



# Rating Proposal 2023/2024

For Public Inspection (Section 6.36 for the Local Government Act)



## **RATING PROPOSAL & OBJECTS & REASONS**

### **2023/24**

#### **Introduction**

Rates are a primary source of revenue for the City of Busselton (City) and are imposed on all rateable land within its district so as to provide revenue to fund the services and facilities provided to residents, local businesses and visitors.

A single general rate may be imposed on all rateable land with a Gross Rental Value (GRV) or Unimproved Value (UV) type. Alternatively the City can distinguish between land with either value type on the basis of its use, zoning or whether it is vacant land (or other characteristic set out in regulations), or a combination of these factors and apply a differential rate.

A differential rate is generally imposed to ensure that every landowner and business venture makes a reasonable contribution to maintaining and upgrading services and facilities within the district. Also, it is used to maintain relativities between rate groups, giving the ability to moderate varying levels or target driven rating between or for specific rate groups.

For the 2023/24 financial year, the City intends to continue to use differential rates to raise rate revenue and balance Councils 2023/24 Annual Budget, whilst also ensuring alignment with Council's endorsed Strategic Community Plan (2021-2031), Corporate Business Plan (2022-2026) and Long Term Financial Plan (2022-23 to 2031-32). It is intended that for 2023/24 financial year that there will be an average 3.9% increase to each differential rating category.

The amount of rates payable by a property is determined by four factors:

1. the properties valuation type of GRV or UV;
2. the amount of the valuation;
3. the properties differential rating category; and
4. the rate in the dollar or minimum payment of that differential rating category.

All rateable land will have either a GRV valuation for land that is predominantly used for non-rural purposes or a UV valuation for land that is predominantly used for rural purposes. These valuations are provided by the Valuer General in accordance with the *Valuation of Land Act 1978* and are usually revalued every 3 to 6 years for GRV and yearly for UV values. There has been a revaluation of all UV's values effective from the 1<sup>st</sup> July 2023.

A property's annual rating assessment is determined by multiplying its valuation by the rate in the dollar as set by Council in its annual budget. The increase in UV's have been taken into consideration as best as possible when setting the 2023/24 rate in the dollar for each UV differential rating category. If a property's UV has increased above the average then this property's rate increase will more than likely be higher than the intended average 3.9% increase. This is because a rate in the dollar under the Local Government Act 1995 (LGA) must be applied to all properties within a differential rating category, and not individually property by property.

#### **Minimum Rates**

Each differential rating category has a minimum payment that is applied to ensure those properties not subject to a rate in the dollar calculation make a fair and equitable contribution to the City's rate revenue.

A minimum payment is levied if it is equal to or less than the amount when calculating rates by using the rate in the dollar multiplied by a properties valuation.

It is intended that for the 2023/24 financial year there will be a 3.9% increase to the minimum payment for each differential rate category.

## Differential Rating Category Proposed Rate in Dollar and Minimum Payment

It is proposed for the 2023/24 financial year that the following rate in the dollar and minimum payment for each differential rating category will apply:

<u>Differential Rate</u>	<u>Rate in the \$</u>	<u>Minimum Payment</u>
<b>GROSS RENTAL VALUATION PROPERTIES</b>		
Residential – Improved & Vacant	\$0.085327	\$1,517
Commercial - Improved & Vacant	\$0.112218	\$1,517
Industrial - Improved & Vacant	\$0.119475	\$1,517
GRV Holiday Home	\$0.094813	\$1,576
<b>UNIMPROVED VALUATION PROPERTIES</b>		
Primary Production	\$0.003517	\$1,517
UV Commercial	\$0.006368	\$1,517
UV Rural	\$0.003327	\$1,656
UV Holiday Home	\$0.003289	\$1,822

(\*\*NOTE: Council when adopting the annual budget may vary the above proposed rate in the dollar and minimum payment amounts.)

## Objects and Reasons for Differential Rates

The overall object of the City's differential rates is to raise rate revenue in a manner that is simple, efficient and equitable to all ratepayers within the district. The objects and reasons for each differential rating category are as follows:

### Differential Rates – Gross Rental Valuations (GRV)

#### ❖ Residential (Improved/Vacant)

The object of this category is to apply a differential general rate or minimum payment to land used or held or zoned for residential purposes. And to act as the City's benchmark differential rate and minimum payment by which all other GRV rated properties are assessed.

The reason for this rate is to ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance of public assets, infrastructure and facilities, as well the provision of community services throughout the district.

#### ❖ GRV Holiday Home

The object of this category is to apply a differential rate or minimum payment to land with a Gross Rental Value that is wholly or partly used or held or zoned for Holiday Home purposes.

The reasons for this rate, which is over and above that for ordinary Residential mentioned above, is in order to assist with the funding of Tourism, Marketing, Events and Economic Development related projects, activities and services throughout the district.

#### ❖ Commercial (Improved/Vacant)

The object of this category is to apply a differential rate or minimum payment to land wholly or partly used or held or zoned for Commercial purposes.

The reason for this rate is in order to assist with the funding of Tourism, Marketing, Events and Economic Development related projects, activities and services throughout the district.

#### ❖ Industrial (Improved/Vacant)

The object of this category is to apply a differential rate or minimum payment to land wholly or partly used or held or zoned for Industrial purposes.

The reason for this rate is in order to assist with the funding of Tourism, Marketing, Events and Economic Development related projects, activities and services throughout the district.

## Differential Rates – Unimproved Valuations (UV)

### ❖ Primary Production

The object of this category is to apply a differential general rate or minimum payment to land used or held or zoned for bona-fide primary production and is to act as the City's benchmark differential rate by which all other UV rated properties are assessed.

The reason for this rate is to ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance of public assets, infrastructure and facilities, as well the provision of community services throughout the district.

### ❖ UV Rural

The object of this category is to apply a differential rate or minimum payment to land used or held or zoned for non-primary production or non-commercial purposes.

The reason for this rate is to acknowledge that the majority of properties in this category are typically of a rural residential nature and that the level of rating should be more reflective of such use.

### ❖ UV Holiday Home

The object of this category is to apply a differential rate or minimum payment to land with an Unimproved Value that is wholly or partly used or held or zoned for Holiday Home purposes.

The reason for this rate is in order to assist with the funding of Tourism, Marketing, Events and Economic Development related projects, activities and services throughout the district.

### ❖ UV Commercial

The object of this category is to apply a differential rate or minimum payment to land with an Unimproved Value that is wholly or partly used or held or zoned for commercial purposes.

The reason for this rate is in order to assist with the funding of Tourism, Marketing, Events and Economic Development related projects, activities and services throughout the district, and to achieve a fair and equitable level of rating between commercial properties within both the UV and GRV differential rating categories.

## Specified Area Proposed Rate in Dollar

It is proposed for the 2023/24 financial year that the following rate in the dollar will apply for the Specified Area's as per the below maps:

Specified Area	Rate in the \$	Total Rates
<b>GROSS RENTAL VALUATION PROPERTIES</b>		
<b><u>PORT GEOGRAPHE</u></b> To all properties within the area known as Port Geographe, in order to meet the obligations of the City under the Port Geographe Management Deed. The rate is applied to all properties within the area of former Town Planning Scheme No. 19 based upon a property's Gross Rental Value.	\$0.013964	\$247,652
<b><u>PROVENCE</u></b> To all properties within the area known as the Provence Subdivision (Busselton Airport North), in order to hold funds for the maintenance of the approved higher standard of	\$0.012739	\$205,021

landscaping within the Provence subdivision in accordance with Council resolution C0806/172.

### Specified Area Proposed Rate in Dollar Continued

<p><b><u>VASSE</u></b></p> <p>To all properties within the area known as the Vasse (Birchfields) Subdivision, in order to hold funds for the maintenance of the approved higher standard of landscaping within the Vasse (Birchfields) subdivision in accordance with Council resolution C0806/173.</p>	\$0.015803	\$202,058
Specified Area	Rate in the \$	Total Rates
<b>UNIMPROVED VALUATION PROPERTIES</b>		
<p><b><u>PROVENCE</u></b></p> <p>To all properties within the area known as the Provence Subdivision (Busselton Airport North), in order to hold funds for the maintenance of the approved higher standard of landscaping within the Provence subdivision in accordance with Council resolution C0806/172.</p>	\$0.000135	\$815

(\*\*NOTE: Council when adopting the annual budget may vary the above proposed rate in the dollar.)



