



2025-2026

Statement of Objects & Reasons

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

“To guide the growth and development of the Hedland community, economy and environment through the provision of strong civic leadership, provision of high-quality services and facilitation of active 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 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 Long-Term Financial Plan and Rating Strategy 2025 -2030, 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. Rating Strategy Objectives
- 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 differential 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.

GROSS RENTAL VALUATION (GRV)

The Act determines that properties of a non-rural purpose within a Townsite boundary be rated using the Gross Rental Valuation (GRV) as the basis for the calculation of annual rates.

The Valuer-General determines the GRV for all properties within the Town of Port Hedland every three years. The current general valuation is effective from 1 July 2025. (Valuation period 2025/26 to 2028/29) is not yet reflected in these valuations.

Properties are rated according to predominant land use or the Town Planning Scheme's zoning. Three differential categories form the GRV basis, each having a separately calculated rate in the dollar to achieve greater equity across categories.

The GRV is determined by Landgate collecting rental evidence to determine the fair rental value for each property or groups of properties. Interim valuations are provided regularly to Council 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, Council recalculates the rates for the affected properties and issues interim rates notices.

In addition to the above, section 6.28 (1) (2)(3) of the Act concludes the basis for rating 'relevant resource interest' is to be unimproved value of land, except land on which capital improvement are located. Reviews are continually undertaken and monitored for consideration to applying to the Minister for Local Government who; under section 6.28(1) determines gross rental value (GRV) basis of capital improvement land.

The current gross rental valuation schedule was and is effective from 1 July 2025.

UNIMPROVED VALUATION (UV)

As Council has adopted differential rates, the basis of UV is applied upon land that is predominantly of a rural purpose in nature and can be located both inside and outside the town site boundary. All mining and petroleum interest, predominant Land use or zoned strategic industry, mining, mining resource, resource processing, stockpiling, salt mining and all state agreements located both inside and outside the townsite boundary are rated on the basis of unimproved value, with the exception of Ministerial approval to rate GRV.

Covering but not limited to Mining leases, State Agreements, Mining tenements, Pastoral leases, along with all other leasing and licences as described by the Mining Act (*Mining Act 1904*) and the Port Hedland Port Authority "The Government Trading Enterprises Act 2023 (WA) (GTE Act)" leased land and privately owned land.

Unimproved values are reviewed and provided to the Town annually by the Valuer General at Landgate, with a valuation roll provided. Interim valuations are provided monthly to Council by Landgate for properties where changes have occurred, in such instances Council recalculates the rates for the affected properties and issues interim rates notices.

The current unimproved rental valuation schedule is effective from 1 July 2024.

MINIMUM RATE PAYMENT

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 calculated as 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 across each rating differential on not less than –
 - a. 50% per cent of the total number of separately rated properties in the district; or
 - b. 50 % per cent of the number of properties in each differential category referred to in subsection (6),on which a minimum payment is imposed.

Regarding the UV Mining differential, the lower minimum is applied to ensure that the rate burden is distributed equitably between all property owners. A lesser minimum of \$250 is applied to Mining categories to reflect the State Government amendment to the *Valuation of Land Act 1978* with the objective of providing some minor rate relief to small tenement owners.

2025/2026 Budget Focus

The following are the proposed Differential General Rates and Minimum Payments for the Town of Port Hedland for the 2025/26 financial year and are effective from 1 July 2025.

The rate in the dollar will be based on the general valuation as supplied by the Valuer General (VG) with respect of gross rental values (GRV's) effective from 1 July 2025 and (UV's) effective from 1 July 2024 and as amended by any interim valuations received subsequent to that date.

The Rate modelling undertaken for the 25/26 period will yield in net revenue \$79,731,360

The above calculation is before concessions and other doubtful debt and risk considerations are applied. Council will review its expenditure in line with the Town's long term financial plan and considered efficiency measures as part of its budget deliberation.

Rate Category	2024/25 Current	2025/26 Proposed	2025/26 Proposed	2024/2025 % Share
	Rate in the Dollar	Rate in the Dollar	Minimums	Percentage of Revenue
	\$	\$	\$	%
GRV Residential	0.06700	0.04720	1,404	17.02
GRV Commercial / Industrial	0.08957	0.08800	2,000	8.06
GRV Accommodation	0.13300	0.09440	2,000	2.30
UV Pastoral/Other	0.12000	0.125400	2,000	0.34
UV Mining	0.227571	0.239330	250	72.28

Efficiency Measures

- Continue to review & monitor all land for capital improvements
- Continue to use local suppliers whenever possible and appropriate
- Structuring operational revenues and expenditure to ensure adequate provision for asset renewal into the future
- Lobby State and Federal Governments and private sector for improved infrastructure investment.
- Continue to pursue investment in key infrastructure development such as the West end, airport, service industry and logistics.

Service Improvements

- Substantial funds designated by the Town for the creation of three critically important recreation hubs:
 South Hedland Integrated Sports Hub (SHISH)
 Port Hedland Sports and Community Hub
 JD Hardie Youth and Community Hub.

Differential General Rates and General Minimum Payments

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.

OR

- 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 \$1,404 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.

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, 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 & 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 minimum rate of \$2,000 for this category and 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 & infrastructure development to assist with dust mitigation.

In maintaining fairness & 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 & 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 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 Air B & B'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 minimum rate of \$2,000 for this category acknowledges 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 Towns 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.

UV MINING

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
- 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 (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.

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 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 future housing planning).

Equally supporting sustainability by investing in infrastructure and funding renewal and replacement assets programs also landscape & 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 \$2,000 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.

Also ensuring that all ratepayers make a minimum contribution for basic services and infrastructure.

TOWN'S RATING STRATEGY

The key points for the 2025/26 Rating Strategy:

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.
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- e) To maintain transparency and consistency each year in annual rating.
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 - * Sustainable, cost effective and a digital Town of Port Hedland.

Rate Category	Actual Revenue - 2024/2025	Proposed Revenue - 2025/2026
GRV Residential	\$13,539,773	\$14,579,975
GRV Commercial/ Industrial	\$6,068,587	\$6,901,943
GRV Accommodation	\$2,465,573	\$1,971,331
UV Pastoral / Other	\$281,169	\$293,754
UV Mining	\$53,890,433	\$61,934,357
TOTAL	\$76,245,534	\$85,681,360

The above rate model as of 11th April 2025 is proposed to yield \$85,681,360 in gross rate revenue.

After concession of \$200,000 and an estimated amount of \$5,750,000 quarantined and transferred to the Strategic Reserve, net revenue will be \$79,731,360

This model continues to reflect an equitable distribution of the rate burden reflecting the Towns Rating Strategy and ensuring the Town can continue to deliver services, along with maintaining road & asset renewal for the Towns suburbs and deliver Councils objectives for long term financial planning.

PENSIONER RATES CAP GAP

The Town provides additional rating relief for its eligible pensioners, whose rates exceed \$1,500 and are therefore not subsidised to the full 50% by the State Government. This Pensioner Rate Cap Gap program is intended to be capped at \$200 per annum from 2025/2026 and requires rates are paid in full each year.

CHANGES FROM ADVERTISED INTENDED RATING

The public notice and invitation of submissions on the Town's intention to levy differential rates 2025/2026 and associated draft statement of objects and reason Council 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.

MARK DACOMBE

ACTING CHIEF EXECUTIVE OFFICER