



**City of
Kalgoorlie
Boulder**

LATE ITEMS

AGENDA

Ordinary Council Meeting
26 JUNE 2023

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15 REPORTS OF OFFICERS

15.1 Chief Executive Officer

15.1.1 2023/24 DIFFERENTIAL RATES - SUBMISSIONS AND APPLICATION TO MINISTER

Responsible Officer:	Xandra Curnock Acting Director Corporate and Commercial
Responsible Business Unit:	Corporate and Commercial
Disclosure of Interest:	Nil
Voting Requirements:	Absolute
Attachments:	<ol style="list-style-type: none"> 1. Attachment A 2023-24 Statement of Objects and Reasons [15.1.1.1 - 13 pages] 2. Attachment B Differential Rates Submission 2023 [15.1.1.2 - 1 page]

That Council:

1. Receive and acknowledge the information contained in the submission from McMahon Mining Title Services Pty Ltd (MMTS) and authorise the Chief Executive Officer to advise MMTS that Council has reviewed the expenditure requirements and consider that the rates as advertised are required to meet the 2023/24 budget deficiency.
2. In accordance with Section 6.33(3) of the Local Government Act 1995, authorise the Chief Executive Officer to make the required application to the Minister seeking approval to impose differential rates for UV Exploration/Prospecting and UV Mining Operations rates in the dollar, which are more than twice the value of the lowest UV rating category, UV Rural (as detailed in table 1. below); and

Rating Category	Advertised RID (cents)	Advertised Min Payments \$	% Increase from LY
05 - UV Pastoral	0.086521	\$317	3.97%
09/11 - UV Mining Operations	0.187562	\$441	3.97%
10 - UV Exploration/Prospecting	0.187562	\$317	3.97%

3. Request the Chief Executive Officer to proceed with the 2023/24 budget preparation based on the advertised 3.97% increase to the rate in the dollar (RID) and minimum payments from the previous 2022/23 financial year for the reasons stated in the 2023/24 Statement of Objects and Reasons, Attachment A of the report.

Executive Summary

This report has been prepared for Council to consider submissions received as part of the advertising of the proposed 2023/24 differential rates, and to authorise the Chief Executive Office to proceed with an application to seek Ministerial approval to levy differential general rates for UV rating categories UV Exploration and Prospecting and UV Mining Operations, that are more than twice the lowest differential rate (UV Pastoral).

Community Engagement Consultation

No community consultation was considered necessary in relation to the recommendations of the report.

PUBLIC CONSULTATION

Public consultation was undertaken in the following manner:

As per section 6.36 of the Local Government Act 1995, the 2023/24 Differential Rates were advertised in the Kalgoorlie Miner on Thursday 25 May 2023. The last date for submissions was 16 June 2023.

Duration: 21 Day

Method: Kalgoorlie Miner, Public Notice Boards located in Administration Office and William Grundt Library and City's website – www.ckb.wa.gov.au

Submissions Received: 1

Community Strategic Plan Links

This report links to the Strategic Community Plan through the following Guiding Theme/s:

EMPOWERED: We ensure considered decision making based on collaborative, transparent and accountable leadership.

Budget Implications

The following financial implications are applicable:

Council has signaled its intention to impose a general rate in the dollar (RID) and minimum payment increase of 3.97% to Gross Rental Values (GRV) and Unimproved Values (UV) by advertising the proposed differential rates for 2023/24.

If the advertised differential rates are not adopted, there will be a significant financial impact on the City's planned service delivery and programs.

Report

Background

The Local Government Act 1995, section 6.33 allows Councils to adopt differential rates. The intent behind adopting differential rates is to take into account the levels of services provided to different types of properties, to reflect the cost of provision of

services to those categories of properties as well as the need to encourage the specific types of activities within the City.

In preparation for the implementation of the 2023/24 Budget, Council at the May Ordinary Council Meeting (OCM) proposed minimum rates and 'rates in the dollar' (RID) for Gross Rental Values (GRV) and Unimproved Values (UV) differential rating categories. The following is a summary of Council's resolution resolved at the Ordinary Council Meeting held on the 22 May 2023.

That Council

1. *endorse for advertising the following proposed differential rates in the dollar and minimum payments for Gross Rental Values (GRV) and Unimproved Values (UV) rating categories, that represents a 3.97% RID and minimum payment increase on the 2022/23 levied rates;*

Rate	Rate Code Description	Advertised RID (cents)	Advertised Min Pay \$	% Increase from LY
1	GRV All Residential	0.072860	\$1,019	3.97%
2	GRV Central Business	0.076498	\$1,019	3.97%
3	GRV General Industry	0.082601	\$1,019	3.97%
4	GRV Mining	0.052526	\$1,019	3.97%
8	GRV All Other Properties	0.081590	\$1,019	3.97%
5	UV Pastoral	0.086521	\$317	3.97%
9/11	UV Mining Operations	0.187562	\$441	3.97%
10	UV Exploration/Prospecting	0.187562	\$317	3.97%

2. *Adopt the Statement of Objects and Reasons for each of the proposed differential rates and minimum payments.*
3. *Authorise the Chief Executive Officer to advertise the differential rates for a period not less than 21 days and call for submissions.*

The proposed differential rates for 2023/24 and the corresponding "Objects and Reasons", in accordance with section 6.36 of the Local Government Act 1995 (the Act), were advertised inviting submissions by electors and ratepayers. Advertisement was placed in the Kalgoorlie Miner on 25 May 2023. Copies of the documents were made available for public inspection on the City's website, at the public William Grundt Memorial Library and the City's Administration Building.

The deadline for submissions was 16 June 2023. Council received one (1) submission within the advertising period. A copy of the submission is Attachment B of the report.

This report has been prepared for Council to consider the submission prior to seeking ministerial approval and prior to the adoption of the rates through the Annual Budget process in accordance with section 6.36(4) of the Act.

The *Local Government Act 1995* and Regulations do not require the Council to make any determination or resolution in relation to either individual submissions or submissions collectively.

The submission received from McMahon Mining Titles Services Pty Ltd (MMTS) highlighted how the exploration and mining sectors are being financially impacted by Department of Mines, Industry Regulation and Safety (DMIRS) annual rental increases and council's proposed rate rises.

Budget Preparation

(Key Issues Summary)

The Long-Term Financial Plan (LTFP) 2023-2033 adopted by Council 24 April 2023 outlines the City's projected income and expenditure over the next ten years, including proposed capital works, projects, and new initiatives. Based on the assumptions of the LTFP, a 6% rate increase for the 2023/24 financial year was forecast. The intent of the LTFP is for the annual rates increase to reflect LGCI.

The estimated annual rates yield to be raised by a 6% budget increase, from the 2022/23 financial year (\$28,918,571) is expected to be \$30,654,313. The projected rates yield is based on the modelling results after the loading of 1/7/2023 UV MT valuations.

The City's Long Term Financial Plan 2023-2033 includes an increase of 5% for all fees and charges for the year 2023/24; The March 2022 to March 2023 annual CPI increase for Perth is 5.8%; and

WALGA's March Economic Briefing 2023 includes a forecast of the Local Government Cost Index (LGCI) to June 2023 of 4.5%.

Recommendation

1. **Submission** - It is recommended after consideration of the submission received that Officers respond to the submission by providing the following explanation.

"The submission received does not oppose to the objects and reasons of the UV Exploration/Prospecting and UV Mining Operations categories, rather stating how any increase in general rates for mining tenements will add additional financial stress to the mining sector.

The reason for the rate in dollar and minimum payment for the UV mining operations and UV exploration and prospecting categories is to reflect and raise revenue to manage the impact on the City by mining and resource sectors. The City is responsible for maintaining services to remote rural roads throughout the municipality and reflects the extra maintenance, impacts and frequency that is required to ensure a minimum level of serviceability is achieved. In addition, these properties have access to all other services and facilities provided by Council."

2. **Ministerial Approval** – It is recommended that Council resolve in accordance with Section 6.33(3) of the Local Government Act 1995, authorise the Chief Executive Officer to make the required application to the Minister seeking approval to impose differential rates for UV Exploration/Prospecting and UV Mining Operations rate in the dollar, which are more than twice the value of the lowest UV rating category, UV Rural.

Rating Category	Advertised RID (cents)	Advertised Min Payments \$	% Increase from LY
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3. **Draft Budget** – It is recommended that Council resolve to request the Chief Executive Officer to proceed with the 2023/24 budget preparations based on the advertised 3.97% increase to the rate in the dollar (RID) and minimum payments (from the previous financial year) and for the reasons stated in the 2023/24 Statement of Objects and Reasons, Attachment A of the report.

The 3.97% increase in the rate in the dollar and minimum payments proposed is significantly less than the forecast increase to the operating costs of local governments in WA.

Statutory Implications

Local Government Act 1995, Part 6, Division 6 – Rates and Service Charges.

- Subdivision 1 – Introduction and Basis of Rating;
- Subdivision 2 – Categories of Rates and Service Charges; and
- Subdivision 3 – Imposition of Rates and Service Charges.

Local Government (Financial Management) Regulations 1996 – Part 5 – Rates and Service Charges

Policy Implications

There are no policy implications resulting from the recommendations of this report.