



**murchisonshire**

*Ancient land under brilliant skies*

**Ordinary Council Meeting**

**17 June 2021**

**Attachments**

**From:** [beringarrastation@hotmail.com](mailto:beringarrastation@hotmail.com)  
**To:** [Bill Boehm](#)  
**Cc:** [Brian. Hall](#)  
**Subject:** FW: Shire requests  
**Date:** Friday, 4 June 2021 8:01:34 AM

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Sent from [Mail](#) for Windows 10

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**From:** [beringarrastation@hotmail.com](mailto:beringarrastation@hotmail.com)  
**Sent:** Tuesday, 1 June 2021 2:54 PM  
**To:** [Brian. Hall](#)  
**Subject:** Shire requests

Attention CEO,

Brian Hall owner of Briandi Pastoral company (Beringarra and Milly Milly stations) within the Shire of Murchison would like to forward the following requests.

Request 1: A bank put on the east/north side of Beringarra homestead to divert the water that comes off the main road and through the homestead laydown area.

Request 2:

We also request for the main road to be diverted around Milly Milly homestead complex to the south 2.5km as equipment has started to go missing from the homestead and sheds.

Regards

Jess Currie

Sent from [Mail](#) for Windows 10



## 2021/22 Financial Year

### Objects of and Reasons for Proposed Differential Rates and Minimum Payments

Adopted Council 17 June 2021

#### Overall Objectives

The purpose of levying rates is to meet a local governments' budget deficiency in each financial year in order to deliver services and facilities as detailed in the Strategic Community Plan and Corporate Business Plan but also address issues that arise from time to time that have impacts on the Council budget.

Historically, Council has imposed differential rates on the basis of whether land is used for pastoral purposes, mining or mineral exploration as it considers that under the general principles of taxation differential rating this is more equitable than a flat rate. It is essential for equity reasons to ensure that differential rating proposals are highly equitable amongst ratepayer groupings, which in themselves are diverse and optimise total rate yields in a legally compliant manner.

Council's overall objective is to balance these complex issues and levy property rates in a fair and equitable manner.

#### Reasons

##### Context

Murchison located within the broader Mid-West region of Western Australia and is known for being both the least populated local government area, and the only one without a town. Murchison Settlement acts as the heart of the Shire and is home to both the 'Oasis' Roadhouse and Shire Office, where all permanent residents are employees reside. It therefore **it** has no residential, commercial or industrial rate base in which to draw upon. It does, however, have an important responsibility for the maintenance of a vast network of inland roads, as well as providing support for travellers and locals through the provision of fuel services, a caravan park, recreational services, power, water and an aerodrome.

For the Financial years 2020.21 to 2022/23, Council also acknowledges the strategic importance of the Budget, given the COVID-19 pandemic situation, and desires that all level of governments look to stimulate to assist in the recovery of the economy and council's positive response to this scenario.

Council is satisfied that the services and facilities it provides are managed efficiently and effectively and that it is adapting in an appropriate manner to the COVID19 environment and with it meeting significant the significant challenges of the times. Council remains of the opinion, one that is shared universally in the Region that it is appropriate to rate differentially in order to meet the budget deficiency.

As part of its drive to ensure efficiency and transparency within the organisation, Council continuously reviews its budget to ensure income and expenditure targets will be met. It also reviews the appropriateness and effectiveness of its risk management, internal control and legislative compliance as required under *Local Government (Audit) Regulations 1996* and reviews the appropriateness and effectiveness of the financial management systems and procedures of the Shire as per regulation 5(2)(c) of *the Local Government (Financial Management) Regulations 1996*.

For consistency, Council has ensured that properties that are used for the same purpose are rated in the same way and has considered and analysed in detailed the rates charged by neighbouring councils in its deliberations. For a very small local government achieving equity across the Pastoral and Mining Sectors is not without its challenges but this year the variable nature of the Minerals Exploration Sector provided an additional challenge.

As such following review and benchmarking with other local governments, although the Pastoral Rates are proposed to increase slightly more compared to the Mining Sector, a potentially more profound change was affected by the need to address the variability encountered in the Minerals Exploration Sector.

Overall proposed rates distribution is shown as follows:

Rate Type	Current				Proposed			
	No	UV Value \$	Rate Rev \$	% of Rates Base	No	UV Value \$	Rate Rev \$	% of Rate Base
UV Pastoral	29	1,719,974	58,149	12.3%	28	1,669,232	59,369	11.6%
UV Mining	11	1,375,054	384,190	81.1%	11	1,476,227	391,835	76.7%
UV Exploration	34	358,625	31,191	6.6%	38	577,110	59,690	11.7%
<b>Totals</b>	<b>74</b>	<b>3,453,653</b>	<b>473,530</b>		<b>77</b>	<b>3,722,569</b>	<b>510,895</b>	

### UV – Pastoral

Current				Proposed			
3.295	cents in the dollar	\$320	Min Payment	3.377	cents in the dollar	\$600	Min Payment

Pastoral UV applies to any land that currently has a pastoral lease granted and is rated as the benchmark level. Council recognises the reduced viability of the sector caused by many years of droughts and floods, the devastation caused by the wild dog problem and noting that many in this category are required supplement their income through non pastoral activities. It also recognises the perpetual nature of the land, use, the long-term commitment of pastoralists to the region, their stewardship of Crown Land and that a non-Shire biosecurity rate is additionally linked to the valuations provided by the Valuer General. Several Pastoral Stations have in recent years also been taken over by Crown and become non-rateable, thereby further impacting on this rating sector.

### UV – Mining

Current				Proposed			
27.940	cents in the dollar	\$450	Min Payment	26.543	Cents in the dollar	\$600	Min Payment

Mining UV applies to land for which a mining lease has been granted. The mining sector tends to be transitory in nature and benefits from established Shire services and infrastructure which is maintained in the long term with funding assistance by those rate payers who are established long term in the region. A consideration in setting the UV - Mining rate at a higher level than the benchmark UV – Pastoral rate is to ensure that the mining sector's contribution is proportionate to the advantage it gains in using established facilities. Unlike pastoral sector the mining sector does not pay a biosecurity rate linked to the valuations provided by the Valuer General, even though the mining/exploration sectors may pose a biosecurity risk.

### UV – Exploration/Prospecting

Current				Proposed			
8.015	Cents in the dollar	\$450	Min Payment	9.618	cents in the dollar	\$600	Min Payment

Exploration/Prospecting UV applies to land for which an exploration/prospecting lease has been granted. As with the UV – Mining sector, the UV - Exploration/Prospecting sector tends to be transitory. Mining licences also have a limited intrinsic value unless minerals are found and mined. As a result, they have a high turnover of ownership. If a licence is terminated or the lessee does not pay rates for the period of the licence, the rates are generally not able to be recovered by the local government. Administration of licences for rating purposes is technically complex and disproportionate to that of base level rating. Unlike pastoral sector the mining sector does not pay a biosecurity rate linked to the valuations provided by the Valuer General, even though the mining/exploration sectors may pose a biosecurity risk.



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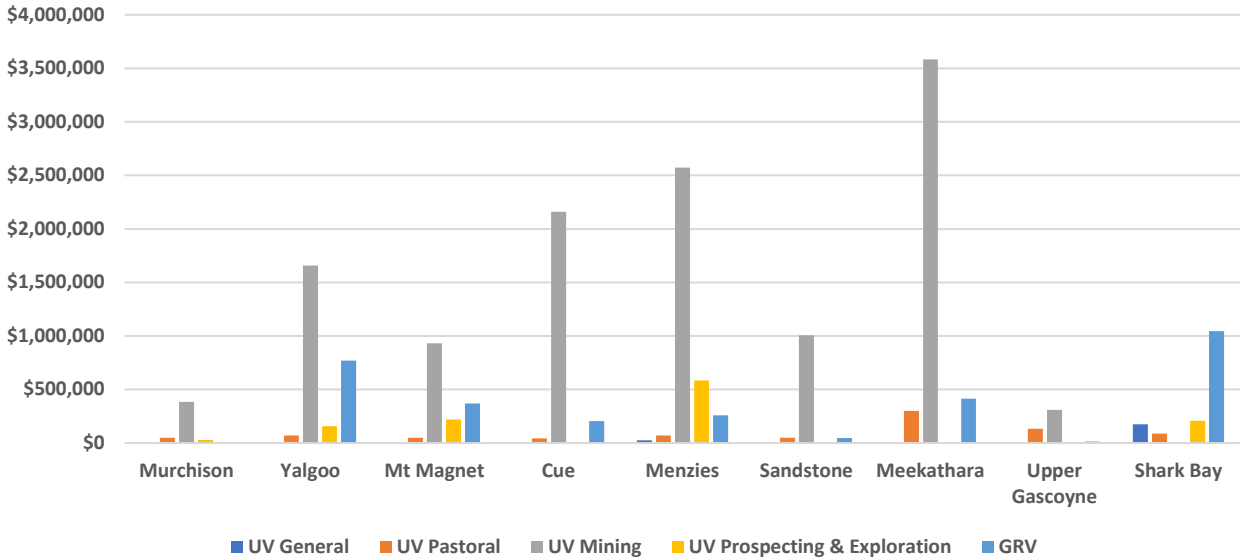
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## **Regional Rates Benchmarking Comparison**

**June 2021**

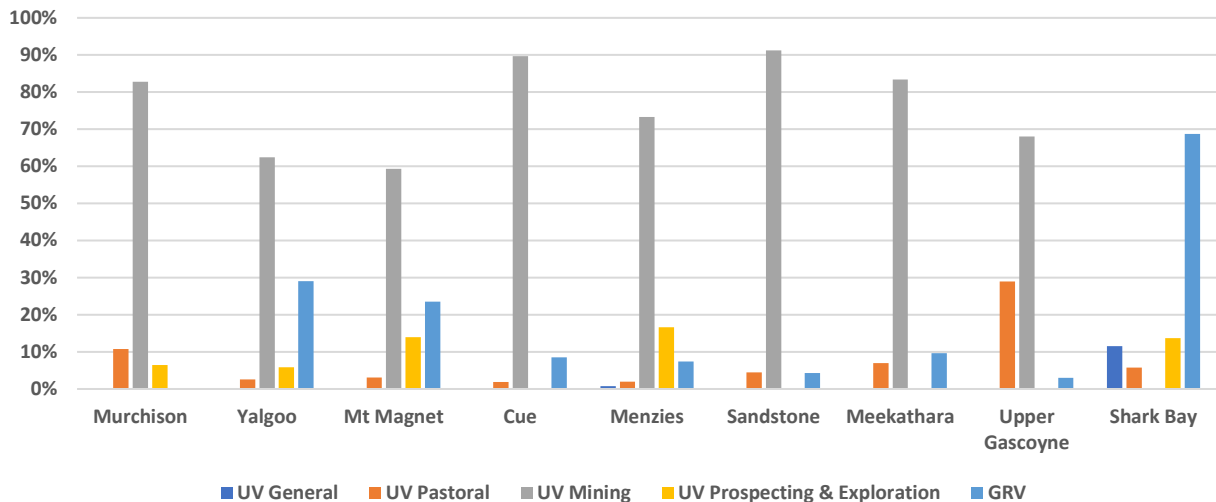
## Regional Rates Benchmarking Comparison

Fig 1 Rate Revenue \$



	Murchison	Yalgoo	Mt Magnet	Cue	Menzies	Sandstone	Meekathara	Upper Gascoyne	Shark Bay
UV General	\$0	\$0	\$0	\$0	\$25,578	\$0	\$0	\$0	\$175,814
UV Pastoral	\$50,016	\$69,377	\$49,054	\$44,917	\$69,150	\$49,490	\$300,610	\$132,257	\$87,554
UV Mining	\$384,190	\$1,656,439	\$931,542	\$2,161,079	\$2,573,176	\$1,005,113	\$3,583,564	\$310,215	\$3,165
UV Prospecting & Exploration	\$29,811	\$155,886	\$219,091	\$0	\$585,790	\$0	\$0	\$0	\$207,787
GRV	\$0	\$770,106	\$370,113	\$204,619	\$258,705	\$47,453	\$413,393	\$13,647	\$1,043,700

Fig 2 Rate Revenue %

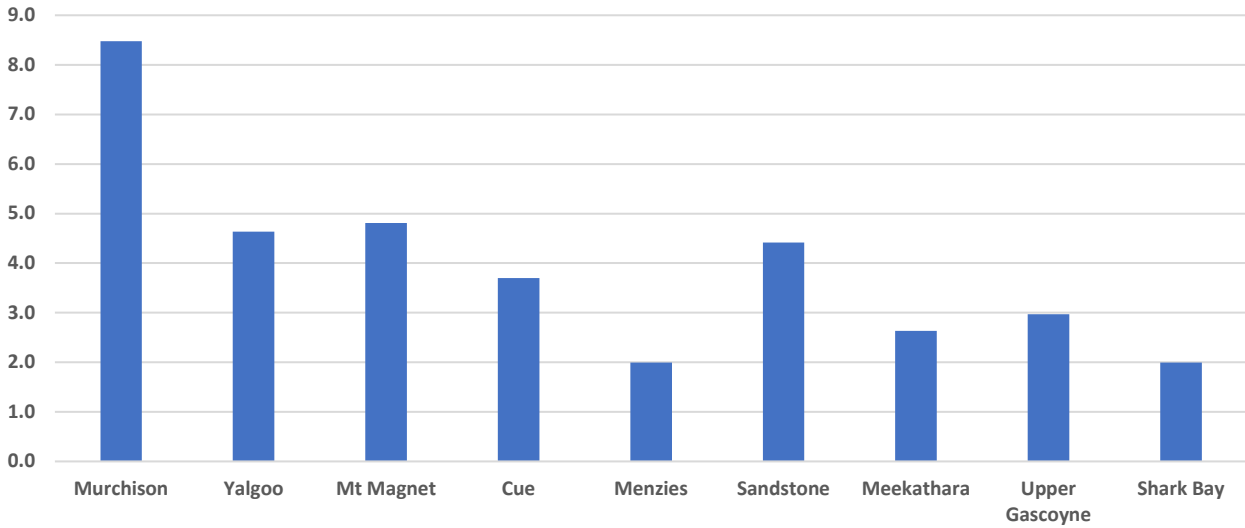


	Murchison	Yalgoo	Mt Magnet	Cue	Menzies	Sandstone	Meekathara	Upper Gascoyne	Shark Bay
UV General	0%	0%	0%	0%	1%	0%	0%	0%	12%
UV Pastoral	11%	3%	3%	2%	2%	4%	7%	29%	6%
UV Mining	83%	62%	59%	90%	73%	91%	83%	68%	0%
UV Prospecting & Exploration	6%	6%	14%	0%	17%	0%	0%	0%	14%
GRV	0%	29%	24%	8%	7%	4%	10%	3%	69%



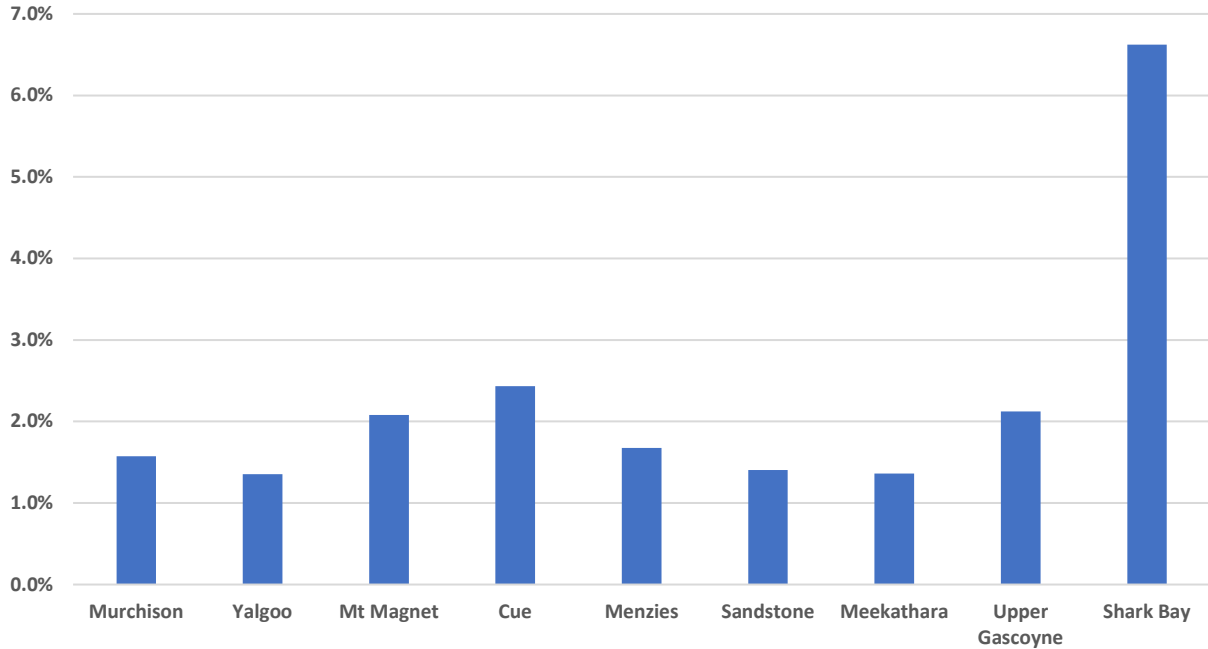
## Regional Rates Benchmarking Comparison

Fig 5 Ratio Highest Rate in \$ vs Pastoral rate in the \$



Murchison	Yalgoo	Mt Magnet	Cue	Menzies	Sandstone	Meekathara	Upper Gascoyne	Shark Bay
8.5	4.6	4.8	3.7	2.0	4.4	2.6	3.0	2.0

Fig 6 % of ratepayers based on Minimum Payment

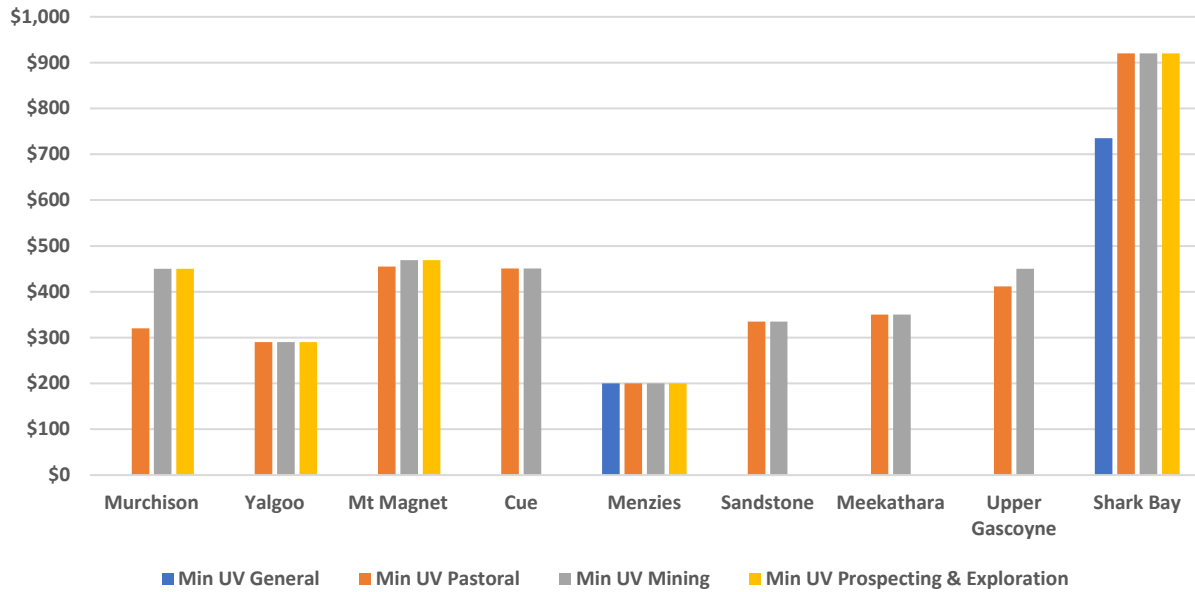


Murchison	Yalgoo	Mt Magnet	Cue	Menzies	Sandstone	Meekathara	Upper Gascoyne	Shark Bay
1.6%	1.4%	2.1%	2.4%	1.7%	1.4%	1.4%	2.1%	6.6%



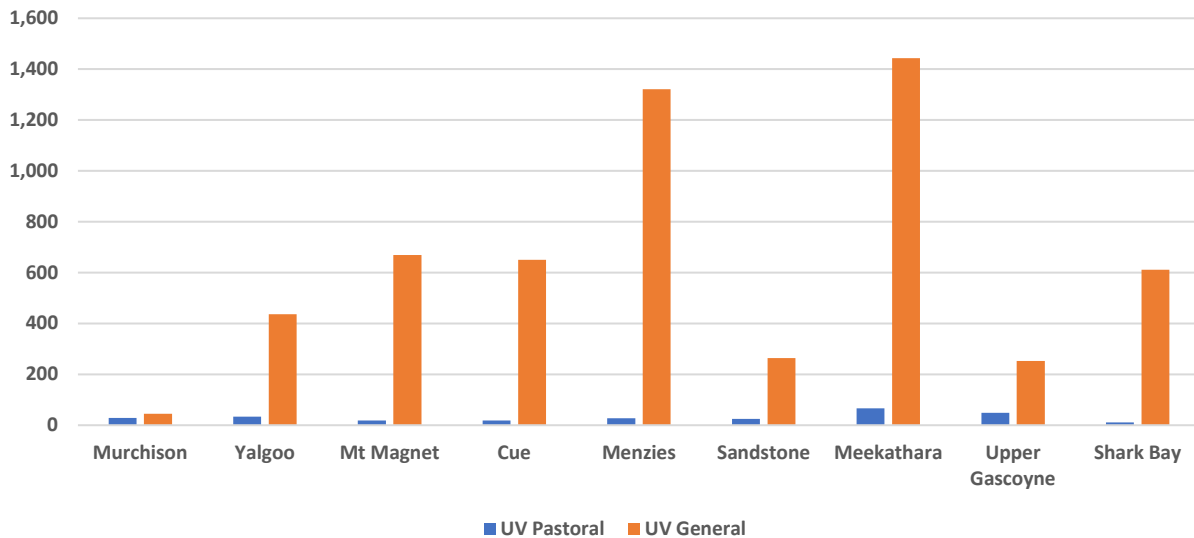
## Regional Rates Benchmarking Comparison

Fig 7 min UV Rates Comparison \$



	Murchison	Yalgoo	Mt Magnet	Cue	Menzies	Sandstone	Meekathara	Upper Gascoyne	Shark Bay
Min UV General	\$0	\$0	\$0	\$0	\$200	\$0	\$0	\$0	\$735
Min UV Pastoral	\$320	\$290	\$455	\$451	\$200	\$335	\$350	\$412	\$920
Min UV Mining	\$450	\$290	\$469	\$451	\$200	\$335	\$350	\$450	\$920
Min UV Prospecting & Exploratic	\$450	\$290	\$469	\$0	\$200	\$0	\$0	\$0	\$920

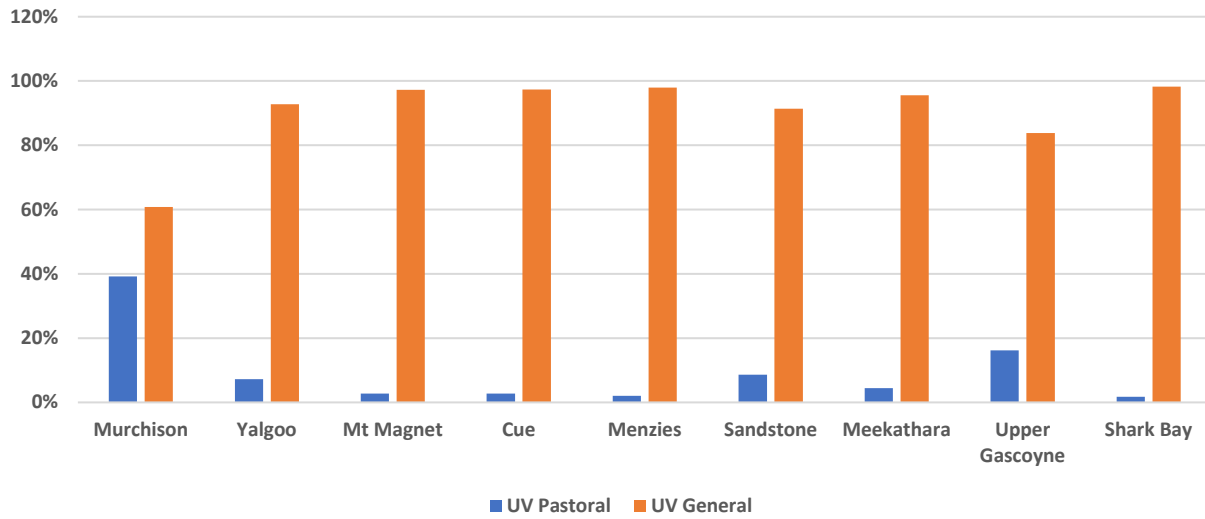
Fig 8 No Pastoral Properties vs Others



	Murchison	Yalgoo	Mt Magnet	Cue	Menzies	Sandstone	Meekathara	Upper Gascoyne	Shark Bay
UV Pastoral	29	34	19	18	27	25	67	49	11
UV General	45	437	669	650	1,321	264	1,443	253	611

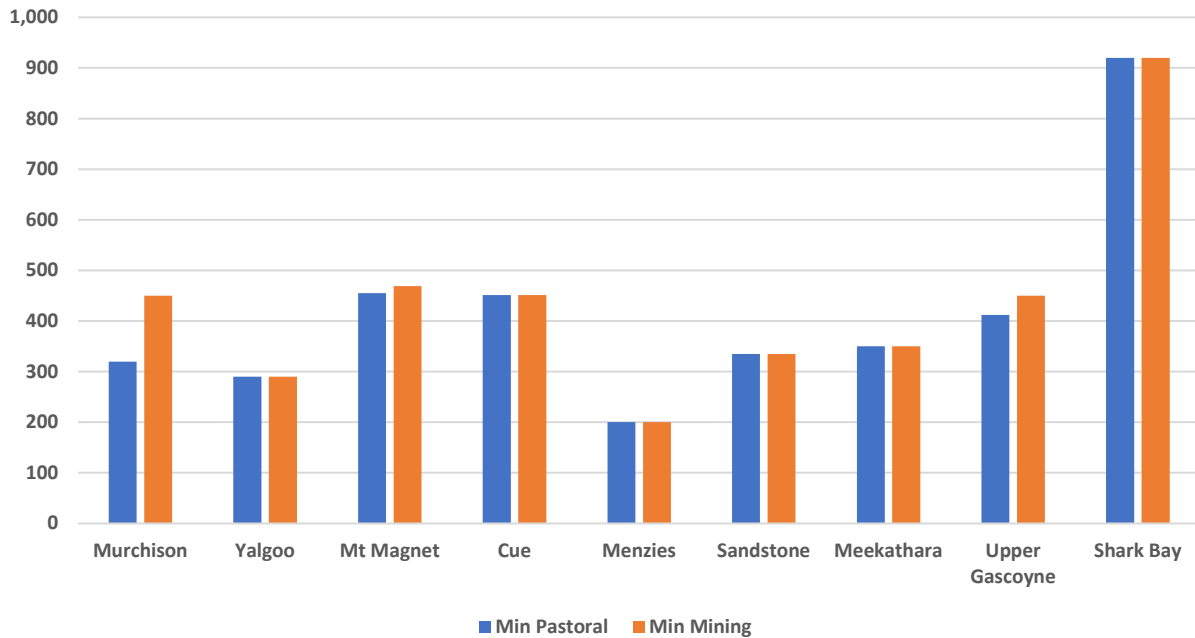
## Regional Rates Benchmarking Comparison

Fig 9 UV Rates Comparison % of Rates Base



	Murchison	Yalgoo	Mt Magnet	Cue	Menzies	Sandstone	Meekathara	Upper Gascoyne	Shark Bay
UV Pastoral	39%	7%	3%	3%	2%	9%	4%	16%	2%
UV General	61%	93%	97%	97%	98%	91%	96%	84%	98%

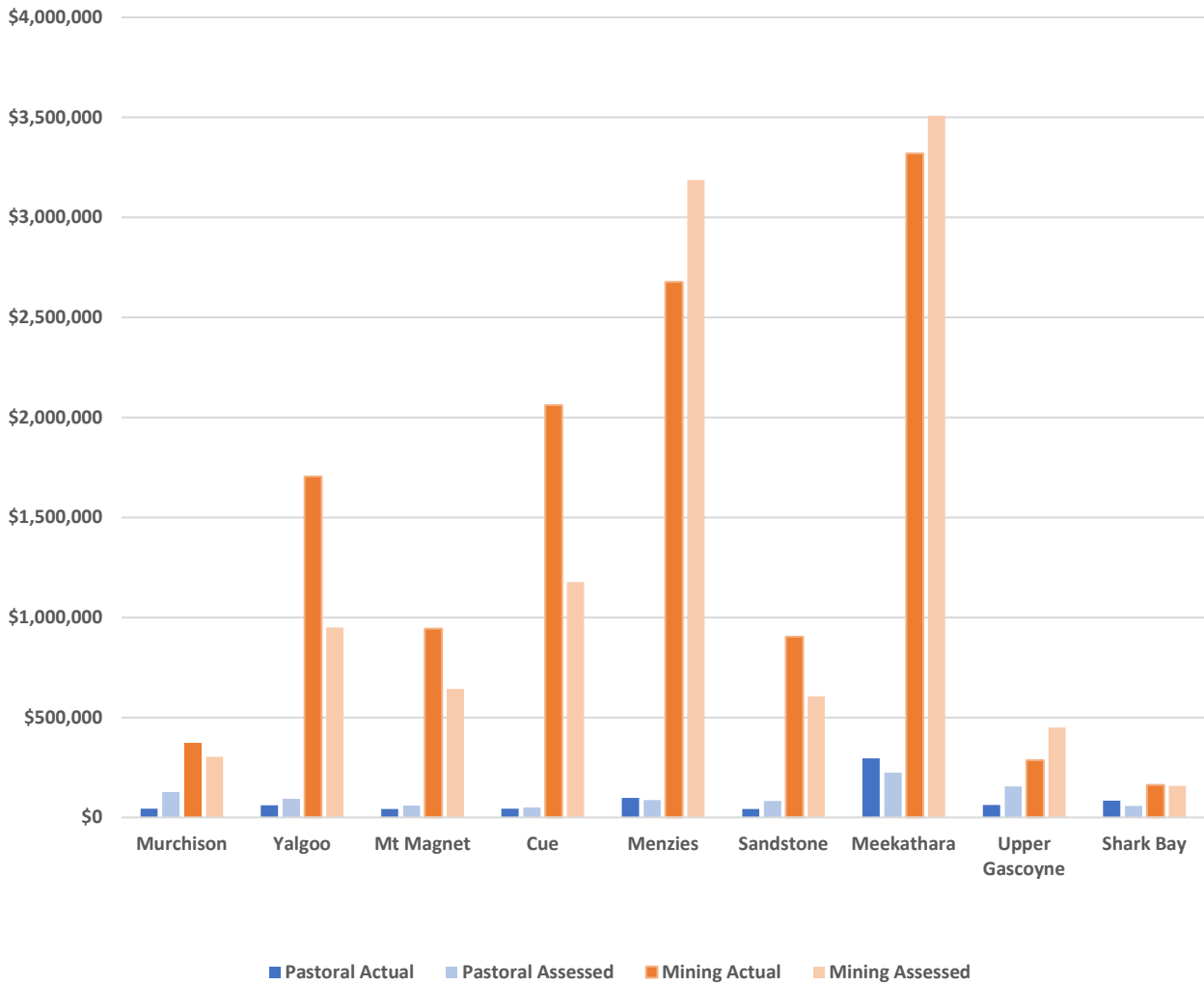
Fig 10 Min Rates



	Murchison	Yalgoo	Mt Magnet	Cue	Menzies	Sandstone	Meekathara	Upper Gascoyne	Shark Bay
Min Pastoral	320	290	455	451	200	335	350	412	920
Min Mining	450	290	469	451	200	335	350	450	920

## Regional Rates Benchmarking Comparison

Fig 11 Grants Commission 3 Year Average Rates Assessment



	Murchison	Yalgoo	Mt Magnet	Cue	Menzies	Sandstone	Meekathara	Upper Gascoyne	Shark Bay
Pastoral Actual	\$43,747	\$60,656	\$41,644	\$43,756	\$98,089	\$42,418	\$295,715	\$62,834	\$84,042
Pastoral Assessed	\$126,879	\$92,798	\$59,901	\$49,588	\$86,525	\$82,555	\$224,093	\$155,446	\$58,477
Mining Actual	\$373,679	\$1,705,172	\$944,530	\$2,061,687	\$2,677,508	\$903,536	\$3,319,030	\$286,571	\$163,067
Mining Assessed	\$303,192	\$950,810	\$643,606	\$1,176,346	\$3,186,645	\$605,574	\$3,508,274	\$449,309	\$158,824