



AGENDA

BUSINESS OF AN URGENT NATURE

FOR THE

ORDINARY MEETING OF COUNCIL

25 MAY 2023

NOTICE OF MEETING

Dear Council Member,

The next Ordinary Meeting of Council will be held on Thursday, 25 May 2023 in the Council Chambers, Corner Weld and Haas Streets, Broome, commencing at 5:00PM.

Regards,



S MASTROLEMBO
Chief Executive Officer

24/05/2023

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.

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SHIRE OF BROOME
ORDINARY MEETING OF COUNCIL
THURSDAY 25 MAY 2023
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13. BUSINESS OF AN URGENT NATURE

13.4 COUNCIL CONSIDERATION OF PUBLIC SUBMISSIONS ON INTENTION TO IMPOSE DIFFERENTIAL RATES AND MINIMUM PAYMENTS FOR THE 2023/24 ANNUAL BUDGET

LOCATION/ADDRESS:	Nil
APPLICANT:	Nil
FILE:	ARA01; ARA12
AUTHOR:	Coordinator Financial Operations
CONTRIBUTOR/S:	Manager Financial Services
RESPONSIBLE OFFICER:	Director Corporate Services
DISCLOSURE OF INTEREST:	Nil

SUMMARY:

The report presents to Council the outcome of the statutory local public notice period before adopting the 2023/24 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 section 6.33(3) of the Local Government Act 1995.

BACKGROUND

Previous Considerations

OMC 27 April 2023

Item 9.4.1

The "Notice of intention to impose 2023/2024 differential rates" report presented to Council at the 27 April 2023 Ordinary Meeting of Council (OMC) summarised the following matters:

- The 2023/24 budget process to date including revenue required to be raised from rates as per the 2023/24 draft budget;
- Proposed rating categories and corresponding valuations;
- Proposed rate in the dollar (RID) for each rating category reflecting a 5% increase from the preceding year, plus an additional 1.88% for GRV Commercial properties;
- Proposed minimum payments for each rating category, which remained the same as the preceding year. Once again UV Mining category is set at a lower level to ensure compliance with section 6.35 of the LGA;
- An illustration of the proposed differential rates and minimum payments required to be raised to balance the 2023/24 budget;
- The statutory requirement to advertise certain rating information through public notice; and
- The statutory requirement to consider submissions received concerning the proposed rates.

Through this report, Council resolved the following:

COUNCIL RESOLUTION:
(REPORT RECOMMENDATION)
Moved: Cr D Male
That Council:

Minute No. C/0423/006
Seconded: Cr B Rudeforth

1. ***Publishes a local public notice proposing the 2023/24 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:***

<i>DIFFERENTIAL RATE CATEGORY</i>	<i>RATE IN THE DOLLAR (cents)</i>	<i>MINIMUM PAYMENT</i>
<i>Residential (GRV)</i>	<i>8.7268</i>	<i>\$1,268</i>
<i>Vacant (GRV)</i>	<i>18.4795</i>	<i>\$1,268</i>
<i>Commercial (GRV)</i>	<i>11.8501</i>	<i>\$1,268</i>
<i>Tourism (GRV)</i>	<i>14.1405</i>	<i>\$1,268</i>
<i>Commercial Rural (UV)</i>	<i>3.5580</i>	<i>\$1,268</i>
<i>Mining (UV)</i>	<i>14.3945</i>	<i>\$520</i>
<i>Rural (UV)</i>	<i>0.8510</i>	<i>\$1,268</i>

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***
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 Ministerial Approval under section 6.33(3) of the Local Government Act 1995 to impose differential rates which are more than twice the lowest differential rate in the GRV Vacant, UV Mining and UV Commercial Rural differential rating categories.***

CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY 6/0

Following the 27 April 2023 OMC, a public notice inviting submissions on proposed differential rates was advertised in the 1 May 2023 edition of The West Australian Newspaper, with the 21-day submission period ending 4pm 22 May 2023. Public notices were also placed on noticeboards located at the Shire of Broome Administration Centre and Library. Digital public notices were published on the Shire of Broome Facebook page and Shire's website with a link to the Objectives and Reasons for the Differential Rates and Minimum Payments for the 2023/24 Financial Year (**Attachment 1**). This complies with the statutory requirements under section 6.36 of the *Local Government Act 1995* (the Act).

The Shire also wrote to the 23 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 a differential rate is more than twice the lowest differential rate in either UV or GRV properties (s6.33 of the Act). Approval will be sought for the GRV Vacant category which is more than twice the base GRV Residential rate, and the UV Commercial Rural and UV Mining categories which are both more than twice the base UV Rural rate.

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 Act.

COMMENT

Submissions

One submission was received from Andrew Chambers:

"Further to discussions raised in the Community Safety Working Group I am inquiring if there will be implementation of a High Risk Commercial Rate category to cover the extra costs implicit in the trade of products such as take away alcoholic beverages?"

We hear at every meeting the costs incurred by Shire in providing clean up and Ranger services to augment Police activities in dealing with people drawn to the town for the sole purpose of consuming take away alcohol. This trade brings substantial extra trade and profit to the retail establishments and as such they should contribute a greater rate percentage to contribute to the significant additional costs this trade imposes on the Shire and other associated activities such as Kullarri Patrol, a grant recipient of Shire funding. If there were additional funds available, the Shire may then be able to consider a similar grant allocation toward maintaining a Sober up and Rehabilitation Facility in town.

Thank you for your time and consideration."

This submission was a request for a new proposed differential rate category, 'High Risk Commercial' targeting businesses selling takeaway alcohol and did not raise concerns regarding the proposed differential rating Objects and Reasons.

Liquor Stores and businesses offering takeaway alcohol are included in the GRV Commercial differential rating category and are rated 36% higher than the base GRV rate (11.8501c RID).

With at least 8 businesses in Broome selling takeaway alcohol and several outside of town (primarily roadhouses and tourism operations) rating these properties separately would be problematic. Most businesses providing takeaway alcohol do so as an ancillary purpose to that of their primary business (hotel, tavern, shopping centre, roadhouse) and as such a split rating approach would be required. This would involve "splitting" the section of the property used for the sale of takeaway alcohol from the remainder of the property so as the specific rate could be applied. This would need to be approved and actioned by Landgate on request of officers with the resulting GRV Valuation of the split property used to define the rate paid. With a limited number of properties, it is envisaged that the resulting RID would need to be significantly higher than the base (and commercial) rate to justify such an approach.

Liquor Stores are already the subject of various regulatory frameworks imposing restrictions on trade, including restrictions on the sale and supply of alcohol imposed by the WA State Government under Section 31 of the *Liquor Control Act 1988 (WA)*. The sale of alcohol is taxed at the federal level with alcoholic drinks subject to 3 taxes:

1. Excise Duty levied on beer, spirits and ready to drink (RTD) beverages (\$ per litre, various dependant on volume and alcohol content: [Excise duty rates for alcohol | Australian Taxation Office \(ato.gov.au\)](https://www.ato.gov.au/Excise-duty-rates-for-alcohol/))
2. Wine Equalisation Tax (29% of wholesale value of wine)
3. Goods and Services Tax

These taxes contribute \$2.5 billion in excise and custom duty which is used to offset costs associated with the negative social and health effects of alcohol consumption. It is noted that the Shire experiences additional costs related to these negative impacts (such as daily

cleanup costs) which are not directly funded through federal taxes but through rate revenue.

There are currently no local governments in Western Australia that levy a differential rating category specifically targeting liquor stores and businesses selling takeaway alcohol. No Western Australian local governments have indicated their intent to introduce a similar rating category in proposed 2023/24 rating information that has been released to date. Officers have received advice from the Department of Local Government Sport and Cultural Industries (DLGSC) that there is no precedent within local government differential rates in Western Australia specific to differentially rating businesses selling takeaway alcohol. DLGSC advice has indicated that should Council consider such a rating category, the Minister would require supporting evidence justifying the proposal complimented by appropriate community engagement.

The DLGSC is also required to take national agreements into account. One of these agreements is the National Competition Policy, which provides that the State Government should not use its power in a way that contributes to anti-competitive outcomes or artificial market distortions. If Ministerial approval is required, the DLGSC will need to consult to identify whether an extra high "liquor trade" RID is anti-competitive and if so, whether it is something the State Government should play a direct role in enabling

Local licensees of Liquor Stores and businesses providing takeaway alcohol are voluntarily members of the Broome Liquor Accord, who together with the WA Police and other WA State Government Departments, undertake initiatives and strategies for the effective management of alcohol in Broome, including but not limited to the Banned Drinkers Register, Takeaway Alcohol Management System (TAMS) and Voluntary Liquor Restrictions pursuant to Section 64 of the *Liquor Control Act 1988 (WA)*.

Lastly, officers note while the Shire recognises the importance of a Sober Up Centre and Rehabilitation Facility in Broome, it is not the core function of a local government to provide health services nor regulation of liquor sales – these are State Government responsibilities.

Officers do not propose the submission warrants any amendments to the proposed differential Objects or Reasons for 2023/24 and will respond to the submission by providing the above explanation. Council could consider imposing a differential rate on businesses providing takeaway alcohol to take effect from 2024/25 which would provide an adequate amount of time for the proposal to be investigated. This is not recommended by officers due to the legal implications and potential associated costs coupled with the limited number of properties whose use is the provision of takeaway alcohol.

No other submissions were received in the statutory public notice period.

Property Valuation Changes

The "Notice of intention to impose 2023/2024 differential rates" report presented to Council at the 27 April 2023 OMC modelled differential rates based on all property valuations current at the time. GRV properties are revalued every 3 years, with the last valuations taking effect 1 July 2022. UV properties are revalued annually by the Valuer General, and new valuations (effective from 1 July 2023) had not been received at the time of the report. Officers considered that any variances which would significantly effect the outcome of the proposed rates model would be presented to Council, and treated in accordance with the Act.

All UV valuations have now been received, with total valuations increasing by \$428,404. This equates to a \$34,186 increase in rates revenue. The variance from the rates model presented at the April OMC to the current valuations are presented below:

Rate Type	Previous Rateable Value	Current Rateable Value	Total Valuation Increase	Previous Rates Revenue	Current Rates Revenue	Total Revenue Increase
UV Commercial Rural	10,574,160	10,814,160	240,000	378,293	385,921	7,628
UV Mining	1,249,332	1,437,736	188,404	185,374	211,932	26,558
UV Rural	18,000,300	18,000,300	0	156,635	156,635	0
Total	29,823,792	30,252,196	428,404	720,302	754,488	34,186

Of the 59 mining assessments, 48 had minor valuation increases, and 5 of the assessments had valuations resulting in rates levy increases greater than \$330. One property classified as UV Commercial Rural had a valuation increase resulting in a rate increase of \$7,628. All other UV properties remained at their previous valuations.

Council previously made the decision to reduce transfers to reserves as per the adopted Asset Management Plan (AMP) to ensure rate increases could be contained at 5%. Future savings were earmarked to top up these reserves as an essential requirement for sustainable future asset management. Officers recommend that the RID across all rating categories remain unchanged from those advertised, and the \$34,186 of increased rate revenue be used to decrease proportional reductions that were previously proposed to AMP reserve transfers. The proportional allocation across each reserve is tabled below:

AMP Asset Class	Increased Transfer to Reserves
Plant Replacement Program	16,796
Building Renewals	11,470
Misc Infrastructure Renewals	3,477
Footpath Renewals	1,483
Carpark Renewals	737
Drainage Renewals	223
TOTAL	34,185

A 5% RID increase was intended to be consistent across ratepayers (and was aided by 2023/24 being outside of a GRV revaluation year). As an alternative to the officer recommendation a uniform decrease to the RID across all rating categories could be considered by Council. This would result in the RID reducing from 5.00% to 4.86% while maintaining rates revenue to the total proposed in the April OMC of \$26,526,643. The impact to the rates levied on an average residential property would be a decrease of \$3.78. While a small saving would be delivered to ratepayers the reduction in required AMP reserve transfers would not be addressed. In light of the impact on the long term sustainability of high value Council assets officers do not recommend this approach.

Ministerial Approval

Ministerial approval must be sought under section 6.33 of the Act for the proposed GRV Vacant rating category, as the rate in the dollar for this category is more than twice the GRV Residential rate. The revaluations of GRV properties within the Shire undertaken in 2021/22 varied so significantly to prior valuations, that a reduction in the rate in the dollar was required across some categories to meet the required rating revenue, while achieving an average rate increase across the majority of properties. While the GRV Vacant rate in the dollar reduced in 2022/23, the reduction in the GRV Residential (base) rate has resulted in the GRV Vacant rate being 112% greater than the base rate in both 2023/24 and 2022/23 (compared to 83% in 2021/22).

A separate application for approval under section 6.33 of the Act must also be sought for UV Mining and UV Commercial differential rating categories which are more than twice the lowest UV Rural general rate (159% and 318% higher respectively than the base UV Rural rate). This has been the case for UV Mining and UV Commercial categories for some years, and recognises the higher costs associated with maintaining infrastructure and the rural road network (including, extreme weather conditions, heavier transport utilising roads and higher traffic volumes).

Officers recommend that Council authorise the Chief Executive Officer (CEO) to apply to the Minister seeking approval under section 6.33 of the Act for the proposed rate in the dollar for the GRV Vacant, UV Mining and UV Commercial differential rating categories.

Rate Growth

Based on a recent review of 2022/23 actual rates revenue, interim rates for 2023/24 have been budgeted at \$150,000 reflecting growth in the ratepayer base associated with new properties and the inclusion of Holiday Homes in the GRV Tourism differential rate category. This has been included in the rates model.

Conclusion

After consideration of the submission received, and consideration of all current property valuations it is recommended that Council adopts the Objects and Reasons, differential rates and minimum rates strategy as previously advertised, and seeks Ministerial approval to impose differential rates for those rates that are more than twice the lowest differential rate as required under section 6.33(3) of the Act.

CONSULTATION

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

Letters were sent to all 23 properties 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 Act. One submission was received during the 21-day statutory notice period and is summarised above.

STATUTORY ENVIRONMENT

Local Government Act 1995

s6.26 Rateable land

s6.28	<i>Basis of Rates</i>
s6.32	<i>Rates and service charges</i>
s6.33	<i>Differential general rates</i>
s6.34	<i>Limit on revenue or income from general rates</i>
s6.35	<i>Minimum payment</i>

The rate in the dollar and minimum payments applicable to each differential rating category proposed for the 2023/24 annual budget have been developed with full consideration for the Act, specifically the sections referenced above.

s1.7	<i>Local public notice</i>
s6.36	<i>Local government to give notice of certain rates</i>

The Shire has complied with the statutory requirement to give public notice in at least three ways (state-wide newspaper, Shire administration and Library notice boards, Shire website and Facebook) from 1 May, for at least 21 days, stating the proposed differential rates and minimum payments for each rating category, providing suitable access to the Objectives and Reasons, and considering all submissions to Council through this report.

POLICY IMPLICATIONS

Rating Policy

The Rating Policy outlines the Council's principles and methodology when exercising the Council's discretionary powers to determine the level and structure of rates levied under the Act.

FINANCIAL IMPLICATIONS

The proposed differential rates and minimum payments for the 2023/24 financial year will raise an estimated rates revenue of \$26.5M. A detailed rates model is in **Attachment 2**, featuring the rate in the dollar and minimum payment for all rating categories as per Council resolution C/0423/006 made at the 27 April 2023 OMC, and valuations received from the Valuer General for all properties within the Shire of Broome (GRV properties applying from 1 July 2022, UV properties applying from 1 July 2023).

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/or associated statement of objectives and reasons by the DLGSC, which could result in delays in adopting the 2023/24 annual budget.
 - Delays to the 2023/24 annual budget adoption could affect cash flow and delay the commencement of significant capital projects.
- Delay in the timing of issuance of the annual rates notices, leaving less time for ratepayers to pay rates by 30 June 2023.

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, compliance with all related legislation and DLGSC guidelines and consultation with DLGSC and ratepayers.

STRATEGIC ASPIRATIONS

Performance - We will deliver excellent governance, service & value for everyone.

Outcome 12 - A well informed and engaged community

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

Outcome 13 - Value for money from rates and long term financial sustainability

Objective 13.1 Plan effectively for short- and long-term financial sustainability

Objective 13.2 Improve real and perceived value for money from rates.

VOTING REQUIREMENTS

Simple Majority

REPORT RECOMMENDATION:

That Council:

1. *Notes the submission received in response to Council's intention to impose the 2023/24 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 2023/24:*

DIFFERENTIAL RATE CATEGORY	RATE IN THE DOLLAR (cents)	MINIMUM PAYMENT
<i>Residential (GRV)</i>	<i>8.7268</i>	<i>\$1,268</i>
<i>Vacant (GRV)</i>	<i>18.4795</i>	<i>\$1,268</i>
<i>Commercial (GRV)</i>	<i>11.8501</i>	<i>\$1,268</i>
<i>Tourism (GRV)</i>	<i>14.1405</i>	<i>\$1,268</i>
<i>Commercial Rural (UV)</i>	<i>3.5580</i>	<i>\$1,268</i>
<i>Mining (UV)</i>	<i>14.3945</i>	<i>\$520</i>
<i>Rural (UV)</i>	<i>0.8510</i>	<i>\$1,268</i>

3. *Adopts the 2023/24 Rating Objectives 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 under section 6.33(3) of the Local Government Act 1995 to impose differential rates for the:*
 - (a) *GRV Vacant differential rating category, which is proposed to be more than twice the lowest GRV Residential differential rate; and*

(b) UV Commercial Rural and UV Mining differential rating categories, which are proposed to be more than twice the lowest UV Rural differential rate.

Attachments

1. 2023/24 Rating Objectives and Reasons endorsed 27 April 2023
2. 2023/24 Rates Model for Budget Adoption



Objectives and Reasons for the Differential Rates and Minimum Payments for the 2023/24 Financial Year

Under section 6.36 of the Local Government Act 1995, the Objects and Reasons for implementing Differential Rates must be published by the 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/departments/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, and for the 2023/24 financial year a budget deficiency of \$26.5M has been identified. To achieve a balanced budget the rate-in-dollar is proposed to be increased by 5% across all rating categories. A recommendation from the March Ordinary Council Meeting (Minute C/0323/034) recognised Council's support of the Inter Regional Flight Network, and requested an increase to the GRV Commercial category as part of the budget process, which equates to a 1.88% increase to the GRV Commercial category above the general rate increase, for the 2023/24 financial year.

A change from the 2022/23 objectives and reasons is to specify un-hosted holiday houses within the GRV Tourism category, where owners have been granted Shire planning approval to operate as tourism accommodation.

The general rate-in-dollar increase is consistent with the Shire's Long-Term Financial Plan (LTFP) which targeted a 5% increase in the 2023/24 financial year rates.

The 2023/24 rates raised will fund the Capital Works Program as per the Shire's latest Corporate Business Plan.

Projects	Amount	External Grants & Contributions
Cable Beach Stage 1 Redevelopment	\$12.04M	\$8.68M
Asset Renewal Expenditure as per various Asset Management Plans	\$2.12M	-
Plant Replacement Program	\$1.02M	\$283K
Town Beach Café Redevelopment	\$590K	-
BRAC Dry Side Upgrade Business Case	\$467K	-
Sanctuary Road Detailed Design	\$400K	\$400K
De Marchi Road Upgrades (Black Spot)	\$340K	\$226K
Cable Beach Waterpark Detailed Design	\$300K	\$300K
Tennis Court Surface Renewal	\$298K	\$100K
Buckleys Road Waste Facility Rehabilitation and Capping	\$212K	-
Subdivisional Footpaths	\$210K	\$210K
McMahon Estate Structure Planning	\$200K	\$200K
Bin Replacement	\$197K	-
Catalina's Boat Ramp Retaining Wall	\$182K	-
Contaminated Site Investigation & Rehabilitation	\$165K	-
Waste Management Facility - Tip Face Excavator	\$97K	-
Place Activation	\$80K	\$10K
Road Visual Condition Survey	\$80K	-
Provision of Security Services to the Shire of Broome Precinct, including Broome Public Library	\$58K	-
Kimberley Regional Offices 1 & 2 - Corporate Sign	\$40K	-
Broome Civic Centre - Asset Renewal	\$35K	-
Waste Management Facility - Sea Container & Dome Work Area Shade	\$34K	-
Review of CHRMAP	\$30K	\$15K
Quarterly marketing campaigns	\$20K	-
Intramaps SaaS Migration	\$18K	-
Portable Traffic Lights	\$16K	-

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

Efficiency Measures:

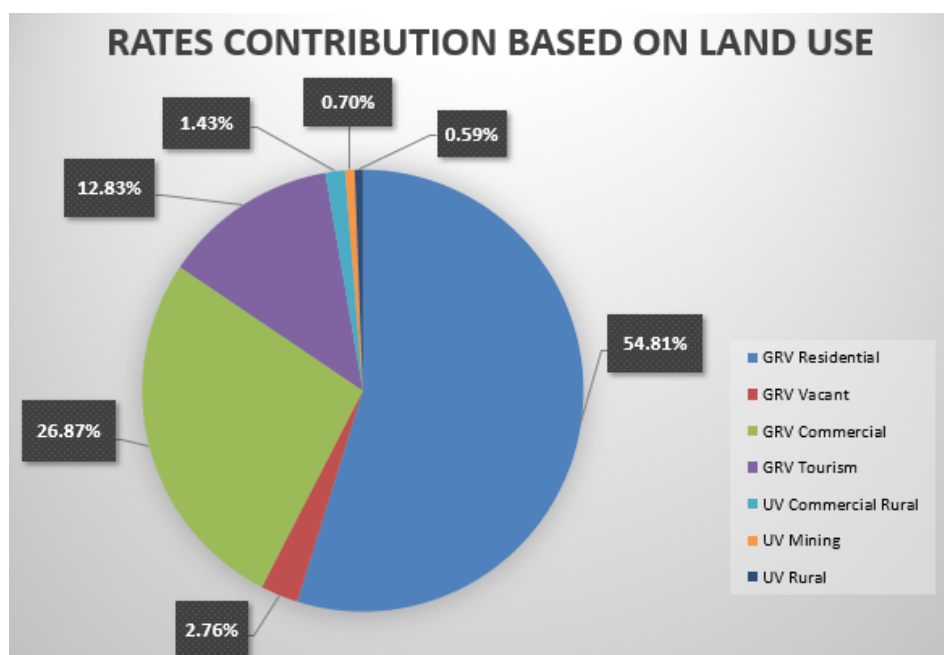
- reviewed position descriptions and remuneration as vacancies arise;
- introduction of a cloud-based expense management system for Credit Cards;
- introduction of a Travel Management System to increase time and cost efficiencies;
- installation of a lighting management system for field lights;
- installation of solar grid connection at BRAC;
- 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;
- review of property and building valuations to improve accuracy of depreciation and insurance costs;
- 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;
- contracting life saving services on Cable Beach to reduce costs and overheads;
- 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 2023/24

Differential Rate Category	Minimum Payment	Rate in the \$ (Cents)
GRV – Residential	\$1,268	8.7268
GRV – Vacant	\$1,268	18.4795
GRV – Commercial	\$1,268	11.8501
GRV – Tourism	\$1,268	14.1405
UV – Commercial Rural	\$1,268	3.5580
UV – Mining	\$520	14.3945
UV – Rural	\$1,268	0.8510

Rates Contribution Based on Land Use:

In September 2021, the Valuer General's Office commenced reviewing all GRV properties within the Shire, with revised valuations becoming effective from 1 July 2022.



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. The Valuer-General undertakes a GRV revaluation every three to five years, with the most recent valuation occurring in October 2021 and effective from 1 July 2022. 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 97.27% 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 contains 73% of all properties within the Shire,

accounting for 59% of total property value, and generating 54.81% of the rates revenue raised in 2023/24.

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 total rate in the dollar has increase 6.88% in this category. The rate in the dollar for this category is 36% higher than the GRV – Residential base rate. This category contains 8% of all properties within the Shire, accounting for 21% of total property value and is expected to contribute 26.87% of the total rates to be raised for 2023/24.

GRV – Tourism

This rating category consists of properties with operations related to tourism inclusive of un-hosted Holiday Homes. 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 62% higher than the GRV – Residential base rate. This category contains 11.8% of all properties within the Shire, accounting for 8% of total property value, and is expected to contribute 12.83% of the total rates to be raised for 2023/24.

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 112% higher than the GRV – Residential base rate. This category contains 4.5% of all properties within the Shire, accounting for 1.3% of total property value, and is expected to contribute 2.76% of the total rates to be raised for 2023/24.

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 2.73% 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 contains 0.8% of all properties within the Shire, accounting for 6.4% of total property value, and is expected to contribute 0.59% of the total rates to be raised for 2023/24.

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. The rate in the dollar for this category is 318% higher than the UV-Rural base rate. This category contains 0.3% of all properties within the Shire, accounting for 3.8% of total property value, and is expected to contribute 1.43% of the total rates to be raised for 2023/24.

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. The rate in the dollar for this category is 1591% higher than the UV-Rural base rate. This category contains 0.8% of all properties within the Shire, accounting for 0.4% of total property value, and is expected to contribute 0.71% of the total rates to be raised for 2023/24.

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 \$1,268 has been applied to all rating categories except for the UV Mining.

UV of mining tenements ranges from \$220 to \$498,300 and an average UV of \$21,175. The \$520 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

SHIRE OF BROOME
RATES MODEL
30 JUNE 2024

RATE TYPE	2023/24						2022/23					
	Rate in \$ as cents	Number of Properties	Rateable Value New	2023/24 Budgeted Rate Revenue \$	2023/24 Budgeted Interim Rates \$	2023/24 Budgeted Total Revenue	Rate in \$ as cents	Number of Properties	Rateable Value New	2022/23 Budgeted Rate Revenue \$	2022/23 Budgeted Interim Rates \$	2022/23 Actual Total Revenue
Differential general rate												
<u>Gross Rental Valuations</u>												
GRV Residential	8.7268	5,095	165,274,307	14,423,214	150,000	14,573,214	8.3113	5,009	162,150,559	13,476,771	100,000	13,576,771
GRV Vacant	18.4795	161	2,895,550	535,082		535,082	17.5995	190	3,619,489	637,012		637,012
GRV Commercial	11.8501	558	59,709,080	7,075,589		7,075,589	11.0873	554	59,572,691	6,605,003		6,605,003
GRV Tourism	14.1405	577	21,759,799	3,076,935		3,076,935	13.4671	564	21,602,107	2,909,177		2,909,177
<u>Unimproved Value Valuations</u>						0						
UV Commercial Rural	3.5580	22	10,810,860	384,653		384,653	3.3886	21	10,560,891	357,865		357,865
UV Mining	14.3945	39	1,400,067	201,532		201,532	13.7090	32	1,116,265	153,029		153,029
UV Rural	0.8510	54	17,809,000	151,563		151,563	0.8105	54	17,808,699	144,343		144,343
Sub-Totals		6,506	279,658,663	25,848,567	150,000	25,998,567		6,424	276,430,703	24,283,200	100,000	24,383,200
Minimum payment	Minimum \$						Minimum \$					
<u>Gross Rental Valuations</u>												
GRV Residential	1268	45	588,460	57,060		57,060	1268	53	708,629	67,204		67,204
GRV Vacant	1268	154	701,738	195,272		195,272	1268	181	846,368	229,508		229,508
GRV Commercial	1268	22	153,862	27,896		27,896	1268	22	153,862	27,896		27,896
GRV Tourism	1268	247	782,931	313,196		313,196	1268	260	904,133	329,680		329,680
<u>Unimproved Value Valuations</u>						0						
UV Commercial Rural	1268	1	3,300	1,268		1,268	1268	2	13,269	2,536		2,536
UV Mining	520	20	37,669	10,400		10,400	520	22	42,111	11,440		11,440
UV Rural	1268	4	191,300	5,072		5,072	1268	4	191,724	5,072		5,072
Sub-Totals		493	2,459,260	610,164	0	610,164		544	2,860,095	673,336	0	673,336
Total amount raised from general rates		6,999	282,117,923	26,458,731	150,000	26,608,731		6,968	279,290,797	24,956,536	100,000	25,056,536
Discounts						(47,903)						(54,910)
Total Rates		6,999	282,117,923	26,458,731	150,000	26,560,829		6,968	279,290,797	24,956,536	100,000	25,001,626