

City of Vincent

Proposed Differential Rates for Council Rates 2017/18



CITY OF VINCENT

2017/18

Statement of Objects & Reasons for the Proposed Differential Rates & Minimum Payments

In accordance with the provisions of Section 6.33 of the Local Government Act 1995, the City is proposing to impose differential rates and minimum payments on rateable properties consistent with key values of objectivity, fairness and equity, transparency.

Objectivity

For properties within the City, land on which differential rating is proposed is rated according to the following characteristics:

- Land use
- Vacant land

The table below details the proposed differential rates for the 2017/18 financial year:

Rating Category	Rate in dollar (\$)	Minimum Payment
Residential	0.06289	\$1,100
Other (Commercial/Industrial)	0.06489	\$1,100
Vacant-Commercial	0.12236	\$1,414

*Note: The applicable rate in the dollar has been set to align the value of rates from each category in general alignment to the percentage that they represent of the total GRV.

Revaluation year

Differential rates in the dollar are based on the Gross Rental Valuation (GRV) provided by the Valuer General's Office. These values are revalued every three years, with the latest valuation to apply from the 2017/18 rating year. The triennial revaluation of all properties will therefore have an impact on rates for individual properties. Therefore, whilst the city is generally proposing a 2.7% increase in rates, it is possible for your percentage increase in rates to be higher or lower, due to the effect of the revaluation on your property's GRV.

City of Vincent

Proposed Differential Rates for Council Rates 2017/18

If you believe your valuation is incorrect you are entitled to appeal to the VGO. Enclosed with your annual rates notice will be a leaflet from the VGO further explaining valuations and the appeal process. **Please note the valuations provided by the VGO are based on valuations and sales data that would have been valid as of August 2015.**

Differential rating

Properties in the City of Vincent are rated by applying the Rate-in-the-\$ to the Gross Rental Value (GRV) of each property. The City has three differential rating categories and there is no intention to make any changes to the existing structure or equity between the rating categories for the 2017/18 rating year. A 2.7% increase has been added to categories to maintain parity, with an increase to the Minimum payments for Residential and Other categories.

The following reflects the Objects and Reasons for each Differential Rating category:

Residential Category

The Residential rate imposes a differential rate on land primarily used for residential purposes.

The object of this proposed rate is to ensure that all ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the City. The proposed rate is 6.289 cents in the dollar and a minimum payment of \$1,100.

Other (Commercial or Industrial) Category

The Other rate is imposed on non-residential properties that are primarily used for commercial or industrial purposes. Examples of properties that fall within this category are retail shops, warehouses, offices, garages, and properties generally for business purposes.

The object of this proposed differential rate is to manage the impact of significant variations in valuations between the categories, which can result in substantial shifts in the rate burden. This includes the provision and maintenance of infrastructure used by commercial or industrial businesses. The proposed rate in this category is 6.489 cents in the dollar and a minimum rate of \$1,100.

Vacant Commercial

The Vacant Commercial rate is imposed on vacant or undeveloped non-residential properties that are zoned either commercial or industrial.

The object of the higher Vacant-Commercial land rate is to encourage the development of vacant land. The main reason for this differential rate is that, vacant land is often unsightly and unkempt and it can be used for the illegal dumping of rubbish and other illegal purposes which can be a burden to the residents in the City. The City considers the development of Vacant Commercial properties to be in the best interests of the community as it will increase the street appeal of

City of Vincent

Proposed Differential Rates for Council Rates 2017/18

suburbs and the vibrancy of town centres. The proposed rate in this category is 12.236 cents in the dollar and a minimum payment of \$1,414.

Objects for Minimum rating

Rates are calculated by multiplying a property's assessed GRV by the adopted rate-in-the-\$. However, councils can apply a minimum rate, which recognises that all ratepayers have an equal opportunity to enjoy the facilities and services provided by Council, regardless of the value of their property. It is generally accepted that a property's value bears little relation to the landowner's use of Council facilities and services, therefore the application of a minimum rate is considered to be a fairer outcome.

The balance between the rate in the \$ and level of the Minimum Rate is important in establishing equity and ensuring an optimal level of revenue from a nominated rating level.

Submissions

Section 6.36 of the Local Government Act 1995 requires for the Council to invite ratepayers and electors to comment on the proposed differential rates and minimum payments. Comments must be submitted in writing and addressed to the Chief Executive Officer, City of Vincent, PO Box 82 Leederville WA 6902 or lodged by email to: mail@vincent.wa.gov.au

For further information:

Enquires can be made to the City of Vincent Rates Department on (08) 9273 6000.