



## Our Vision

*"Broome - a future for everyone."*

# AGENDA

**BUSINESS OF AN URGENT NATURE**

**FOR THE**

**ORDINARY MEETING OF COUNCIL**

**27 MAY 2021**


# NOTICE OF MEETING

Dear Council Member,

The next Ordinary Meeting of Council will be held on Thursday, 27 May 2021 in the Council Chambers, Corner Weld and Haas Streets, Broome, commencing at 5:00 PM.

Social distancing measures are in place throughout the building. It is a condition of entry that people adhere to remaining the prescribed 2 metres apart.

Regards,



S MASTROLEMO  
**Chief Executive Officer**

26/05/2021

## Our Mission

*"To deliver affordable and quality Local Government services."*

### DISCLAIMER

The purpose of Council Meetings is to discuss, and where possible, make resolutions about items appearing on the agenda. Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on the basis of such decision or on any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting.

Persons should be aware that the provisions in section 5.25 of the *Local Government Act 1995* establish procedures for revocation or rescission of a Council decision. No person should rely on the decisions made by Council until formal advice of the Council decision is received by that person. The Shire of Broome expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any resolution of Council, or any advice or information provided by a Member or Officer, or the content of any discussion occurring, during the course of the Council meeting.

*Should you require this document in an alternative format please contact us.*

**SHIRE OF BROOME**  
**ORDINARY MEETING OF COUNCIL**  
**THURSDAY 27 MAY 2021**  
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<b>13. BUSINESS OF AN URGENT NATURE</b>
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<b>13.1 COUNCIL CONSIDERATION OF PUBLIC SUBMISSIONS ON INTENTION TO IMPOSE DIFFERENTIAL RATES AND MINIMUM PAYMENTS FOR THE 2021-22 ANNUAL BUDGET</b>
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<b>LOCATION/ADDRESS:</b>	Nil
<b>APPLICANT:</b>	Nil
<b>FILE:</b>	ARA01; ARA12
<b>AUTHOR:</b>	Finance Officer - Rates
<b>CONTRIBUTOR/S:</b>	Nil
<b>RESPONSIBLE OFFICER:</b>	Acting Director Corporate Services
<b>DISCLOSURE OF INTEREST:</b>	Nil

<p><b>SUMMARY:</b> The report presents to Council the submissions received for consideration following the statutory local public notice period before adopting the 2021-22 Annual Budget. Council is also requested to authorise the Chief Executive Officer to apply to the Minister for Local Government to approve the differential rates that require exemption from sections 6.33(3) and 6.35(5) of the <i>Local Government Act 1995</i>.</p>
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## BACKGROUND

### Previous Considerations

OMC 29 April 2021

Item 9.3.1

Before imposing any general differential rates or minimum payments, a local government must give local public notice of its intention to do so and invite submissions for not less than 21 days and two months prior to the start of the next financial year.

Following the 29 April Ordinary Meeting of Council (OMC), a public notice inviting submissions on proposed differential rates was advertised in the 1 May 2021 edition of The West Australian Newspaper and 6 May 2021 edition of the Broome Advertiser, with the submission period closing at 4 pm on 24 May 2021. Public notices were also placed on noticeboards located at the Shire of Broome Administration Centre and Library. A media release about the intention to impose differential rates and minimum payments was also published on Shire's website on 30 April 2021.

The Shire also wrote to the 23 remaining properties in the UV – Commercial Rural rating category, inviting public comments on the proposed differential rates according to the Department of Local Government, Sport and Cultural Industries (DLGSC) requirement for rating categories with less than 30 ratepayers.

In addition to the required local public notice, ministerial approval is required if the differential rates have the following characteristics:

1. a differential rate that is more than twice the lowest differential rate in either UV or GRV properties (s6.33 of the LGA); and/or
2. more than half of the total vacant properties would be subject to minimum rates (s6.35 of the LGA).

The Minister requires evidence of Council consideration of any submissions received before accepting the Shire's application for exemption from section 6.33 of the LGA where the

proposed UV Mining and UV Commercial differential rates are set at more than twice the base UV Rural rate and exemption from section 6.35 of the LGA where there are more than half the number of GRV Residential – Vacant properties on the minimum payment.

At the OMC held 29 April 2021, Council resolved the following:

**COUNCIL RESOLUTION:**

**(REPORT RECOMMENDATION)**

**Minute No. C/0421/007**

**Moved: Cr D Male**

**Seconded: Cr B Rudeforth**

**That Council:**

1. ***Publishes a local public notice proposing the 2021/22 differential general rates and minimum payments set out in the table below and invites electors or ratepayers to lodge submissions about this proposal within 21 days from the date of notice:***

<b>DIFFERENTIAL RATE CATEGORY</b>	<b>RATE IN THE DOLLAR (cents)</b>	<b>MINIMUM PAYMENT</b>
<b>Residential (GRV)</b>	<b>11.0204</b>	<b>\$1,220</b>
<b>Vacant (GRV)</b>	<b>20.1729</b>	<b>\$1,220</b>
<b>Commercial (GRV)</b>	<b>11.4171</b>	<b>\$1,220</b>
<b>Tourism (GRV)</b>	<b>14.9349</b>	<b>\$1,220</b>
<b>Mining (UV)</b>	<b>11.9883</b>	<b>\$500</b>
<b>Rural (UV)</b>	<b>0.7763</b>	<b>\$1,220</b>
<b>Commercial Rural (UV)</b>	<b>3.2458</b>	<b>\$1,220</b>

2. ***Adopts the Objects and Reasons presented in Attachment 2 for each of the proposed differential general rates and minimum payments in point 1 above; and***

The report presented to Council at the 29 April 2021 OMC summarised the following matters:

3. ***Following the close of the public submission period, requests the Chief Executive Officer to report back to Council, presenting any submissions for formal consideration before seeking Minister’s Approval:***

- (a) ***Under section 6.33(3) of the Local Government Act 1995 to impose differential rates which are more than twice the lowest differential rate; and***
- (b) ***Under section 6.35(5) of the Local Government Act 1995 to impose a minimum payment of \$1,220 on GRV - Vacant properties as an exemption to subsections 2, 3 and 4 of section 6.35 of the Local Government Act 1995.***

**CARRIED 5/2**

The 2021-22 budget process to date including revenue required to be raised from rates as per the 2021-22 draft budget;

1. The proposed rating categories and corresponding valuations;
2. The proposed rate in the dollar for each rating category reflecting a 1.83% increase in rate yield from the preceding year;
3. The proposed minimum payments for each rating category, which remained the same as the preceding year. Once again, the UV Mining category is set at a lower level to ensure compliance with section 6.35 of the LGA;
4. An illustration of the proposed differential rates and minimum payments required to be raised to balance the 2021-22 budget;
5. The requirement to advertise certain rating information through public notice; and
6. The requirement to consider submissions received in relation to the proposed rates.

## COMMENT

### Submissions

One submission was received during the notice period and is summarised below for Council consideration.

#### *Submission 1: McMahon Mining Title Services Pty Ltd*

*"Thank you for the opportunity to make a submission regarding the proposed rates for 2021-22.*

*We note that valuations provided by the Valuer General are used in calculating mining tenement rates, and these valuations based on the rent imposed by the Department of Mines, Industry Regulation and Safety. Any increases in the rent, therefore, result in an increase in valuations and in turn an automatic increase in rates.*

*Effective from 1 July 2020, the Department increased the rent rate for exploration licences by 2.17%, prospecting licences by 3.45% and mining leases by 1.01%. With the Shire proposing an increase in the UV Mining rate in the dollar for 2021-22 from 0.117729 to 0.119883, a significant increase in the actual rates levied will occur as illustrated in the table below:*

<b>2020/21 RID</b>	<b>0.117729</b>	<b>2021/22 Proposed RID</b>		<b>0.119883</b>
	<b>2020 Rates</b>	<b>2021 Rates - no change in RID</b>	<b>2021 Rates - proposed increase to RID</b>	<b>Actual percentage increase in rates</b>
P (200Ha)	\$341.41	\$353.19	\$359.65	5.3%
E (10sbk)	\$406.17	\$414.99	\$422.59	4.0%
M (100Ha)	\$1,165.52	\$1,177.29	\$1,198.83	2.9%

*The exploration and mining industry is one of the most significant contributors to the State's economy. It has played an integral role in the development and strength of this State, creating jobs and opportunities across the State but particularly in remote and regional parts of Australia. The industry will undoubtedly be critical to the future economic recovery of the State and country which has been severely impacted by the COVID-19 crisis.*

*To encourage the continued contributions made by the resources sector to the State economy, it is critical that all government fees are set so as to reduce the cost of doing business in the State in the face of significant international competition wherever possible and increase and incentivise investment in local exploration to discover vital new resources which benefit the whole of the State."*

The respondent is neither a ratepayer nor an elector of the Shire. The respondent is a consulting company that acts for several exploration and prospecting companies in WA. A search of the Shire's database showed that Kimberley Mining Australia Pty Ltd uses the respondent's address as its mailing address. Kimberley Mining Australia Pty Ltd has two (2) mining tenements assessment A300737 and A300742, and one (1) exploration tenement assessment A304054.

The submission was primarily an objection to the proposed rate increase due to the increase in valuation already imposed by the Valuer General instead of the differential rating Objects and Reasons. The submission received from the respondent did not make any opposition to the objects of the UV – Mining category.

The following table summarises the properties currently classified under the UV – Mining category to put matters into perspective:

<b>Licence Type</b>	<b>Property Count</b>	<b>Rateable Value</b>	<b>Rates Revenue</b>
Mining	28	\$718,245	\$91,199
Petroleum Exploration Permit	7	\$118,437	\$14,380
Exploration	18	\$215,313	\$26,939
Petroleum Production Licence	2	\$63,152	\$7,571
Others	1	\$47,625	\$5,709
General Purpose	1	\$875	\$500
<b>Total</b>	<b>57</b>	<b>\$ 1,163,647</b>	<b>\$146,298</b>

The proposed 2021-22 rates model contains 57 properties rated as UV Mining, of which 25 will attract the minimum payment of \$500. The total rates generated from mining properties account for 0.61% of 2021-22 rates versus 0.67% in 2020-21, which means that resource companies in Broome, in general, would contribute to a smaller share of the total rates to be raised in the next financial year.

Council acknowledges the hardship that continued to be experienced by the ratepayers and the contribution made by the respondent and other resource companies in the future economic recovery of the State during the COVID-19 pandemic. Council, therefore, aimed to limit any rates increases to a minimum which resulted in total rates of \$23.8M in 2021-22, which is only 1.83% higher than the prior year's \$23.4M. Property rates, however, are shared by the ratepayers based on valuations provided by the Valuer General and each year some properties may experience an increase or decrease.

Officers do not believe that the submission warrants any amendments to the proposed differential rating Objects and Reasons. Despite the respondent being neither an elector nor a ratepayer, officers will respond to the submission by providing the above explanation.

Ministerial Approval

Section 6.35 of the LGA requires a local government to ensure that the general rate is imposed on not less than 50% of the number of separately rated properties or 50% of the number of properties in a Differential general rate category. This has been achieved in all categories except in GRV – Vacant. It is proposed that Ministerial approval be sought in this circumstance to ensure a consistent rate increase is applied to all properties within this category.

In line with previous years, Ministerial approval must also be sought under section 6.33 of the LGA for the proposed UV Mining and UV Commercial differential rating categories as these are more than twice the lowest UV Rural general rate.

Officers recommend that Council authorise the CEO to apply to the Minister regarding the UV Mining and UV Commercial differential rating category rates in the dollar and GRV Residential Vacant minimum payment.

### UV – Valuation

When writing this agenda item, the Shire has not received the 2021-22 valuation rolls for UV properties (i.e. rural, commercial and mining). Historically, increases in property values of UV properties ranged between 1% and 3%. With an average valuation of \$20K each, the increased rates revenue generated by the 57 UV – Mining properties is estimated at less than \$2,000 and is deemed negligible. Officers do not consider that the proposed rates model be changed.

### Rate Growth

Based on a recent review of 2020-21 actual rates revenue, a \$100,000 interim rates from growth in ratepayer base is included in the rates model.

### Conclusion

In conclusion, it is recommended after consideration of the submissions received, that Council adopts the Objects and Reasons, differential rates and minimum rates strategy as previously advertised and seek ministerial approval:

- to impose differential rates for those rates that are more than twice the lowest differential rate; and
- to impose a minimum payment of \$1220 on GRV - Residential Vacant properties as an exemption to subsections 2, 3 and 4 of section 6.33 of the LGA.

## **CONSULTATION**

Consultation has been conducted with the DLGSC relating to the proposed differential rates and minimum payment.

Letters were sent to 23 properties remaining in the UV – Commercial Rural rating category inviting comments on the proposed differential rates, as there are less than 30 ratepayers in this rating category.

Local public notice was provided and direct correspondence issued to property owners as outlined above under section 6.36 of the LGA resulting in 1 submission received during the 21-day statutory notice period.



**STATUTORY ENVIRONMENT****Local Government Act 1995**S6.28 *Basis of Rates*

- 1). The Minister is to -
  - (a) determine the method of valuation of land to be used by a local government as the basis for a rate; and
  - (b) publish a notice of the determination in the government gazette.
- 2). In determining the method of valuation of land to be used by a local government the Minister is to have regard to the general principle that the basis for a rate on any land is to be -
  - (a) where the land is used predominantly for rural purposes, the unimproved value of the land, and
  - (b) where the land is used predominantly for non-rural purposes, the gross rental value of the land.

S6.32. *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.

S6.33 *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 under a local planning scheme in force under the Planning and Development Act 2005;
  - (b) the predominant purpose for which the land is held or used as determined by the local government;
  - (c) whether or not the land is vacant land; or
  - (d) any other characteristic or combination of characteristics prescribed.

S6.35. *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.

S6.36. *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
  - (c) 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.
- (5) Where a local government —
- (a) in an emergency, proposes to impose a supplementary general rate or specified area rate under section 6.32(3)(a); or
  - (b) proposes to modify the proposed rates or minimum payments after considering any submissions under subsection (4), it is not required to give local public notice of that proposed supplementary general rate, specified area rate, modified rate or minimum payment.

S6.47.

#### Concessions

Subject to the Rates and Charges (Rebates and Deferrals) 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

## POLICY IMPLICATIONS

Rating Policy

## FINANCIAL IMPLICATIONS

The proposed differential rates and minimum payments for the 2021-22 financial year will raise an estimated rates revenue of \$22.94M.

## RISK

Risks associated with the consideration of submissions received and the general endorsement of the proposed rates model include:

- Rejection of the proposed differential rates, minimum payment and associated statement of objects and reasons by the DLGSC, which could result in delays in adopting the 2021-22 annual budget.

- Delay in the timing of issuance of the annual rates notices, leaving less time for ratepayers to pay rates by 30 June 2022.

These risks are assessed as extreme. The treatment and mitigation of these risks have been identified through controls including analysis and review of the rate-setting strategy and constant consultation with DLGSC and ratepayers.

**STRATEGIC ASPIRATIONS**

**Prosperity – Together, we will build a strong, diversified and growing economy with work opportunities for everyone.**

**Outcome Twelve – A well informed and engaged community:**

12.1 Provide the community with relevant, timely information and effective engagement.

**Outcome Thirteen - Value for money from rates and long term financial sustainability:**

13.1 Plan effectively for short and long term financial sustainability.

**VOTING REQUIREMENTS**

*Simple Majority*

REPORT RECOMMENDATION:

*That Council:*

1. *Notes the submissions received and the objections contained therein regarding Council's intention to impose the 2021-22 differential rates and minimum payments under section 6.36(4) of the Local Government Act 1995 during the public submission period of 21 days;*
2. *Endorses the following proposed Differential General Rates and Minimum Payments for 2021-22:*

<i>DIFFERENTIAL RATE CATEGORY</i>	<i>RATE IN THE DOLLAR (cents)</i>	<i>MINIMUM PAYMENT</i>
<i>Residential (GRV)</i>	<i>11.0204</i>	<i>\$1,220</i>
<i>Vacant (GRV)</i>	<i>20.1729</i>	<i>\$1,220</i>
<i>Commercial (GRV)</i>	<i>11.4171</i>	<i>\$1,220</i>
<i>Tourism (GRV)</i>	<i>14.9349</i>	<i>\$1,220</i>
<i>Mining (UV)</i>	<i>11.9883</i>	<i>\$500</i>
<i>Rural (UV)</i>	<i>0.7763</i>	<i>\$1,220</i>
<i>Commercial Rural (UV)</i>	<i>3.2458</i>	<i>\$1,220</i>

3. *Adopts the Objects and Reasons for each of the proposed differential general rates and minimum payments in point 2 above as contained in Attachment 1; and*
4. *Requests the Chief Executive Officer to seek the Minister for Local Government's approval:*
  - (a) Under section 6.33 of the Local Government Act 1995 to impose differential rates for those rates that are more than twice the lowest differential rate; and*
  - (b) Under section 6.35(5) of the Local Government Act 1995 to impose a minimum payment of \$1220 on GRV - Vacant properties as an exemption to subsections 2, 3 and 4 of section 6.33 of the Local Government Act 1995.*

**Attachments**

1. 2021-22 Rating Objects and Reasons Endorsed 29 April 2021



## Objectives and Reasons for the Differential Rates and Minimum Payments for the 2021/22 Financial Year

Under section 6.36 of the Local Government Act 1995, the Objects and Reasons for implementing Differential Rates must be published by Shire of Broome.

### Overall Objective

The purpose of the levying of rates is to meet the Shire's budget requirements each financial year to deliver services and community infrastructure. The Valuer-General provides the property valuations as the basis for the calculation of rates each year. Section 6.33 of the *Local Government Act 1995* provides the ability to differentially rate properties based on zoning or land use as determined by the Shire of Broome. Properties are grouped according to town planning zonings or predominant land use. Each rating category has a separately calculated rate in the dollar to achieve equity across all sectors.

Council has considered the Key Values contained within the Rating Policy Differential Rates (s.6.33) released by the Department of Local Government, Sport and Cultural Industries, being:

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

A copy of this policy can be obtained from this link:

<https://www.dlgsc.wa.gov.au/department/publications/publication/rating-policy-differential-rates>.

Council determines the required rates yield by reviewing all revenue sources, expenditure and efficiency measures. As part of its budget deliberations, it is assumed that the Shire's operations will return to the same levels before the COVID-19 pandemic. A budget deficiency of \$23.94M has been identified for the financial year 2021/22, and a 1.83% increase in the rate-in-dollar across all rating categories would yield the required rates to fund this deficit. There being no changes to the rating categories, the consistency and equitable distribution of the rates are maintained from one year to the next.

The Shire's Long-Term Financial Plan (LTFP) targeted a 1.85% increase in the 2021/22 financial year rates. The rate yield of \$23.94M is slightly higher (1%) than the revenue projected in Shire's LTFP. It will fund the Capital Works Program as per the Shire's latest Corporate Business Plan.

- Plant Replacement - \$2.1M
- Skate Park Redevelopment - \$1.5M
- Other Road Upgrades & Renewal \$1.0M
- Cable Beach Foreshore Upgrade Detailed Design - \$867K
- Off-Street Carpark and Infrastructure in Frederick Street - \$829K
- Renewal of Various Buildings - \$779K
- Buckley's Road Waste Facility Capping - \$700K
- Renewal and Upgrades of Various Parks and Ovals - \$663K
- Review of ICT Digital Strategy and ICT Renewals - \$559K
- Conti Foreshore Shared Path Development (Connecting the Guy Street and Hamersley Street Shared Paths) - \$472K
- Review of ICT Digital Strategy and ICT Renewals - \$559K
- Community Recycling Centre Detailed Design - \$420K

- Various Footpath Constructions, Renewals and Upgrades - \$ 366K
- Renewal and Upgrades of Various Parks and Ovals - \$664K
- BRAC Parking Improvements \$315K
- Implementation of Cemetery Master Plan \$310K
- Off-Street Carpark and Infrastructure in Port Drive - \$299K
- BRAC Grid Solar Connection - \$231K
- Broome Lighting Upgrades – \$150K
- Various Street Lighting Renewals - \$121K
- Place Activations Plan – \$97K
- Cape Leveque Tourist Bay and Signage - \$92K
- Footbridges – \$84K
- Old Broome and Cable Beach Precinct Plans \$75K
- Sanctuary Road Feasibility Study – \$70K
- Reconciliation Week, Christmas Decorations and Various Community Events - \$66K
- Local Planning Scheme and Local Planning Strategy Review \$65K
- Various Coastal Asset Renewals - \$63K
- Various Improvements in BRAC (WiFi, Self Scanning, Floorball Rink) - \$53K
- Bin Replacement \$50K
- Review of Sport & Recreation Plan and BRAC Master Plan \$50K
- Various Carparks Renewals - \$44K
- Broome Air Raid 80th Anniversary \$35K
- Implement the Youth Plan - \$32K
- New Public Open Space Strategy - \$30K
- New Radar Speed Display Signs - \$30K
- Various Bus Facilities Renewals - \$29K
- Various Drainage Renewals – \$28K
- New Corporate Communications Strategy - \$25K
- Access and Inclusion - \$15K
- Neighbourhood Engagement Program -\$15K

Council has reviewed its expenditure and considered efficiency measures as part of its budget deliberations. In particular, the following actions had been undertaken:

Efficiency Measures:

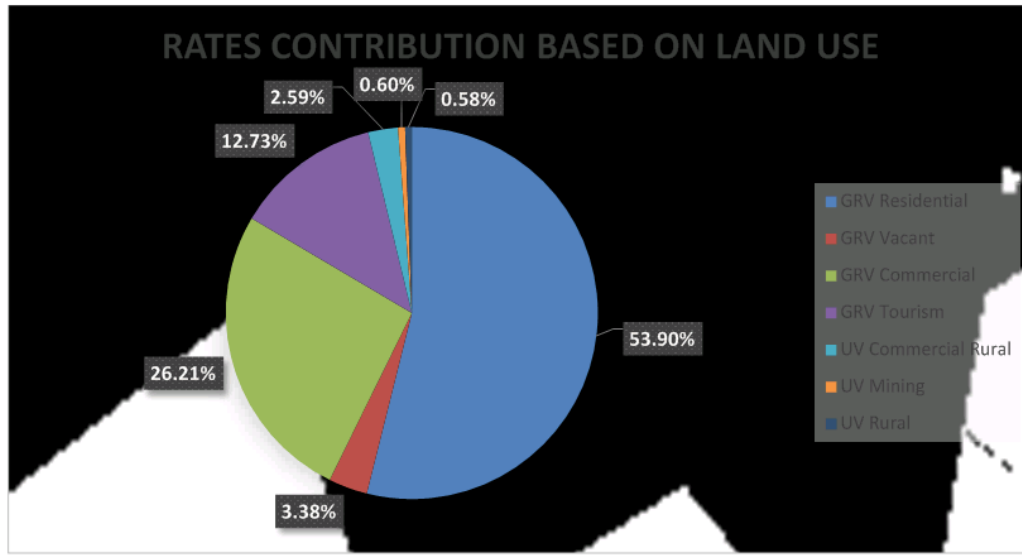
- reviewed position descriptions and remuneration as vacancies arise;
- renewal of Shire assets based on adopted Asset Management Plan;
- encouraged certain staff to take advantage of remote area housing through the Shire leases, therefore, minimising the need for staff housing stock;
- continued use of local suppliers whenever possible and appropriate;
- conduct of three budget reviews each financial year;
- continued to outsource waste collection and recycling education cost-effectively;
- bush fire mitigation strategies and compliance measures were put in place to reduce the scope of recurring work;
- disposal of the under-utilised and maintenance-demanding light fleet and plant;
- installation of LED street lighting and energy-efficient fixtures throughout Shire facilities;
- contractor inductions to reduce exposure to occupational health and safety risks;
- conducted several internal audits of governance and legislative compliance;
- a robust review of insurance services and identify opportunities to self-insure;
- changed the provision of pre-cyclone clean-up activities to become less resource-intensive but still responsive to safety objectives of pre-cyclone preparations;
- revisiting the resourcing of GIS services;
- reduced some facility opening hours in line with service review findings regarding usage patterns; and
- after hours shut-off switch at Administration Building to limit unnecessary air-conditioning when the building is not occupied.

Below is a summary of the proposed minimum payments and rates in the dollar for 2021/22

Differential Rate Category	Minimum Payment	Rate in the \$ (Cents)
----------------------------	-----------------	------------------------

GRV – Residential	\$1,220	11.0204
GRV – Vacant	\$1,220	20.1729
GRV – Commercial	\$1,220	11.4171
GRV – Tourism	\$1,220	14.9349
UV – Rural	\$1,220	0.7763
UV – Mining	\$500	11.9883
UV – Commercial Rural	\$1,220	3.2458

**Rates contribution based on land use:**



The 2021/22 Rating Year utilises the most recent general revaluation that took effect on 1 July 2019 due to the general valuations assessed by the Valuer General's office in October 2018.

**Gross Rental Value (GRV)**

The *Local Government Act 1995* determines that properties of a non-rural purpose 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 Shire of Broome. Under section 22 of the Valuation of Land Act 1978, the Valuer-General also determines the frequency of general valuations. However, historically, the Valuer-General has undertaken a GRV revaluation every three to five years, with the most recent valuation occurring in October 2018 and effective from 1 July 2019. Factors such as age, construction, size, car shelters, pools and location influence the rental value for a house or other GRV property. Interim valuations are provided fortnightly to the Shire by the Valuer-General for properties where changes have occurred (i.e. subdivisions or strata title of a property, amalgamations, building constructions, demolition, additions and/or property rezoning). In such instances, the Shire recalculates the rates for the affected properties and issues interim rates notices. GRV properties contribute about 96.2% of the total rates as the properties in this category generally have a much higher demand for Shire resources.

**GRV – Residential (The Base Rate for Gross Rental Value)**

This rating category consists of properties that have a predominant residential use. This rating category is the base rate by which all other GRV rated properties are assessed. 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 for developed residential and urban areas.



Council is focused on sustainably managing its community and infrastructure assets through the funding of renewal and replacement asset programs. These programs include but are not limited to investment in the resealing of roads, replacement and development of footpath networks, refurbishing public ablutions and other building maintenance programs. The rates from this category are expected to meet the community needs and service levels for properties under this category within the Shire of Broome. This category is expected to contribute 53.9% of the total rates to be raised for 2021/22.

### **GRV – Commercial**

This rating category covers the town centre, commercial business, shopping centres, telecom tower sites and the airport. All properties rated under this category are zoned Commercial under the Town Planning Scheme, excluding properties with tourism use. This rating category recognises the impact of commercial properties on infrastructure and the environment within the Shire. This category recognises the more significant share of costs associated with providing additional services like economic development, maintaining car park infrastructure, landscaping, environmental health, light industrial area infrastructure and other amenities. The rate in the dollar for this category is 3.6% higher than the GRV – Residential base rate. This category is expected to contribute 26.2% of the total rates to be raised for 2021/22.

### **GRV – Tourism**

This rating category consists of properties with operations related to tourism. This category recognises the impact of such properties on infrastructure and the environment within the Shire. This rating category recognises the more significant share of costs associated with the provision of services in addition to the services provided in the GRV Commercial category. Some additional costs contribute to economic development, tourism promotion, marketing activities, environmental health, public safety and law enforcement during the tourist season. The rate in the dollar for this category is 35.5% higher than the GRV – Residential base rate. This category is expected to contribute 12.7% of the total rates to be raised for 2021/22.

### **GRV – Vacant**

This rating category consists of vacant properties zoned Residential, Tourist, Commercial or Industrial under the Shire's Local Planning Scheme. The object of the rate for this category is to signify the Council's preference for land to be developed rather than leaving it vacant. Development is encouraged due to its importance and positive effect on local employment and economic diversity. Further community returns are also expected from population-linked investment in the region by both State and Federal funding bodies. The rate is also higher than the base rate to distribute the rates burden equitably considering the different method used for the valuation of vacant land as compared to other GRV properties. The rate is also intended to discourage land investors from land banking and discourage excessive vacant land leaving subdivisions barren and aesthetically unappealing which may provide prospects for potential antisocial behaviour. The rate in the dollar for this category is 83.1% higher than the GRV – Residential base rate. This category is expected to contribute 3.4% of the total rates to be raised for 2021/22.

### **Unimproved Value (UV)**

Properties that are predominantly used for rural purposes are assigned an Unimproved Value supplied and updated by the Valuer-General on an annual basis. The rate in the dollar set for the UV-Rural category forms the basis for calculating all other UV differential rates.

UV properties contribute about 3.8% of the total rates as the properties in this category generally have a much lower demand on Shire resources.

### **UV - Rural (The Base Rate for Unimproved Value)**

This rating category consists of properties that are exclusively for rural use. This category is the base rate by which all other UV rated properties are assessed. Other UV rating categories have a higher

demand for Shire resources than properties in the UV - Rural rating category. This category is expected to contribute 0.58% of the total rates to be raised for 2021/22.

### **UV - Commercial Rural**

This rating category consists of properties with a commercial use outside of the townsite and inclusive of pearling leases, pastoral leases or other properties with pastoral use.

This category recognises the increased rates required to operate efficiently and provide for rural infrastructure and services. The above services are in addition to the urban services, programs, and infrastructure available to the properties in this category. The Shire incurs higher costs of infrastructure maintenance and renewal of the rural road network due to its vulnerability to extreme weather conditions, further increasing due to extra vehicle movements and activities associated with these properties. This category is expected to contribute 2.6% of the total rates to be raised for 2021/22.

### **UV – Mining**

This rating category consists of properties for mining, exploration or prospecting purposes. The object of the rate for this category is to reflect the impact on utilisation of rural infrastructure (compared to pastoral) by heavy transport and associated higher traffic volumes. Also, these properties have access to all other services and facilities provided by the Shire. This category is rated higher than UV-Commercial due to the higher road infrastructure maintenance costs to the Shire from frequent heavy vehicle use over extensive lengths of Shire roads throughout the year. This category is expected to contribute 0.60% of the total rates to be raised for 2021/22.

### **Minimum Payments**

Every property, regardless of size, value, and use, receives some minimum level of benefit from the Shire's works and services. Minimum rates ensure that all ratepayers make a reasonable contribution to essential services and infrastructure. A proposed minimum rate of \$1,220 has been applied to all rating categories except for the UV-Mining.

UV of mining tenements ranges from \$198 to \$448,000 and an average UV of \$20,415. The \$500 minimum rate for the UV-Mining category is set at a lower level than the other rating categories to ensure that less than 50% of the properties in this category are on the minimum rate and comply with section 6.35 of the *Local Government Act 1995*. Given the lower valuation figure assigned to small mining tenements, a lower minimum payment will also ensure that the rate burden is distributed equitably between all other property owners paying the minimum amount.

Yours Faithfully,

**Sam Mastrolembo**  
**Chief Executive Officer**

**14. MEETING CLOSED TO PUBLIC**

*This item and any attachments are confidential in accordance with section 5.23(2) of the Local Government Act 1995 section 5.23(2)(a) as it contains “a matter affecting an employee or employees”, and section 5.23(2)(b) as it contains “the personal affairs of any person”.*

<b>14.1 APPOINTMENT OF DIRECTOR DEVELOPMENT SERVICES</b>	
<b>LOCATION/ADDRESS:</b>	Nil
<b>APPLICANT:</b>	Nil
<b>FILE:</b>	HR.int
<b>AUTHOR:</b>	Manager People and Culture
<b>CONTRIBUTOR/S:</b>	Nil
<b>RESPONSIBLE OFFICER:</b>	Chief Executive Officer
<b>DISCLOSURE OF INTEREST:</b>	Nil

**SUMMARY:**  
 Pursuant to section 5.37 of the Local Government Act 1995 this report is presented to Council in relation to the appointment of a Senior Officer.