



AGENDA

FOR THE

SPECIAL MEETING OF COUNCIL

28 APRIL 2025

NOTICE OF MEETING

Dear Council Member,

The next Special Meeting of Council will be held on Monday, 28 April 2025 in the Council Chambers, Corner Weld and Haas Streets, Broome, commencing at 4:00PM for the purpose of considering:

- NOTICE OF INTENTION TO IMPOSE 2025/2026 DIFFERENTIAL RATES

Regards,



J HALL

Acting Chief Executive Officer

24/04/2025

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
SPECIAL MEETING OF COUNCIL
MONDAY 28 APRIL 2025
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1. OFFICIAL OPENING

2. ATTENDANCE AND APOLOGIES

3. DECLARATIONS OF FINANCIAL INTEREST / IMPARTIALITY

4. PUBLIC QUESTION TIME

5. REPORTS FROM OFFICERS

5.1 PEOPLE

There are no reports in this section.

5.2 PLACE

There are no reports in this section.

5.3 PROSPERITY

There are no reports in this section.

5.4 PERFORMANCE

| | |
|---|------------------------------------|
| 5.4.1 NOTICE OF INTENTION TO IMPOSE 2025/2026 DIFFERENTIAL RATES | |
| LOCATION/ADDRESS: | Nil |
| APPLICANT: | Nil |
| FILE: | ARA12 |
| AUTHOR: | Finance Officer - Rates |
| CONTRIBUTOR/S: | Coordinator Financial Operations |
| RESPONSIBLE OFFICER: | Acting Director Corporate Services |
| DISCLOSURE OF INTEREST: | Nil |

SUMMARY:

As part of the 2025/26 budget process, Council is required to endorse the proposed differential rates for Local Public Notice under section 6.36 of the *Local Government Act 1995*, seeking public comment for not less than 21 days. This provides an opportunity for public submissions to be considered by Council prior to the final adoption of rates.

In summary, the proposed rates for the 2025/26 financial year are based on an average 4.25% increase on the 2024/25 Rate in the Dollar (RID). Minimum payments are proposed at \$1,401 for all rate categories with the exception of the GRV Vacant and UV Mining categories which are proposed to have lesser minimum payments of \$1,318 and \$929 respectively.

BACKGROUND

Previous Considerations

The purpose of levying rates is to meet Council's budget requirements to deliver services and community infrastructure in each financial year. The rates levied on properties is equal to the applicable property valuation multiplied by the relevant differential rating categories "rate in the dollar." The Minister for Local Government (the Minister) determines the methods of land valuation with property valuations undertaken by the Valuer General's Office (VGO).

The application of differential rates is subject to the provisions of section 6.33 of the *Local Government Act 1995* (the Act), enabling the rating of properties differentially, based on zoning and/or land use as determined by the local government.

Section 6.35 of the Act also provides the ability to impose a minimum payment higher than the general rate that would otherwise be payable on that land. The application of differential rating based on land use and/or zoning results in a rate in the dollar and minimum payment amounts for each rating category.

Under section 6.36 of the Act, a local government must give Local Public Notice of its intention to impose differential rates (including minimum payments).

The application of differential rates and minimum payments maintains equity in the rating of properties across the Shire of Broome (the Shire), enabling Council to provide facilities, infrastructure and services to the entire community and visitors.

This report has been developed to present to Council:

- The 2025/26 budget process to date including revenue required to be raised from rates as per the 2025/26 draft budget.
- The proposed rating categories and corresponding valuations following the GRV Revaluation received in April 2025.
- The proposed rate in the dollar for each rating category, including an average rate increase for GRV Residential properties of 4.26%, which is equivalent to \$2.52 per week.
- The proposed minimum payments for each rating category.
- An illustration of the proposed differential rates and minimum payments required to be raised to balance the 2025/26 budget.
- The statutory requirement to advertise certain rating information through public notice.
- The statutory requirement to consider submissions received concerning the proposed rates.

COMMENT

Summary of the Budget Process to Date and Revenue Required to be Raised from Rates

Several Council presentations and workshops have been held to date, including:

| | |
|---------------|---|
| December 2024 | Shire of Broome Council Plan 2025-2035 including Long Term Financial Plan (LTFP) |
| 18 March 2025 | Draft Fees and Charges and Operating Budget (including Infrastructure Resource Budgets) |
| 2 April 2025 | Capital Budget, Plant Replacement and Project Briefs |
| 11 April 2025 | Council Rates Workshop |

Council's adopted Shire of Broome Council Plan (including LTFP) and Asset Management Plans (AMP's) were considered when developing the draft budget. Project briefs submitted by staff were also tabled with Council for consideration through the above workshops.

Following the Budget Workshop's deliberations and feedback, minor amendments were made to the draft budget documents. As part of the budget workshops, which considered both the operating and capital requirements, it was identified that \$30.3M of rate revenue (excluding interim rates and concessions) was required to achieve a balanced budget in 2025/26.

Preparation of the 2025/26 budget involved careful consideration of the following:

- Employee costs which account for \$21M, are expected to increase under relevant Enterprise Bargaining Agreements and Employee Contracts.
- Superannuation Guarantee Act mandatory super contribution increases to rise by a further 0.5%, to 12%.
- Introduction of Superannuation Guarantee for Elected Members.

- Increased costs of materials and contractors due to inflation and other economic influences.
- Increased costs of utilities and insurance due to inflation and other economic influences.
- Conservative growth in population and service usage, therefore, minimal growth in rate base and most user-paid services.

Key achievements in this year's budget include:

- Zero-based budgeting – all operational account budgets start at \$0 not based on historical figures;
- Operational revenues, expenses and net results budgeted with consideration of the 2025/26 year modelled in the Shire's LTFFP;
- A continued focus by officers to leverage Council funds to attract grant funding;
- \$2.8M of revenue generated through rent and commercial leases; and
- Anticipating \$7.7M of revenue from the waste management facility.

Efficiency Measures

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

- reviewed position descriptions and remuneration as vacancies arise;
- renewal of Shire assets based on adopted Asset Management Plan;
- continued use of local suppliers whenever possible and appropriate;
- undertake three budget reviews each financial year;
- continued to outsource waste collection and recycling education cost-effectively;
- disposal of under-utilised plant;
- installation of LED street lighting and energy-efficient fixtures throughout Shire facilities;
- continue to conduct contractor inductions to reduce exposure to occupational health and safety risks; and
- conducted several internal audits of governance and legislative compliance.

Council has continued to prioritise limiting the cost of living burden on its ratepayers when considering the rates decision, despite significant CPI or greater increases to employee costs, materials and contracts, insurance premiums and increased interest rates affecting new loans.

These factors have resulted in rates being contained to a 4.26% average rate increase to GRV Residential rated properties.

A minimum rate of \$1,401 is recommended for all rating categories except the GRV – Vacant category, for which a minimum payment of \$1,318 is proposed and the UV – Mining category, for which a minimum payment of \$929 is proposed. This ensures compliance with section 6.35 of *the Act* (where no more than half of the properties in a rating category pay the minimum rates).

Whilst not exhaustive, the following list provides some of the key projects and services to be delivered through the 2025/26 Draft Budget:

| Projects | Amount | External Grants & Contributions |
|--|---------------|--|
| Walmanyjun Cable Beach Foreshore Redevelopment – Stage 2 (total Project Cost \$45M, Grants Confirmed \$42M – 93% grant funded) | \$3.42M | \$176k |
| Road and Path Network Upgrades - Old Broome Road - Bagot St and Coghlan St | \$3.13M | \$2.8M |
| Asset Renewal Programs as per various Asset Management Plans | \$3.21M | - |
| Plant Purchase and Replacement Program | \$1.15M | \$337k |
| Waste Plant Purchase and Replacement Program | \$860k | \$121k |
| Road Upgrade – Cable Beach East Intersection (BRAC) | \$517k | \$517k |
| Road Upgrades - Blackspot | \$384k | \$384k |
| BRAC Parking Improvements/Sealing | \$326k | - |
| Footpath Network Expansion | \$246k | - |
| Buckleys Road Waste Facility Capping, & Other Rehabilitation Works | \$220k | - |
| Male Oval Precinct Masterplan | \$150k | - |
| Review of the Coastal Hazard Risk Management Adaptation Plan | \$148k | \$73k |
| Streetlighting Upgrades | \$103k | - |
| Road Safety - Streets Alive Project - Robinson and Weld Street | \$99k | \$99k |

GRV Revaluation

As mentioned earlier in this report the VGO determines the GRV for all properties within the Shire. As per section 22 of the *Valuation of Land Act 1978*, the VGO determines the frequency of general valuations, although historically, a GRV revaluation of properties within the district has occurred every three to five years. With 2024/25 being a revaluation year, the VGO has undertaken a review of all GRV properties within the Shire with a valuation date of 1 August 2024, with revised valuations taking effect from 1 July 2025.

Factors such as age, construction, size, car shelters, sheds, pools and location influence the rental value for a house or other GRV property. These factors are used by the VGO to determine a property’s GRV value. These valuations are subsequently used by the Shire to determine rates (the valuation is multiplied by the RID to determine the rates to be paid).

The GRV Revaluation Roll was received from Landgate on 8 April 2025. The revaluations resulted in significant valuation increases across all GRV differential rating categories as illustrated in the table below:

| | 24/25 Valuation | 25/26 Valuation | % Increase | \$ Increase |
|------------------------|------------------------|------------------------|-------------------|--------------------|
| GRV Residential | \$166,677,219 | \$237,429,512 | 40.24% | \$70,752,293 |
| GRV Vacant | \$4,042,078 | \$5,070,516 | 18.37% | \$1,028,438 |
| GRV Commercial | \$60,091,194 | \$66,969,982 | 10.5% | \$6,878,788 |

| | | | | |
|--------------------|--------------|--------------|--------|-------------|
| GRV Tourism | \$23,393,970 | \$26,418,579 | 20.87% | \$3,024,609 |
|--------------------|--------------|--------------|--------|-------------|

Prior to receiving the 25/26 revaluations, Council had targeted a general 4.25% increase to the Rate in the Dollar (RID) across all differential rating categories. This 4.25% increase resulted in a specific yield increase in each of the categories. Post revaluations being received, and given the significant increase in valuations, the targeted 4.25% increase to the 24/25 RID resulted in a significantly higher yield in each of the categories. This necessitated a change in approach, with Council using the previous category yields (a general 4.25% increase on 24/25 RID) to determine the revised, post revaluation RID for each category. This approach ensures that Council maintains yields within each differential rating category as close to that which would have been achieved with a general 4.25% RID increase.

The basis of the proposed rates model is outlined below.

2025/26 Rating Categories and Corresponding Valuation Amounts

Gross Rental Value (GRV)

The Act prescribes those properties with a non-rural purpose be rated using GRV as the basis of calculation of annual rates. The (VGO) determines the GRV for all properties within the Shire.

Properties rated based on GRV are categorised as follows:

GRV Residential: This rating category consists of properties located within the townsite boundaries with predominantly residential use. This 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.

The GRV Residential rating category contains 73.04% of all properties within the Shire, accounting for 64.47% of total property value, and generating 53.76% of the rates revenue raised in 2025/26.

The rates modelling results in an average increase of 4.26% for non-minimum rates proposed for the GRV Residential rate category and is equivalent to an increase of \$2.52 per week.

GRV Vacant: This rating category consists of vacant properties located within the townsite boundaries, including land zoned as Residential, Tourism or Commercial/Industrial. The objective of the rate for this category is to encourage landowners to develop vacant land, discourage land banking and reflect the different methods used for the valuation of vacant land compared to the GRV Residential rate category. The reasons behind the increased rate include:

- o Desire to continue to increase residential property development to address aspects of the current housing shortage;

- o Excessive vacant land leaves subdivisions and various parts of the town site and Shire appearing barren and unsightly to the detriment of the aesthetics of the area.

The rate in the dollar for this category is 172% higher than the GRV – Residential base rate. This category contains 4.88% of all properties within the Shire, accounting for 1.38% of total property value, and is expected to contribute 3.29% of the total rates to be raised for 2025/26.

The rates modelling results in an average increase of 11.96% for non-minimum rates proposed for the GRV Vacant rate category and is equivalent to an increase of \$12.58 per week.

GRV Commercial: This rating category consists of properties used for Commercial, Town Centre or Industrial purposes, including the Airport however excluding all other properties with a designated tourism use.

The objective of the rate for this category is to raise revenue to fund the additional costs associated with the higher level of service provided to properties in this category.

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 79% higher than the GRV – Residential base rate. This category contains 8.21% of all properties within the Shire, accounting for 18.19% of total property value and is expected to contribute 27.18% of the total rates to be raised for 2025/26.

The rates modelling results in an average increase of 7.15% for non-minimum rates proposed for the GRV Commercial rate category and is equivalent to an increase of \$12.89 per week.

GRV Tourism: This rating category consists of properties with a tourism use inclusive of un-hosted holiday homes. The objective of the rate for this category is to raise additional revenue to fund the costs associated with the higher reliance on Shire resources and the higher level of service provided to properties in this category.

This category is rated higher than the base rate for GRV in recognition of the more significant share of costs associated with the provision of services in addition to the services provided in the GRV Commercial category. Additional rates contribute to economic development, tourism promotion and marketing, environmental health, public safety, and local law enforcement during the tourist season.

The rate in the dollar for this category is 104% higher than the GRV – Residential base rate. This category contains 11.94% of all properties within the Shire, accounting for 7.17% of total property value, and is expected to contribute 12.87% of the total rates to be raised for 2025/26.

The rates modelling results in an average increase of 13.74% for non-minimum rates proposed for the GRV Tourism rate category and is equivalent to an increase of \$5.32 per week.

Unimproved Value (UV)

Properties that are predominantly used for rural purposes are assigned a UV valuation. The rate in the dollar set for the UV Rural category forms the basis for calculating all other UV differential rates.

UV properties are updated and re-valued by the VGO on an annual basis, with the most recent valuations taking effect from 1 July 2024. UV-Rural revaluations have yet to be received from the VGO at the date of this report and are expected to be received in May 2025. Council will be consulted should these valuations materially affect the rate model as presented.

Should the adopted differential rates vary from the advertised due to significant changes in valuations, certain disclosures would be made to comply with the requirements of the Local Government (Financial Management) Regulations, Reg 23(b).

UV Rural: 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. The reason is that the different UV rating categories have a higher demand for Shire resources.

This category contains 0.83% of all properties within the Shire, accounting for 5.40% of total property value, and is expected to contribute 0.63% of the total rates to be raised for 2025/26.

The rates modelling results in an average increase of 4.22% for non-minimum rates proposed for the UV Rural rate category and is equivalent to an increase of \$2.67 per week.

UV Commercial Rural: This rating category consists of properties with commercial use outside of the townsite and inclusive of:

- i. Pearling Leases;
- ii. Pastoral leases or Pastoral use;

This category raises revenue to fund the additional costs of servicing these properties. The reason is that the Shire incurs higher costs in infrastructure maintenance due to extra vehicle movements on the Shire's road network due to the 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 0.34% of all properties within the Shire, accounting for 2.97% of total property value, and is expected to contribute 1.42% of the total rates to be raised for 2025/26.

The rates modelling results in an average increase of 4.26% for non-minimum rates proposed for the UV Commercial Rural rate category and is equivalent to an increase of \$15.31 per week.

UV Mining: This rating category consists of properties used for mining, exploration or prospecting purposes. This category raises additional revenue to fund the other cost impacts to the Shire. This category is rated higher than UV Commercial Rural to reflect the higher road infrastructure maintenance costs to the Shire because of frequent heavy vehicle use over extensive lengths of Shire roads throughout the year.

The rate in the dollar for this category is 1,592% higher than the UV–Rural base rate. This category contains 0.77% of all properties within the Shire, accounting for 0.42% of total property value, and is expected to contribute 0.85% of the total rates to be raised for 2025/26.

The rates modelling results in an average increase of 3.99% for non-minimum rates proposed for the UV Commercial Rural rate category and is equivalent to an increase of \$6.45 per week.

The Proposed Rate in the Dollar

Following GRV property revaluations, rates modelling has been undertaken, and adjustments in the proposed general rates in the dollar and minimum payments have been made with consideration to achieving a minimal rate increase given the current economic climate and continued cost of living pressure on the community.

The proposed rate in the dollar and minimum payment for each rating category is summarised in the table below:

| Differential Rating Category | Minimum Payment Proposed | Rate in the \$ Proposed |
|-------------------------------------|---------------------------------|--------------------------------|
| GRV – Residential | \$1,401 | 0.068550 |
| GRV – Vacant | \$1,318 | 0.186300 |
| GRV – Commercial | \$1,401 | 0.122890 |
| GRV – Tourism | \$1,401 | 0.139510 |
| UV – Commercial Rural | \$1,401 | 0.039310 |
| UV – Mining | \$929 | 0.159020 |
| UV – Rural | \$1,401 | 0.009400 |

Proposed Minimum Payments

As part of the annual budget process, Council must determine the minimum payment for differential rating categories in the 2025/26 financial year.

The setting of minimum rates within rating categories recognises that every property receives a minimum level of benefit from the Shire's works and services, which is shared by all properties regardless of size, value, and use. A minimum payment of \$1,401 is proposed for all categories except the GRV – Vacant category, for which a minimum payment of \$1,318 is proposed and the UV – Mining category, for which a minimum payment of \$929 is proposed.

The unimproved value of mining properties ranges from \$260 to over \$588,900, with an average of \$27,904. The minimum rate for the UV Mining category is set at a lower level than the other rating categories to ensure that the rate burden is distributed equitably between all other property owners paying the minimum amount.

A lower minimum payment will also ensure that less than 50% of the properties in these categories are on the minimum rate and comply with section 6.35 of the Act.

Rates from Proposed Differential Rates and Minimum Payments Making up the 2025/26 Budget Deficiency

Applying the rate in the dollar to the rateable value of the various properties within each rating category results in an estimated total rate of \$30.3M (excluding interim rates and concessions), which is 100% of the \$30.3M budget deficiency. This percentage satisfies the requirements of section 6.34 of the Act.

Detailed calculations illustrating the resulting rates for all differential rating categories and associated minimum payments are summarised in **Attachment 3** of this report.

The proposed objects and reasons for Differential Rating for 2025/26 are found in **Attachment 2**.

From a statutory perspective, it is important to note that section 6.35 of the Act 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 requirement has been achieved in all categories.

Ministerial approval must be sought under section 6.33 of the Act where a differential rate in the dollar is set at more than twice the lowest applicable base rate. The general rate in the dollar increase across all differential rating categories means that this applies to both valuation types in 2025/26; the proposed GRV Vacant differential general rate is more than twice the lowest GRV general rate (GRV Residential base rate), and the proposed UV Mining and UV Commercial differential general rates are more than twice the lowest UV general rate (UV Rural base rate).

Ministerial approval was sought and granted for these rate categories for the imposition of rates in 2024/25.

The Required Public Notice of Certain Rates

Section 6.36 of the Act requires Council to give Local Public Notice of its intention to impose differential rates or a minimum payment applying to a differential rating category. This provides ratepayers the opportunity to view Council's objects and reasons and make a submission should they wish to.

As per section 1.7 and 6.36 of the Act, the Local Public Notice of differential rates will:

- be published on the official website of the local government; and
- be given in the following three ways as prescribed under Regulation 3A(2) of the *Local Government (Administration) Regulations 1996*:
 - published in a newspaper circulating generally in the State;
 - published on a noticeboard at each local government offices and library in the district;
 - posting on a social media account administered by the local government.

The Local Public Notice is to contain:

- details of each rate or minimum payment the Council proposes to impose;
- advise where a document can be inspected that provides the objects and reasons for each proposed rate and minimum payment; and
- an invitation for electors or ratepayers to lodge submissions on any of the proposals within 21 days from the date of the notice (i.e. the 21-day submission period excludes the first day of publishing).

The Local Public Notice must be published not earlier than two months before 1 July 2025 (i.e. not before 1 May).

Council must consider any submissions received before seeking *the Minister's* approval (should this be required) before formally adopting the differential rates and minimum payments as part of the annual budget process.

A draft of the local public notice advertisement is included in **Attachment 1**.

CONSULTATION

Council must give Local Public Notice of its intention to raise differential rates, no earlier than 1 May 2025, which details each rate in the dollar and minimum payment and make available the Statement of Objects and Reasons.

In accordance with section 6.36 of the Act, submissions will be invited through publication of a Local Public Notice with the consultation period open for 21 days. Any submissions received must be considered by Council prior to the request for Minister's approval and adoption of rates.

The Act also requires that rating categories that have fewer than 30 ratepayers, the local government must also contact these ratepayers directly. UV Commercial Rural rating category contains 24 ratepayers, of which will be contacted directly via letter.

STATUTORY ENVIRONMENT

1.7 Local public notice

- (1) *Where under this Act local public notice of a matter is required to be given, a notice of the matter is to be —*
 - (a) *published in a newspaper circulating generally throughout the district; and*
 - (b) *exhibited to the public on a notice board at the local government's offices; and*
 - (c) *exhibited to the public on a notice board at every local government library in the district.*
- (2) *Unless expressly stated otherwise it is sufficient if the notice is —*
 - (a) *published under subsection (1)(a) on at least one occasion; and*
 - (b) *exhibited under subsection (1)(b) and (c) for a reasonable time, being not less than —*
 - (i) *the time prescribed for this paragraph; or*
 - (ii) *if no time is prescribed, 7 days.*

6.28 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.

6.32 Rates and service charges

- (1) When adopting the annual budget, a local government —
 - (a) 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.

6.33 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.
- (2) Regulations may —
 - (a) specify the characteristics under subsection (1) which a local government is to use; or
 - (b) limit the characteristics under subsection (1) which a local government is permitted to use.
- (3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.
- (4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.
- (5) A differential general rate that a local government purported to impose under this Act before the Local Government Amendment Act 2009 section 39(1)(a) came into operation is to be taken to have been as valid as if the amendment

made by that paragraph had been made before the purported imposition of that rate.

6.34 Limit on revenue or income from general rates

Unless the Minister otherwise approves, the amount shown in the annual budget as being the amount it is estimated will be yielded by the general rate is not to —

- (a) be more than 110% of the amount of the budget deficiency; or
- (b) be less than 90% of the amount of the budget deficiency.

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 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.

[Section 6.35 amended by No. 49 of 2004 s. 61.]

6.36 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.

6.47 Concessions

Subject to the Rates and Charges (Rebates and Deferments) 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

Council's Rating Policy outlines the principles and methodology when exercising 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 2025/26 financial year will raise estimated rates revenue (excluding interim rates and concessions) of \$30.3M. A detailed rates model is in **Attachment 3**.

RISK

Decisions on this matter impact the rates levied on the ratepayers of the district.

There is a possible moderate risk of non-compliance with *the Act*, as well as a risk that Unimproved Valuations once received, may differ to those presented within the rates model. Consideration has been made for this, and any variances which significantly affect the outcome of the proposed rates model will be presented to Council and treated in accordance with *the Act*.

Given the specific timeframes associated with differential rates, if Council resolve against the officer's recommendations, it is likely to delay the presentation of the 2025/26 annual budget for adoption and may impact the timing as to when rates are able to be levied and received.

STRATEGIC ASPIRATIONS

Place - We will grow and develop responsibly, caring for our natural, cultural and built heritage, for everyone.

Outcome 6 - Responsible growth and development with respect for Broome’s natural and built heritage

Objective 6.1 Promote sensible and sustainable growth and development.

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

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

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

VOTING REQUIREMENTS

Absolute Majority

REPORT RECOMMENDATION:

That Council:

1. Publishes a local public notice proposing the 2025/26 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:

| DIFFERENTIAL RATE CATEGORY | MINIMUM PAYMENT | RATE IN THE DOLLAR |
|-----------------------------------|------------------------|---------------------------|
| Residential (GRV) | \$1,401 | 0.068550 |
| Vacant (GRV) | \$1,318 | 0.186300 |
| Commercial (GRV) | \$1,401 | 0.122890 |
| Tourism (GRV) | \$1,401 | 0.139510 |
| Commercial Rural (UV) | \$1,401 | 0.039310 |
| Mining (UV) | \$929 | 0.159020 |
| Rural (UV) | \$1,401 | 0.009400 |

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.*

Attachments

1. Attachment 1 – 2025-26 Advert - Intention to Impose Differential Rates
2. Attachment 2 – 2025-26 Objects and Reasons for the Differential Rates and Minimum Payments
3. Attachment 3 - 2025-26 Proposed Rates Modelling

Shire of Broome Notice of Intention to Impose Differential Rates

Under section 6.36 of the *Local Government Act 1995*, in its budget for the year ending 30 June 2026, the Shire of Broome intends to impose the following differential rates and minimum payments.

| Differential Rate Category | Rate in the Dollar |
|---------------------------------------|--------------------|
| Gross Rental Valued Properties | |
| GRV – Residential | 0.068550 |
| GRV – Vacant | 0.186300 |
| GRV – Commercial | 0.122890 |
| GRV – Tourism | 0.139510 |
| Unimproved Valued Properties | |
| UV – Commercial Rural | 0.039310 |
| UV – Mining | 0.159020 |
| UV – Rural | 0.009400 |

A minimum payment of \$1,401 is proposed for all Differential Rate Categories except the GRV – Vacant category for which a minimum payment of \$1,318 is proposed and the UV – Mining category for which a minimum payment of \$929 is proposed.

The figures shown above are estimates and may change as part of the Council's deliberations after considering any submissions received.

A statement of the objects and reasons for the proposed Differential Rate Categories is available at the Shire Administration Centre, corner Weld and Haas Streets, Broome Monday to Friday 9am to 4pm and on the Shire of Broome website www.broome.wa.gov.au.

Written submissions from electors and ratepayers on the proposed differential rates and the minimum payments are to be addressed to the Chief Executive Officer, Shire of Broome, PO Box 44, Broome WA 6725 or emailed to shire@broome.wa.gov.au. No submissions will be considered after **4pm, Thursday, 22 May 2025**.

For further details contact the Manager Financial Services, Francis Mammone, on 08 9191 3456.

S MASTROLEMBO
CHIEF EXECUTIVE OFFICER



Statement of Objects and Reasons

2025/26 Differential Rates and Minimum Payments

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/department/publications/publication/rating-policy-differential-rates>.

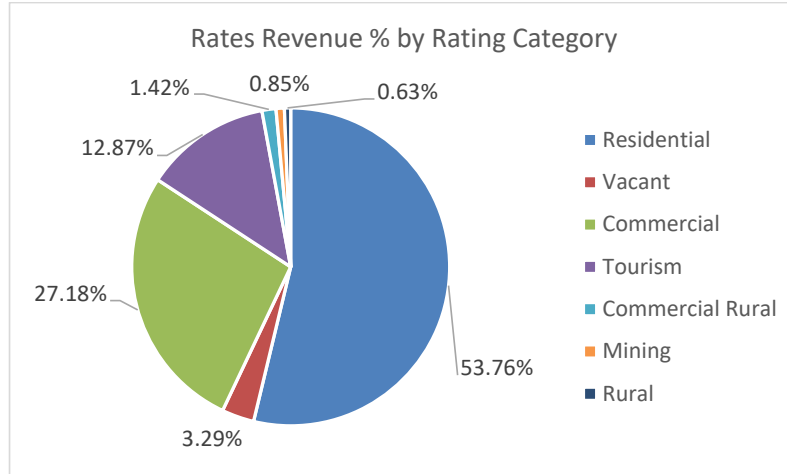
Council determines the required rates yield by reviewing all revenue sources, expenditure and efficiency measures as part of its budget deliberations, and for the 2025/26 financial year a budget deficiency of \$30.3M has been identified. To achieve a balanced budget the net yield from rate revenue is required to increase 6.25% from the 2024/25 adopted budget.

Below is a summary of the proposed Minimum Payments and Rates in the Dollar for 2025/26:

| Differential Rate Category | Minimum Payment | Rate in the Dollar |
|----------------------------|-----------------|--------------------|
| GRV – Residential | \$1,401 | 0.068550 |
| GRV – Vacant | \$1,318 | 0.186300 |
| GRV – Commercial | \$1,401 | 0.122890 |
| GRV – Tourism | \$1,401 | 0.139510 |
| UV – Commercial Rural | \$1,401 | 0.039310 |
| UV – Mining | \$929 | 0.159020 |
| UV – Rural | \$1,401 | 0.009400 |

Rates Contribution Based by Rating Category:

The following chart details the rates contribution as a percentage of total rates revenue for each rating category:



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 recently occurring with a valuation date being 1 August 2024 and effective from 1 July 2025. 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 97.09% 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 GRV 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 73.04% of all properties within the Shire, accounting for 64.47% of total property value, and generating 53.76% of the rates revenue raised in 2025/26.

An average increase of 4.26% is proposed for the GRV Residential rate category.

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 left 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 172% higher than the GRV – Residential base rate. This category contains 4.88% of all properties within the Shire, accounting for 1.38% of total property value, and is expected to contribute 3.29% of the total rates to be raised for 2025/26.

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, inter regional flight network costs and other amenities.

The rate in the dollar for this category is 79% higher than the GRV – Residential base rate. This category contains 8.21% of all properties within the Shire, accounting for 18.19% of total property value and is expected to contribute 27.18% of the total rates to be raised for 2025/26.

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 and marketing activities, environmental health, public safety and law enforcement during the tourist season.

The rate in the dollar for this category is 104% higher than the GRV – Residential base rate. This category contains 11.94% of all properties within the Shire, accounting for 7.17% of total property value, and is expected to contribute 12.87% of the total rates to be raised for 2025/26.

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 2.91% of the total rates as the number of properties in these categories is low and they 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 UV 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 0.83% of all properties within the Shire, accounting for 5.40% of total property value, and is expected to contribute 0.63% of the total rates to be raised for 2025/26.

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 0.34% of all properties within the Shire, accounting for 2.97% of total property value, and is expected to contribute 1.42% of the total rates to be raised for 2025/26.

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 1,592% higher than the UV–Rural base rate. This category contains 0.77% of all properties within the Shire, accounting for 0.42% of total property value, and is expected to contribute 0.85% of the total rates to be raised for 2025/26.

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 minimum payment of \$1,401 is proposed for all categories except the GRV – Vacant category, for which a minimum payment of \$1,318 is proposed and the UV – Mining category, for which a minimum payment of \$929 is proposed.

The unimproved value of mining properties ranges from \$260 to over \$588,900, with an average of \$27,904. The \$929 minimum rate for the UV-Mining category is set at a lower level than the other rating categories to ensure compliance with section 6.35 of the *Local Government Act 1995* which requires that less than 50% of the properties in any category are on the minimum rate. 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

| RATES MODELLING 2025-26 | | | | | | | | | | | | | | |
|--|--------------------|------------|-----------------|---------------------|----------------------------|--------------------|--------------------|--------------------|---------------------|--------------------|------------------|---------------------|-----------|------------------------------|
| Rate Description | Basis of Valuation | Rate in \$ | No. Properties | Rateable Value (\$) | Rate Revenue (\$) | Average Rates (\$) | | Highest Rates (\$) | | Lowest Rates (\$) | | Average Change (\$) | | Average Change Per Week (\$) |
| | | | | | | Average Rates (\$) | Highest Rates (\$) | Lowest Rates (\$) | Highest Change (\$) | Lowest Change (\$) | Average Change % | Average Change \$ | | |
| Differential General Rates | | | | | | | | | | | | | | |
| Residential | GRV | 0.068550 | 5,125 | 236,085,032 | 16,183,630 | \$ 3,158 | \$ 44,130 | \$ 1,408 | \$ 15,448 | \$ (6,700) | 4.26% | \$ 131 | \$ 2.52 | |
| Vacant | GRV | 0.186300 | 180 | 4,166,568 | 776,232 | \$ 4,312 | \$ 68,000 | \$ 1,325 | \$ 44,504 | \$ (2,177) | 11.96% | \$ 654 | \$ 12.58 | |
| Commercial | GRV | 0.122890 | 567 | 66,843,411 | 8,214,387 | \$ 14,487 | \$ 584,530 | \$ 1,426 | \$ 22,915 | \$ (5,461) | 7.15% | \$ 671 | \$ 12.89 | |
| Tourism | GRV | 0.139510 | 624 | 25,688,581 | 3,583,814 | \$ 5,743 | \$ 474,717 | \$ 1,525 | \$ 17,020 | \$ (35,171) | 13.74% | \$ 277 | \$ 5.32 | |
| Commercial Rural | UV | 0.039310 | 22 | 10,908,097 | 428,797 | \$ 19,491 | \$ 76,969 | \$ 4,324 | \$ 3,145 | \$ 177 | 4.26% | \$ 796 | \$ 15.31 | |
| Mining | UV | 0.159020 | 28 | 1,459,492 | 232,088 | \$ 8,289 | \$ 93,647 | \$ 930 | \$ 3,817 | \$ (28) | 3.99% | \$ 336 | \$ 6.45 | |
| Rural | UV | 0.009400 | 54 | 19,691,000 | 185,095 | \$ 3,428 | \$ 8,573 | \$ 2,275 | \$ 347 | \$ 92 | 4.22% | \$ 139 | \$ 2.67 | |
| Sub-Total | | | 6,600 | 364,842,181 | 29,604,043 | | | | | | | | | |
| Minimum Payment | | | | | | | | | | | | | | |
| | | | Min (\$) | | | | | | | | | | | |
| Residential | GRV | 1,401 | 82 | 1,344,480 | 114,882 | \$ 1,401 | \$ 1,401 | \$ 1,401 | \$ 57 | \$ (186) | 0.31% | \$ 1 | \$ 0.02 | |
| Vacant | GRV | 1,318 | 168 | 903,948 | 221,424 | \$ 1,318 | \$ 1,318 | \$ 1,318 | \$ 54 | \$ 41 | 4.26% | \$ 54 | \$ 1.04 | |
| Commercial | GRV | 1,401 | 18 | 126,571 | 25,218 | \$ 1,401 | \$ 1,401 | \$ 1,401 | \$ 57 | \$ 57 | 4.24% | \$ 57 | \$ 1.10 | |
| Tourism | GRV | 1,401 | 227 | 729,998 | 318,027 | \$ 1,401 | \$ 1,401 | \$ 1,401 | \$ 57 | \$ 57 | 4.24% | \$ 57 | \$ 1.10 | |
| Commercial Rural | UV | 1,401 | 2 | 28,300 | 2,802 | \$ 1,401 | \$ 1,401 | \$ 1,401 | \$ 57 | \$ 57 | 4.24% | \$ 57 | \$ 1.10 | |
| Mining | UV | 929 | 27 | 75,234 | 25,083 | \$ 929 | \$ 929 | \$ 929 | \$ (29) | \$ (29) | -3.03% | \$ (29) | \$ (0.56) | |
| Rural | UV | 1,401 | 5 | 206,300 | 7,005 | \$ 1,401 | \$ 1,401 | \$ 1,401 | \$ 57 | \$ 57 | 4.24% | \$ 57 | \$ 1.10 | |
| Sub-Total | | | 529 | 3,414,831 | 714,441 | | | | | | | | | |
| Total Rates | | | 7,129 | 368,257,012 | 30,318,484 | | | | | | | | | |
| % Change in Yield (to Prior Budget) | | | | | 6.41% | | | | | | | | | |
| | | | | | Less Concessions | (77,257) | | | | | | | | |
| | | | | | Add Interims | 200,000 | | | | | | | | |
| | | | | | Total Rates Revenue | 30,441,227 | | | | | | | | |
| % Change in Yield (to Prior Budget) | | | | | 6.25% | | | | | | | | | |

6. MEETING CLOSED TO PUBLIC

7. MEETING CLOSURE