



Objects and Reasons for the 2019/2020 Differential Rates & Minimum Payments

In accordance with the provisions of *Section 6.33 of the Local Government Act 1995*, the City has adopted differential rates and minimum payments on rateable properties.

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 differential rate is to ensure that all ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the City.

Other (Commercial or Industrial) Category

The *Other* rate is imposed on non-residential properties that are primarily used for commercial or industrial purposes. The object of this differential rate is to manage the impact of significant differences in valuations in *Residential*, which can result in substantial shifts in the rate burden. This includes the provision and maintenance of infrastructure used by commercial or industrial businesses.

Vacant Commercial

The *Vacant Commercial* rate is imposed on vacant or undeveloped non-residential properties that are zoned 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 suburbs and the vibrancy of town centres.

Minimum rating

The application of a minimum rate is recognising that all ratepayers have an equal opportunity to enjoy the facilities and services provided by Council, regardless of the value (or rental 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 dollar and level of the minimum rate is important in establishing equity and ensuring an optimal level of revenue from a nominated rating level.

Adopted Rates 2019/20

The proposed differential rates and minimum payments that were previously set out in the local public notice of the intention to levy have been amended. As per Regulation 56(4)(b) of the Local Government (Financial Management) Regulation 1996, the reason for amending the proposed rate is due to current economic climate and the need to minimise cost pressures on residents and businesses.

The adopted differential rates and minimum payments for the 2019/2020 financial year is:

Differential general rate	Proposed Rate in \$	Adopted Rate in \$
GRV - Residential	0.06663	0.06650
GRV - Other	0.06718	0.06718
GRV - Vacant Commercial	0.12817	0.12817

Minimum payment	Proposed Minimum	Adopted Minimum
GRV - Residential	\$ 1,214.30	\$ 1,211.90
GRV - Other	\$ 1,214.30	\$ 1,197.70
GRV - Vacant Commercial	\$ 1,537.40	\$ 1,516.40