



## Objectives and Reasons for Proposed Differential Rates and Minimum Payments for the 2019/2020 Financial Year

In accordance with Section 6.36 of the Local Government Act 1995, the Shire of Esperance is required to publish its Objectives and Reasons for implementing differential rates.

### **Overall Objective**

The purpose of the levying of rates is to meet Council's budget requirements in each financial year in order to deliver services and community infrastructure. Property valuations provided by the Valuer General are used 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 and/or land use as determined by the Shire of Esperance. The application of differential rating maintains equity in the rating of properties across the Shire, enabling the Council to provide facilities, infrastructure and services to the entire community and visitors.

### **Gross Rental Value (GRV)**

The Local Government Act 1995 determines that properties of a non-rural purpose be rated using 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 Esperance every three to five years and assigns a GRV. The current valuation is effective from 1 July 2019. Interim valuations are provided monthly to Council by the Valuer General for properties where changes have occurred. In these instances, Council recalculates the rates for the affected properties and issues interim rate notices.

### **GRV Residential**

This rating category consists of properties which have a predominate residential use. The object of the rate for this category is to be the base by which all other GRV rated properties are assessed. The reason is to ensure that all ratepayers make a reasonable contribution towards works services and facilities within the Shire.

The proposed rate in the dollar for this category is 9.874 cents, with a minimum payment of \$1,166

### **GRV – Commercial/Industrial**

This rating category consists of properties used for predominately for Commercial or Industrial purposes that are located within townsites. The object of the rate for this category is to raise additional revenue to fund the costs associated with the higher level of service provided to properties in this category. The reason is that the Shire incurs higher costs to service these areas including carparking, landscaping and other amenities. In addition, extra costs are also associated with tourism and economic development activities that have a benefit to these ratepayers.

The proposed rate in the dollar for this category is 9.874 cents, with a minimum payment of \$1,166.

**GRV - Vacant**

This rating category consists of properties being held predominately for vacant residential purposes located within townsites. The object of the rate for this category is to promote the development of vacant land within the Shire's townsites. The reason is to encourage land owners to develop vacant residential land.

The proposed rate in the dollar for this category is 9.874 cents, with a minimum payment of \$1,166.

**Unimproved Value (UV)**

Properties that are predominately of a rural purpose are assigned an Unimproved Value that is supplied and updated by the Valuer General on an annual basis.

**UV – Rural**

This rating category consists of properties that are exclusively for rural use. The object of the rate for this category is to be the base rate by which all other UV rated properties are assessed. The reason is that some other UV rating categories have a higher demand on Shire services and resources.

The proposed rate in the dollar for this category is 0.7702 cents, with a minimum payment of \$1,166.

**UV – Commercial/Industrial**

This rating category consists of properties that are exclusively for Commercial use. The object of the rate for this category is to be consistent with the UV – Rural category and therefore rated accordingly. The reason is that the properties in this category have similar characteristic and demand for shire services as the UV – Rural category.

The proposed rate in the dollar for this category is 0.7702 cents, with a minimum payment of \$1,166.

**UV – Mining**

This rating category consists of properties that are used for mining, exploration or prospecting purposes. The object of the rate for this category is to raise additional revenue to fund the additional cost impacts to the Shire. The reason this category is rated higher than UV – Rural is to reflect the higher road infrastructure maintenance cost to the Shire as a result of frequent heavy vehicle use over extensive lengths of Shire roads throughout the year.

The proposed rate in the dollar for this category is 9.395 cents, with a minimum payment of \$583.