

23 May 2025

Cr David Menzel

Shire President

Shire of Wyndham-East Kimberley

C/O email: david.menzel@swek.wa.gov.au

Dear Shire President,

RE: Local Government Rates – The Shire of Wyndham-East Kimberley

On behalf of the Association of Mining and Exploration Companies, I ask that you withdraw and reconsider the proposed differential rating for UV Mining Lease proposed for the 2025/2026 financial year.

The UV (Unimproved Value) – Mining and Exploration for the upcoming financial year in the Shire of Wyndham-East Kimberley is set at \$0.28671, while this represents a modest 1.5% decrease from the previous year, it is still 23 times the lowest rate. This contradicts with the Shire's principles of "fairness and equity", "consistency", "transparency" and "administrative efficiency."

The current rating structure places mineral exploration and prospecting ratepayers at a disadvantage. Prior to 2024/25, 'Mining' and 'Mining Exploration and Prospecting' were treated as separate land categories, each subject to distinct rating charges. Specifically, in 2023/24, UV – Mining was rated at \$0.2911, while UV – Mining Exploration and Prospecting was rated at \$0.1455. The consolidation of these categories had resulted in a 50% rate increase for exploration and prospecting tenement holders - an increase that has continued to apply to the present day. There is no clear justification provided for merging these distinct activities into a single rating category.

As you would be aware, the UV Rate is calculated based on the Government's mining tenement rents. Any increase in tenement rents leads to a corresponding increase in the UV. As a result, when the State increases tenement rents, which it does annually, the Shire automatically receive that same percentage increase in valuation, which in turn raises the amount payable in Shire rates.

There has been no change to the level of minimal service that mining and mineral exploration companies receive.

The scale, duration and land uses of mining and mineral exploration activities are very different.

Mineral exploration activities generally comprise a small team from the company and the subcontractor's drilling crew, which have limited impact, if any, on local government community services and facilities due to the remoteness of many tenements.

Explorers will have no more impact on the Shire's road infrastructure, than the average resident or tourist.

In fact, in many instances tenements lay idle and vacant as they are caught up in land access, red tape, regulatory approvals and extremely costly delays. It takes on average a minimum of one year for an exploration licence to be granted provided there are no third-party appeals or unexpected delays. Despite paying tenement rental fees and local government rates during this period, there is no direct demand for local government services or facilities. Further delays can be caused by weather conditions and drilling contractor or rig availability.

After obtaining the required approvals and Aboriginal Cultural Heritage survey clearances, drilling programs are also generally of a short-term duration. This involves self-contained mobile accommodation facilities, in remote locations and restricted to the duration of the licence.

The limited 'land use' factor is acknowledged in all other Australian jurisdictions where mineral exploration tenements are exempt from shire rates, apart from WA.

The scale and nature of mining operations also varies considerably between sites, projects and commodities.

Most mining companies provide their own roads, power, water, air services and garbage disposal. Despite being self-contained, are also still faced with increased shire rates without a corresponding increase in services from the Shire.

It is acknowledged that some mining companies are using local roads and that contributes to the costs of the road's repair and management. I also understand that these companies have Road User Agreements with the Shire to support these costs.

AMEC strongly urges a reconsideration by the Shire of Wyndham-East Kimberley on the proposed differential rates.

AMEC considers that:

- The Shire should withdraw the rating proposal and meet with companies to discuss the issues and other alternatives before proceeding.
- The Shire should recognise the significance difference between exploration companies and mining companies and apply different rating categories and different rates (with a much lower rate for exploration companies and comparable with rating for pastoral activities).

AMEC would be pleased assist the Shire and co-ordinate further engagement with our members.

Yours sincerely



Warren Pearce

Chief Executive Officer