



NOTICE OF INTENTION OF LEVY DIFFERENTIAL RATES 2017/18

INCLUDING STATEMENT OF RATING INFORMATION

JULY 2017

In accordance with section 6.36 of the Local Government Act 1995, the Shire of Ashburton hereby gives notice of its intention to impose the following differential rates and minimum payment.

Rate Code Description	Rate in the \$	General Minimum Payment \$	Lesser* Minimum Payment \$
GRV Commercial/Industrial/Tourism	0.052081	1037.50	
GRV Residential/Community	0.051980	830.00	622.50
UV Mining/Industrial	0.390116	1037.50	
UV Pastoral	0.061207	1037.50	
UV Tourism	0.165288	1037.50	

The figures shown above are estimates and may change as part of Council deliberations after consideration of any submission.

Submissions are invited from electors and ratepayers in respect of the proposed rates, minimum payment and any related matters by 12:00pm Monday 21 August 2017.

Submissions are to be addressed to the Chief Executive Officer, PO Box 567, Tom Price WA 6751 or via email soa@ashburton.wa.gov.au.

Electors and ratepayers may view a document describing the objects and reasons for each proposed rate and the minimum payment at the Shire of Ashburton offices and libraries during normal working hours or at www.ashburton.com.au/the-shire/rates

Dale Stewart
A/Chief Executive Officer

SUPPORTING STATEMENT OF RATING INFORMATION 2017/18

(Including Objects and Reasons for the Rating Structure)

This Statement is published by the Shire of Ashburton in accordance with Section 6.36 of the Local Government Act 1995 to advise the public of its objectives and reasons for implementing differential rates.

The purpose of levying of property rates is to meet Council's budget requirements in each financial year and in future periods, to deliver services, facilities and community infrastructure to the district as a whole. Property valuations provided by the Valuer General (Landgate) are used as the basis for the calculation of rates each year.

Section 6.36 of the Local Government Act provides the ability to differentially rate properties based on certain characteristics. The application of differential rating maintains equity in the rating of properties across the Shire, enabling the Council to provide facilities, services and infrastructure to the entire community and visitors to the area.

Powers to Rate Property

There are two property valuation methods available under Section 6.28 of the Act, Gross Rental Value (GRV) and Unimproved Value (UV).

GRV is 'the gross annual rental that the land might reasonably be expected to realise if let on a tenancy from year to year upon condition that the landlord is liable for all rates, taxes and other charges thereon and the insurance and other outgoings necessary to maintain the value of the land'.¹

UV land is 'valued as if it has had no improvements (as though) it remains in its original, natural state, any land degradation is taken into account'.¹

As a default, a local government sets a single general rate in the dollar for each valuation type (GRV and UV). This is termed a uniform general rate in the valuation dollar and applied to all properties within a valuation type regardless of their land use.

Rather than adopting a single uniform general rate, a local government may apply different rates in the dollar within either valuation category (GRV or UV). A differential rate can be applied using the following characteristics, or combination thereof:

- The zoning of the land;
- The predominant use (as determined by the local government);
- If the land is vacant or not.

Location can only be used as a characteristic in setting a differential rate in very limited circumstances (namely a Lesser minimum rate). Unfortunately, in Ashburton with its geography, this can present some challenges when properties with the same land use or zoning and as a consequence the same rate in the valuation dollar, may have vastly different levels of access to services.

¹ Landgate, Rating and Taxing Valuations Publication, April 2008

SUPPORTING STATEMENT OF RATING INFORMATION 2017/18 (Continued)

Powers to Rate Property (continued)

The Local Government Act provides for rural use properties used for mining, exploration or prospecting purposes are assigned an Unimproved Value as supplied by the Valuer General. It refers to all land for which a mining tenement has been issued by the Department of Mines and Petroleum (DMP), and valued as such by the Valuer General's Office.

The valuation determined by the Valuer General for mining tenements is calculated by multiplying the following factors.

- Rental cost of the tenement type (mining lease, prospecting lease, exploration license, petroleum producing licence etc);
- UV basis as determined by the DMP, and
- Tenement/license area

The valuation of mining tenements is not reviewed each year, as occurs with other UV properties and changes when the tenement rental is amended.

Objections and Appeals to a Valuation

Objections to valuations must be lodged with the Valuer General's Office within 60 days after issue of the rates notice. Rates are still required to be paid before the due date if an objection is lodged with a refund paid if the objection is successful. Forms are available from the Shire Office or on the Shire website.

Under the provisions of the Local Government Act 1995, a property owner is able to lodge an objection to rates imposed by a Council on the following grounds:

- There is an error on the rate assessment, either in respect to the owners or property details; or
- The characteristics of the land differ from that used in the differential rating system.

The objection is to be received within 60 days of the issue of the rate notice. Please contact Shire staff if you would like to discuss this matter further.

Pensioner's Discount

Eligible Pensioners are entitled to receive a discount on their rates. The Shire will determine the nature and extent of entitlement from details as at 1 July, in relation to ownership and occupation. Also a pro-rata rebate amount will be paid if a person becomes the holder of an eligible card type during the financial year which is effective from the date of registration. A deferral arrangement is also possible.

If the circumstances of a Pensioner, who is already claiming the rebate, have changed during the previous year, they will need to update their details (i.e. card number, etc.) with the Shire.

Please contact Shire staff if you believe you may be eligible for the rebate.

SUPPORTING STATEMENT OF RATING INFORMATION 2017/18 (Continued)

Exemptions, Instalments, Concessions and Waivers

The Shire requires organisations seeking exemption from rates in accordance with section 6.26 of the Act to make application to the Council for determination.

The Shire will provide concessions to Pensioners in accordance with the requirements of the Rates and Charges (Rebates and Deferments) Act 1992.

Council proposes the retention of the Concession for GRV Residential/Community properties (the concession is the equivalent to the difference payable between 2014/15 valuations and 2015/16 GRV Residential/Community properties rate in the dollar). The reason is to ameliorate the significant increase and variation between GRV valuations resulting from the 2014/15 General Revaluation.

Council will offer three rate payment options as follows:

- Payment in full 35 days after the date of service appearing on the rate notice;
- Two instalments; and
- Four Instalments.

Interest on overdue rates not paid in accordance with the three payment options will be subject to an overdue interest rate set by the Council at the time of adoption the annual budget.

Ratepayers with unpaid and overdue rates may be offered a scheme of arrangement for payment subject to the approval of the Chief Executive Officer.

Rating Structure

The Local Government Act 1995, provides that properties of a non-rural purpose be rated using the Gross Rental Valuation (GRV) as the basis for the calculation of annual rates. Property values are independently assessed for all GRV properties every three years.

The base GRV valuation is effective from 1 July 2017. Interim valuations are provided to the Shire regularly by the Valuer General if changes, such as subdivisions or strata title of property, amalgamations, building constructions, demolition, additions and/or property rezoning occur during the year. In such instances, the Shire amends the valuation on record and recalculates the rates for the affected properties for the purpose of issuing an interim rate notice.

The next full revaluation of GRV properties is scheduled to be applicable from 1 July 2018.

Differential Rates – Gross Rental Value (GRV)

The Council intends to adopt differential rating principles for GRV category properties based upon the land use as follows:

GRV Commercial/Industrial

DIFFERENTIAL RATE	RATE IN THE \$	GENERAL MINIMUM PAYMENT \$	LESSER MINIMUM PAYMENT \$
GRV Commercial/Industrial	0.052081	1,037.50	N/A

SUPPORTING STATEMENT OF RATING INFORMATION 2017/18 (Continued)

Differential Rates – Gross Rental Value (GRV) (continued)

This rate is applicable to properties that have a predominant land use of commercial or industrial, including Hotels, Shops, Restaurants and Offices and land is used for providing tourism service, including Roadhouses, Tourist Centres, Caravan Parks, Workers Accommodation, and Holiday Accommodation.

The reason a higher rate has been applied to the GRV Commercial/Industrial category land is to reflect the additional financial impact these activities have on Shire infrastructure and services.

The objective is to raise additional revenue to contribute toward higher costs associated including, but not limited to, rubbish collection in relevant areas, higher town planning control costs, health inspections and administration costs, added complexity in building control, higher traffic volumes and vehicle mass due to commercial and industrial activity, parking facilities, traffic management, pedestrian access, commercial and industrial signage, visitor servicing and street furniture.

GRV Residential/Community

DIFFERENTIAL RATE	RATE IN THE \$	GENERAL MINIMUM PAYMENT \$	LESSER MINIMUM PAYMENT \$
GRV Residential/Community	0.051980	830.00	622.50

This differential rate is applicable to properties that have a predominant land use of residential, or used by organisations involved in activities for community benefit including Arts and Craft facilities, Youth Centres, Day Care Centres, Sporting Grounds/Clubs (that do not run a commercial business/kitchen) and health & emergency service facilities.

The reason the GRV Residential/Community rate has been applied at a lower rate than GRV Commercial/Industrial rate is to reflect the additional financial impact commercial and industrial activities have on the Shire's infrastructure and services (as set out above) and to further the Shire's strategic goals to encourage and support residential development in the town sites and organisations that contribute toward a safe, healthy, cohesive and vibrant community.

Differential Rates – Unimproved Values (UV)

The Council intends to adopt differential rating principles for UV category properties based upon the land use of each property as follows:

UV Mining/Industrial

DIFFERENTIAL RATE	RATE IN THE \$	GENERAL MINIMUM PAYMENT \$	LESSER MINIMUM PAYMENT \$
UV Mining/Industrial	0.390116	1,037.50	N/A

This rate is applicable to properties with a land use associated with mining tenements (including Exploration Licences, General Purpose Leases, Mineral Leases, Mining Leases,

SUPPORTING STATEMENT OF RATING INFORMATION 2017/18 (Continued)

UV Mining/Industrial (continued)

Petroleum Exploration Permits, Petroleum Production Licences) and for Industrial properties with a mining purpose/mining infrastructure predominate use (including crown leases).

The reason a higher rate has been applied to the UV Mining/Industrial category land is to reflect the additional financial impact mining and related industries have on Shire infrastructure and services relevant to other land use types.

The objective is to raise a higher level of rate revenue from mining and related infrastructure properties than from other UV General category properties to contribute toward current and future costs associated with the provision of civil infrastructure for services and facilities including, but not limited to, transport, recreation, community and leisure facilities, waste management and planning and development costs.

UV Pastoral

DIFFERENTIAL RATE	RATE IN THE \$	GENERAL MINIMUM PAYMENT \$	LESSER MINIMUM PAYMENT \$
UV Pastoral	0.061207	1,037.50	N/A

This rate is applicable to properties issued with pastoral leases granted by the State Government.

Objects and Reasons - UV Pastoral Differential Rate

The reason for the lower rate applied to the UV Pastoral category is to:

- Recognise the impact of fluctuations in climatic conditions have on the financial capacity to pay;
- The lower level of impact pastoral activities generally have on infrastructure and facilities such as road infrastructure and recreation facilities; and
- The permanent nature of the business activity relevant to mining and related industries.

Recently Council considered a Rating Strategy for the Shire and decided to phase in rating of Pastoral properties to bring them closer to the average for the overall Pilbara/Kimberley regions.

Minimum Payments

Applying a minimum payment seeks to ensure all ratepayers contribute a minimum amount to basic services and facilities. The Council has determined two levels of General minimums and one Lesser minimum.

The objective is to recognise the above matters and raise less rate revenue from properties used for Pastoral activities than other UV category properties.

SUPPORTING STATEMENT OF RATING INFORMATION 2017/18 (Continued)***UV Tourism***

DIFFERENTIAL RATE	RATE IN THE \$	GENERAL MINIMUM PAYMENT \$	LESSER MINIMUM PAYMENT \$
UV Tourism	0.165288	1,037.50	N/A

This rate is applicable to tourism ventures located within the Shire issued with an unimproved valuation. The land is predominately used for providing a tourism service, including Caravan Parks and Holiday Accommodation.

Objects and Reasons - UV Pastoral Differential Rate

The reason for a lower rate applied to the UV Tourism category, as compared to UV Mining/Industrial, is to reflect the lower level of impact these activities have on general infrastructure and facilities including road infrastructure, recreation facilities and the permanent nature of the business activity relevant to mining and related industry.

The reason for a higher rate applied to the UV Tourism category as compared to UV Pastoral is to achieve an average rate yield more comparable to other Tourism properties with a GRV valuation. The objective is to raise less revenue from UV Tourism properties than Mining/Industrial properties but more than UV Pastoral properties.

Minimum Payments

Applying a minimum payment seeks to ensure all ratepayers contribute a minimum amount to basic services and facilities. The Council has determined two levels of General minimums and one Lesser minimum.

The objective is to recognise the above matters and raise less rate revenue from properties used for Pastoral activities than other UV category properties.

General Minimum Payments

A General minimum of \$1037.50 has been applied to properties in the following differential rate categories:

- GRV Commercial/Industrial;
- UV Mining/Industrial;
- UV Pastoral; and
- UV Tourism areas.

Another General minimum of \$830.00 has been set for GRV Residential/Community.

Lesser Minimum Payment

A Lesser minimum of \$622.50 has been set for Wittenoom properties to reflect the special circumstances attributable to Wittenoom properties in relation to the status of the townsite (i.e. degazetteal). This is set at a 25% discount to GRV Residential/Community minimum payment level.