra, Ngarla, and Nyamal people as the Traditional Custodians of the Town of Port Hedland lands.

We recognise their strength and resilience and pay our respects to their Elders past and present.

The purpose of our Rating Strategy is to:

- Establish a framework by which a fair and equitable share of property rates fees and charges are paid by property owners, for the services and infrastructure within the Town of Port Hedland
- Create consistency amongst property rates and charges and their revenue for the Town of Port Hedland
- Provide a clear indication to the community and ratepayers on future rating

It does not determine how much ratepayers must contribute. This is a Council decision, determined each year as part of the Town of Port Hedland's Annual Budget process.

Rates are levied on all rateable properties within the district of the Town of Port Hedland in accordance with the Local Government Act 1995 (the Act). Rates are a tax on property and are set in accordance with principles of equity, efficiency, simplicity, sustainability, and policy consistency.

Rating provides for the net funding requirements of the Town of Port Hedland's services, activities, financing costs, plus the current and future capital requirements, after taking into account all other forms of revenue.

In Australia, the basis of using property valuations has been found to be the most appropriate means of achieving rating equity. Whilst it may be an imperfect system in which to assess property owner's ability to pay, it is the method Council is required rely upon under the Act.

Rating Strategy Objectives

This strategy establishes a framework to address the following key elements:

- a) Raise sufficient rates yield to maintain current services and future infrastructure renewal to meet community expectations, as outlined in the adopted Long Term Financial Plan whilst ensuring a balanced budget.
- b) Future rates growth from development at the:
 - Boodarie Strategic Industrial Area
 - Lumsden Point
 - Both new developments in Wedgefield (Hedland Junction) and Kingsford Smith Business Park, and
 - New major UV mining

Be directed into the Town's Strategic Reserve to fund future new infrastructure development as outlined in the forward capital works program of the Long-Term Financial Plan.

- c) That the basis of valuation for rating purposes continues to be Gross Rental Value (GRV) and Unimproved Value (UV) method.

** Landgate values all properties in the State independently.*

- d) Properties are rated according to predominant land use, this classification is provided to council from Landgate; or zoning with regard the Town Planning Scheme with each having a separate calculated rate in the dollar and established minimums to achieve greater equity across all sectors and ensure a base level contribution.

** The use of differential rating is considered a means to achieve greater uniformity in annual rate revenue apportionment across property types, being subject to fluctuations in their triennial revaluation reviews.*

- e) To maintain transparency and consistency each year in annual rating.

** The Town of Port Hedland charges separately for rates, waste and State Emergency Services Levy (ESL).*

- f) That electronic communication methods are more efficient and effective.

**Sustainable, cost effective and a digital Town of Port Hedland.*

1. Rating

1.1 Rate(s) in the Dollar

The Town of Port Hedland's differential rates in the dollar charge will be determined each year through the annual budgeting process. It is calculated to meet each year's requirements for net revenue raising as guided within the context of the Town of Port Hedland's Long Term Financial Plan. All rate(s) in the dollar amounts will be re-evaluated following the Valuer General's revaluation cycles for properties, adjusted according to the overall change in value of the properties being rated.

1.2 Key Values

The Department of Local Government, Sport, and Cultural Industries Rating Policy: Differential Rates, outlines the following considerations for differential rating:

- **Objectivity**
The predominant use of land should determine the basis for an objective assessment of relevant criteria. External parties should be able to understand how and why a determination was made.
- **Fairness and Equity**
Rating principles should be applied fairly and equitably. Each property should make a fair contribution to rates based on a method of valuation appropriately reflecting predominant use.
- **Consistency**
Rating principles should be applied, and determinations should be made in a consistent manner. Similar properties should be treated in a similar manner. The rating approach taken within neighboring local governments shall be considered.

- **Transparency and efficiency**

Systems and procedures for determining the method of valuation of land should be clearly documented and available for the public to inspect. This is fundamental to the "good government" principle upon which the Act is based. The right to govern accompanies the obligation to do so openly and fairly.

The Town of Port Hedland is to prepare and make publicly available a notice describing the object of and reason for each differential rate and advertise a period calling for submissions in accordance with the Act. The council is to consider all submissions received within the prescribed time, ahead of adopting the annual budget.

1.3 Differential Rating

Section 6.33 of the Act provides local governments with the option of implementing differential rates. The Town of Port Hedland's rating will be based on land use, being.

- GRV - Residential
- GRV Commercial / Industrial
- GRV Mass Accommodation
- UV Pastoral
- UV Mining
- UV Other

Clear objects and reasons for the use of any differential rating must be communicated through the annual budget process.

The Town of Port Hedland's objects and reasons for differential rate charges are as follows.

1.3.1 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 7;

OR

- Which is vacant of any construction and is zoned Residential/Rural Residential under the Town of Port Hedland Local Planning Scheme 7.

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

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





1.3.2 GRV – Commercial / Industrial

Means any land:

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

Miscellaneous Licenses with Local Government Ministerial approval:

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

Objects:

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

Reasons:

The differential 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 and infrastructure development to assist with dust mitigation.

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



1.3.3 GRV – Mass Accommodation

Means any land:

- Whereby any approved transient workforce accommodation facilities are located (Transient Workers Accommodation – TWA's),

OR

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

OR

- Holiday Accommodation, Hotel, Lodge, Motel, Tourist Development and Tourism Resort, Identified 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:

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

The Council remains committed to the Town's Long term financial plan of sustainability centralised around export, mining, construction, maintenance, and access to the Port, should be housed in normal residential properties within the town boundaries. It is only through this that the town benefits from an integrated and normalised residential workforce and thereafter the community and society benefit from greater participation in community activities, including sporting and cultural bodies, and higher participation rates in volunteerism and sport.

Furthermore, this differential recognises the costs associated with tourism and economic development activities, as well as the use of these properties predominately for business travel. Equally supporting sustainability by investing in infrastructure for new housing, motels and funding renewal and replacement assets programs

1.3.4 UV – Pastoral

Means any land:

- that has been granted a pastoral lease under the repealed *Land Act 1933*;

OR

- renewal of pastoral leases (administered by the Department of Lands);

OR

- land predominately used for pastoral activities as defined in the *Land Administration Act 1997*.

Objects:

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

Reasons:

The Town has a continuing focus on development and diversification of Pastoral Properties in the region, encouraging development of tourism and rangeland activities in conjunction with reforms being introduced by the State Government, to support the opportunity for live cattle trade, 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

1.3.5 UV – Mining

This rating category covers:

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

OR

- Predominately used for the purpose of resource processing;

OR

- Processing or refining of fuel sources

OR

- Predominately used for the purpose of stock piling;

OR

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

Objects:

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

Reasons:

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

In addition, these properties have access to all other service facilities provided by Council. Properties with a land use UV often have a State or Regional significance, some of which are subject to legacy State Agreements that limit the methods of valuation to UV restrictive formulae for calculation of valuation. The differential rate for this category is considered to levy a proportional comparative with their impact on local community (ie: Heavy haulage vehicle movement, environmental health, and strategic planning).

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



1.3.6 UV – Other

Means any land:

- Telecommunication
- Phone Towers
- Broadcasting Corporations
- Miscellaneous land use – inside Townsite boundary Nowhere else classified (NEC)
- Miscellaneous land use outside townsite boundary– with infrastructure (NEC)

Objects:

The object of this differential rate is to be the base rate by which all UV rated properties both inside and outside town site boundaries were predominately rural areas. Revenue is to provide for rural road development, maintenance and infrastructure.

Reasons:

The Town has a continuing focus on development and rural and pastoral properties in the region, encouraging development with communication broadband internet and Wi Fi services in the modern digital economy, connectivity is essential for regional businesses and communities to build and maintain a sustainable future.

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

1.4 The Application of a Minimum Rate

The Town imposes consistent minimum rates across the rating categories ensuring all properties contribute an equitable rate amount to non-exclusive services. The minimum rate recognises that all ratepayers have an equal opportunity to enjoy the facilities and services provided by Council, regardless of the value of their property.

The Act allows councils to impose a minimum rate, which may not apply to more than 50% of rateable properties within a rating category. The effect is to increase the rates payable by lower valued properties so that every ratepayer makes a minimum contribution considered equitable to the cost of the services and infrastructure provided, commensurate with other local governments.

1.5 Waste Service Fee

A waste service which includes the removal of rubbish and recycling, as well as the need to provide waste services to public areas, is required to be funded by ratepayers throughout the Town of Port Hedland. It is considered appropriate to separately identify this charge. The annual charge is to meet all operational and capital expenditure requirements and any surplus or deficit to be taken to reserve at year end.



1.6 Specified Area Rates (SAR)

A specified area rate is an additional rate which may be used by Council as a strategy to support funding future improvements at specified activity locations, which could address;

- a) Infrastructure development
- b) Improved town site amenity and form
- c) Improved pedestrian accessibility and cycle ways connectivity
- d) Car parking at and around activity centres
- e) The need to provide social spaces in activities centres for their continued success

It is not necessary that the amount raised from specified area rates fully meet the cost of the overall improvements. Specified area rating may be used to meet annual repayment of loan funding.

Clear objects and reasons for the use of specified area rating must be communicated through the annual budget process.

1.6.1 Strategy and Plan Implementation

Council has adopted several strategies which support the overall objectives of the Strategic Community Plan. Together these will shape the Town of Port Hedland's future direction, priorities and service delivery. Major Town of Port Hedland projects or local area initiatives may be supplementarily funded using specified area rating in addition to annual rating charges.

1.7 Service Charges

The Town of Port Hedland may impose a fixed charge on every property owner or occupier in its area, where it's considered that everyone benefits from a specific provision of a service and/or infrastructure specified under the Act which everyone should contribute towards. Service charges may be applied for;

- a) property surveillance and security;
- b) television and radio rebroadcasting;
- c) underground electricity;
- d) water.

1.7.1 Property Surveillance and Security Service Charge

A property surveillance and security service is provided at some locations throughout the Town of Port Hedland. It may be considered to separately identify this charge to ratepayers receiving this service. Implementing an annual charge could meet all operational and capital expenditure requirements and any surplus or deficit to be taken to reserve at year end.

1.8 Emergency Services Levy (ESL)

The Town of Port Hedland is obligated to charge and collect this Western Australian State Government imposed rate.

2. Other Amounts

2.1 Interest Charges

Interest charges on rates paid by instalment are allowable under the Act and considered appropriate in recompense for the Town of Port Hedland's foregone investment earnings. An instalment interest charge as opposed to a fixed fee equalises the benefit available across all ratepayers, who elect to pay their rates by instalments. Eligible pensioners and seniors are exempt from interest charges.

Interest charges on unpaid rates are also allowable under the Act at a prescribed maximum rate under regulations.

The maximum permissible rates will apply.

2.2 Discounts

Making discounts available for the early payment of rates and charges are considered an unfair advantage to those with the financial capacity to do so above other ratepayers. It is also administratively onerous. Discounts will not be applied.

2.3 Concessions

Concessions may be used to alter the amount of rates that would otherwise be payable away from a determination of a property's value and the applicable rate in the dollar charge. An equitable application of a concession would only apply to the entire rating category, or a location of properties which do not benefit from the same level of Town of Port Hedland services and infrastructure.

The Town of Port Hedland will offer rating concessions to community groups, sporting clubs and other not for profit groups on application, in support of fostering community spirit.

All rate concessions will be considered by Council during the budget process. Rate concessions will not be proposed to Council outside of the budget process, unless due to extraordinary circumstances and authorised by the Chief Executive Officer.

A concession under this policy will be assessed in accordance with section 6.47 of the *Local Government Act 1995*. All applications for concession under s6.47 of the Local Government Act 1995 must be in writing on the prescribed form and contain a declaration as to the accuracy of the information contained therein.



Applications are required to be lodged prior to 31 March and are assessed in accordance with this policy.

- a) Council may request additional information from an organisation making an application if it considers it necessary to do so. Information requested is not limited to, but typically include copies of the Constitution of the organisation, recent financial statements of the organisation and information demonstrating precisely how land subject to the application is used. Council is only able to grant a concession from rates under section 6.47.
- b) It is the policy of the Town of Port Hedland that any concession of rates in respect of any rateable land in the Council area will be available only when the applicant satisfies the requirement of this Policy.
- c) Rates concessions will only be provided to community groups or associations that operate as a body corporate or an Incorporated Association or at the discretion of Council in extraordinary circumstances. Concessions will not be provided to an individual. The Town of Port Hedland will determine what is of benefit to the community for the purpose of this policy. The concession amounts range from 50% to 100% of the rates that are payable. Whether a concession is granted in response to an application or, if a concession is granted, the percentage of the rates that may be waived, is entirely at the discretion of Council and the granting of a concession in any year, will not guarantee that any future concessions will be granted.

2.4 Rating of Council Facility Leases

All Council lease agreements shall be subject to the application of rates as per the conditions included within the lease agreement.

2.5 State Agreements

State Agreements that have a rate exemption clause contained within them do not promote fairness and equity amongst all ratepayers within the Town's boundaries. They reduce the capacity of the Town to raise revenue to achieve a balanced budget, maintain service delivery and ensure long term financial sustainability.

State Government Policy is determined by strategic outcomes that are subject to change based on the priorities of the Government of the day. As State Agreements are dependent on this policy, rates revenue relating to State Agreements is considered a high risk to rely on from a long-term financial perspective.

As State Agreements are complex and are more likely to be challenged, a percentage of the rate revenue raised in any one year that is directly dependent on State Government Policy, excluding mining tenements, must be held in the Financial Risk Reserve until the following financial year to mitigate risks

3. Rate Exempt Properties

Exemption from having to pay local government rates under the Act is primarily for land use towards charitable purposes. Welfare is primarily the responsibility of State and Federal governments.

To address the inequity in rate exempt properties not paying for having equal access to services and infrastructure primarily funded by the local community, the Town of Port Hedland may adjust their waste service fees, in line with the approach implemented by other local governments.

4. Rates Notification

There are around 7,600 rateable properties within the Town of Port Hedland that are issued with a rates notice annually. Ratepayers who elect to pay their rates by instalment, require the issue of up to three further reminder notices.

Digital rate notices are available. Ratepayers may elect to have their notice emailed, avoiding the use of paper and postage, which aligns with sustainability objectives.

It is now commonplace for banks, utility service providers and other government agencies to interact via digital channels with their customers. Cost recovery for postage and handling of rate notices is a common practice within local government. Fees would be waived for pensioners and all ratepayers receiving the rates notice by email or online banking. Currently under legislation, the first rates notice is required to be posted and only instalment notices could be considered for cost recovery.

5. Payment Difficulties/ Financial Hardship

It is recognised that at times, due to unforeseen circumstances, the payment of property rates fees and charges may present a financial burden. The Town's Financial Hardship policy outlines available support.

Ratepayers who are experiencing payment difficulty should contact the Town of Port Hedland immediately on 08 9158 9300 to discuss payment options. All enquiries are treated confidentially, and early communication may help prevent the commencement of costly legal action for the recovery of outstanding rates.

In the event that rates and charges become overdue, the Town of Port Hedland will issue an overdue final notice which includes interest charges. If the account remains unpaid the Town of Port Hedland will commence recovery action.

This may include redirection of lease income, the selling of the property, and or transfer of ownership to the Town of Port Hedland, by way of the Act. All fees and court costs are recoverable from the ratepayer.



6. Objection Rights

Section 6.76 of the Local Government Act allows for an objection to a rates notice on the following grounds:

- There is an error in the rate notice in relation to the identity of the landowner or the part of the land to be rated; or
- If the Town imposes a differential general rate, that the characteristics of the land recorded in the rate record as the basis for imposing that rate should be deleted and other characteristics substituted.

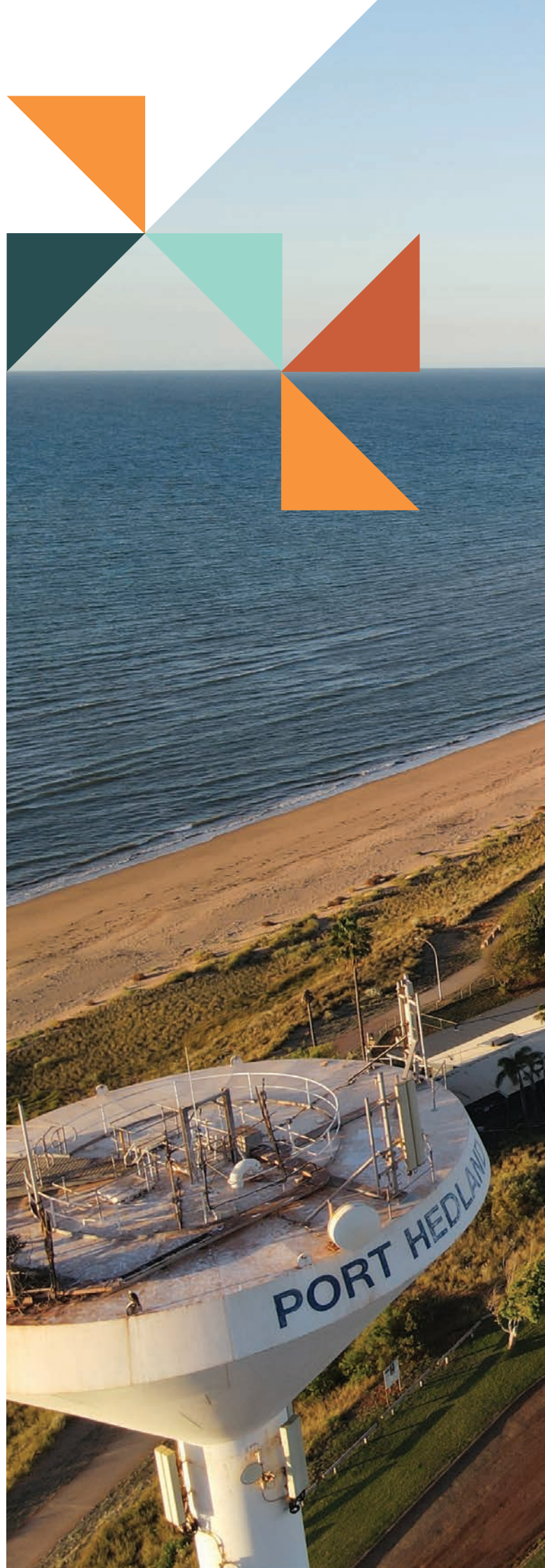
An objection is to be made to the Town in writing within 42 days of the service of a rate notice under section 6.41.

Section 32 of the *Valuation of Land Act 1978* allows for an objection to the valuation on which their rates assessment was based. An objection to the valuation of land is to be directed to the Valuer-General at Landgate and is to be made in writing within 60 days of service of the rates notice under section 6.41.

7. Future Rates Fees and Charges

Rating provides for the net funding requirements of the Town of Port Hedland's services, activities, financing costs and the current and future capital requirements, after considering all other forms of revenue. As the costs incurred to provide services and infrastructure increases overtime, so does the need for and pressure towards raising rates.

Holding rates at comparatively low amounts may necessarily lead to larger increases in later years. Initially, achieving comparative rating consistency with neighboring local governments in the short-term will support the Town of Port Hedland's long-term financial sustainability. Following with a gradual and consistent approach to increasing rates, avoids the need to raise rates outside of an acceptable range and or comparison over the long-term.







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