

City of Vincent

Differential Rates for Council Rates 2022/23



CITY OF VINCENT

2022/23

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

Differential Rates and Minimum Payments for 2022/23:

The City of Vincent advises Council's intention to levy differential and minimal rates for the 2022/23 Financial Year, in accordance with section 6.36 of the *Local Government Act 1995*. Vincent electors and ratepayers are invited to make submissions on the rates, minimum rates and any related matters.

Council Considerations

Rates levied in the 2022/23 budget provides for the shortfall in income required to enable the City of Vincent to provide the necessary works and services in the 2022/23 Financial Year, after taking into account all non-rate sources of income.

The Gross Rental Value (GRV) for the rateable property is determined by Landgate on behalf of the State Government. The General Rate reflects the proportionate allocation of the City's budget deficiency, excluding rates growth, across the total GRV for Vincent Properties.

$$\text{General Rate} = \frac{\text{Budget Deficiency (excluding rates growth)}}{\text{Total GRV for Vincent Properties}}$$

$$\text{General Rate} = \frac{\$39,765,511}{\$463,253,990}$$

$$\text{General Rate} = 0.085840$$

Rationale for differential rating categories

According to section 6.33 of the *Local Government Act 1995* differential general rates are imposed on the following characteristics:

- The purpose for which the land is zoned; and
- A purpose for which the land is held or used; and
- If the land is vacant.

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The table below details the differential rates for the 2022/23 financial year:

Rating Category	Rate in dollar	Minimum rates
Residential	0.08579	\$1,335.32
Vacant-Residential	0.08191	\$1,180.00
Vacant-Commercial	0.13791	\$1,631.65
Other – Commercial/Industrial	0.07229	\$1,288.73

The GRV is multiplied by the rate in dollar to determine the rates levy for each property.

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 rate in the dollar has been set at or about the general rate, on the basis that residential properties represent 72% of the total gross rental value of all Vincent properties and therefore they will make a reasonable contribution to the cost of local government services and facilities.

Vacant - Residential Category:

The *Vacant-Residential* rate is imposed on vacant, inhabitable or undeveloped residential properties that are zoned Residential.

The rate in the dollar is designed to promote development of these properties thereby stimulating growth and development in the community.

Vacant - Commercial:

The *Vacant-Commercial* rate is imposed on vacant or undeveloped non-residential properties that are zoned Mixed Use, Local Centre, District/Regional Centre, Special Use and Commercial.

The rate in the dollar has been set at or about 160% of the general rate. A higher vacant commercial rate encourages the development of vacant properties, improving the City's streetscape and builds business infrastructure that contributes to the local economy.

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Other – Commercial/Industrial:

The *Other – Commercial/Industrial* rate is imposed on non-residential properties that are used for commercial or industrial purposes.

Examples of properties that fall within this category are retail shops, storerooms, car bays, advertisements, wholesalers, warehouses, offices, service stations, hotels, taverns, and properties generally used for business purposes.

The rate in the dollar for all Commercial/Industrial Improved property has been set at or about 85% of the general rate. A lower commercial and industrial rate has been designed to support local businesses which were significantly impacted by the COVID-19 pandemic.

The objective for minimum rating:

A minimum rate is applied to all differential rate categories within the City of Vincent.

The setting of the minimum rate recognises that every property within the City receives a minimum level of benefit from works and services provided throughout the City. By adopting a minimum rate, Council take this benefit into consideration.

For further information:

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