



Rating Proposal 2025/2026

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



RATING PROPOSAL & OBJECTS & REASONS

2025/26

Introduction

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

All rateable land will have either a Gross Rental Value (GRV) valuation, for land that is predominantly used for non-rural purposes, or an Unimproved (UV) valuation, for land that is predominantly used for rural purposes. These valuations are provided by the Valuer Generals Office (VGO) in accordance with the *Valuation of Land Act 1978* and are usually revalued every 3 years for GRV and yearly for UV values. There has been a revaluation of all GRV's and UV's with average increases of 35.61% and 9.32% respectively. The new valuations will be effective from 1 July 2025 with the GRV average increases being:

- Residential: 41.88%
- Commercial: 11.1%
- Industrial: 14.87%
- Vacant Land: 38.06%
- Miscellaneous: 34.15%

The new GRV and UV valuations were assessed by the VGO as of 1 August 2024.

The City may impose a single general rate on all rateable land with a GRV or UV valuation type. Alternatively, the City can distinguish between land based on 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. It is also 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 2025/26 financial year, the City intends to continue to use differential rates to raise rate revenue and balance Councils 2025/26 Annual Budget, while also ensuring alignment with Council's endorsed strategies and plans.

It is intended that for the 2025/26 financial year that there will be an average 7.00% increase on all differential rating categories except for Holiday Homes, which will have an average 22.81% increase. These average increases take into consideration as best as possible the GRV and UV valuation increases, with the proposed rates in the dollar having been reduced in response. Where a property's valuation increase is above or below the average, then that property's rates will be higher or lower than the 7% or 22% average.

The proposed rate increase seeks to provide for continued maintenance of the City's substantial asset base and the delivery of quality services and facilities for the community. The City intends to contribute 2% of total rates revenue to its New Sport and Recreation reserve fund, in line with its Council Plan priority for improved sport and recreation infrastructure and is also looking to fund additional bushfire mitigation.

Funding will also help to bolster staffing in areas such as regulatory services and compliance, waste management, work health and safety, and infrastructure design and delivery. Ensuring the City can attract and retain qualified and experienced staff is a key workforce planning goal.

Increases to holiday homes rates will help to recover compliance revenue lost through the City's registration scheme coming to an end (with the City's registration scheme ending in January 2025) and will also help to improve parity between the rating contribution of commercial accommodation providers and holiday home operators. Holiday homes and commercial accommodation both play an important role in the tourism industry, supported by the City's services and well maintained City infrastructure.

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

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

A property's annual rating assessment is determined by multiplying its GRV or UV valuation by the differential rating category rate in the dollar as set by Council in its annual budget.

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.

(I.E. Residential GRV \$15,500 x \$0.068787 = \$1,066.20 So minimum payment of \$1,737.00 will apply.)

Differential Rating Category Proposed Rate in Dollar and Minimum Payment

It is proposed for the 2025/26 financial year that the following rate in the dollar and minimum payment will apply for each differential rating category:

Differential Rating Category	Rate in the \$	Minimum Payment
GROSS RENTAL VALUATION PROPERTIES		
Residential – Improved & Vacant	\$0.068787	\$1,737.00
Commercial - Improved & Vacant	\$0.114766	\$1,737.00
Industrial - Improved & Vacant	\$0.118318	\$1,737.00
Holiday Home	\$0.095785	\$2,177.00
UNIMPROVED VALUATION PROPERTIES		
Primary Production	\$0.003166	\$1,737.00
Commercial	\$0.005893	\$1,737.00
Rural	\$0.003035	\$1,895.00
Holiday Home	\$0.003620	\$2,517.00

(**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 to assist with the funding of Tourism, Marketing, Events and Economic Development related projects, activities, and services throughout the district, as well as assist with the compliance costs associated with holiday homes. It is also to improve parity between the rating contribution of commercial accommodation providers and holiday home operators.

❖ **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 to assist with the funding of Tourism, Marketing, Events and Economic Development related projects, activities, and services throughout the district, as well as assist with the compliance costs associated with holiday homes. It is also to improve parity between the rating contribution of commercial accommodation providers and holiday home operators.

❖ **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.

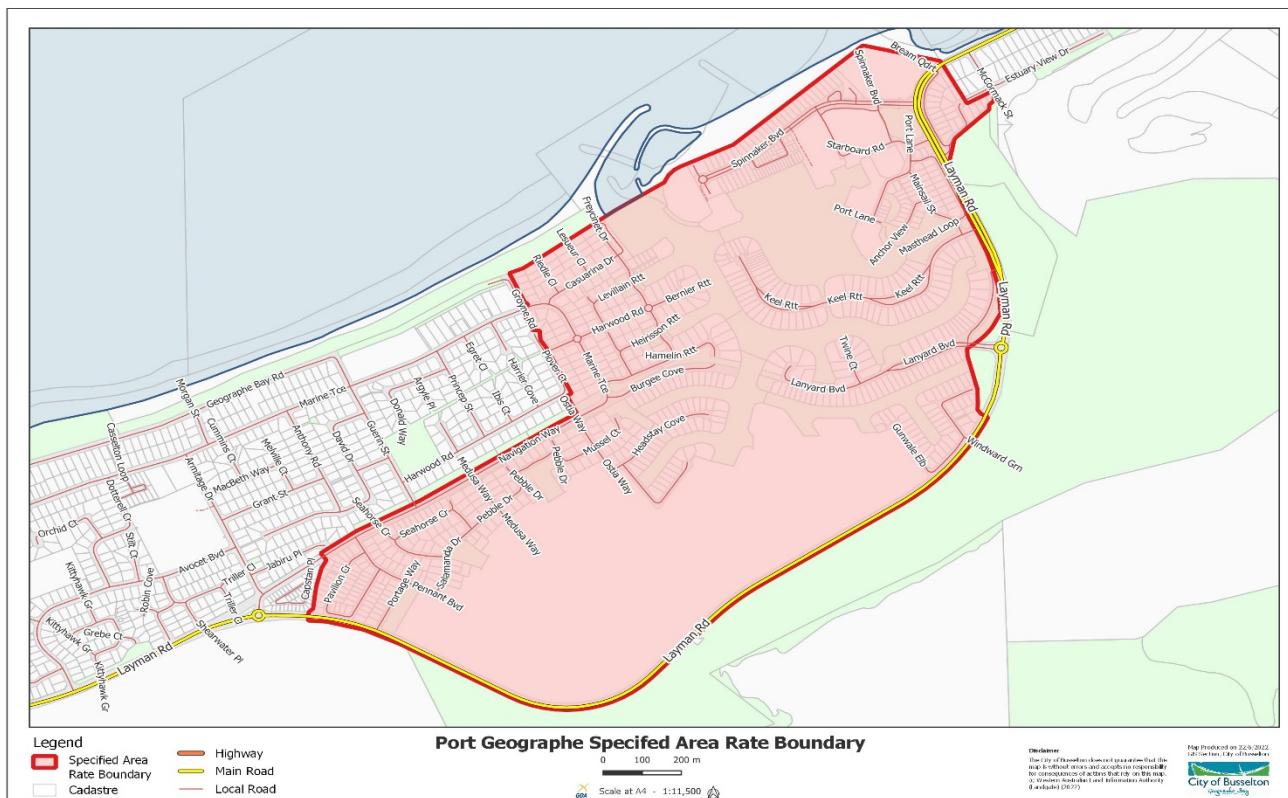
The reason for this rate is in order to assist with the funding of Tourism, Marketing, Events and Economic Development related projects, activities and services throughout the district, and to achieve a fair and equitable level of rating between commercial properties within both the UV and GRV differential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

Specified Area Proposed Rate in Dollar

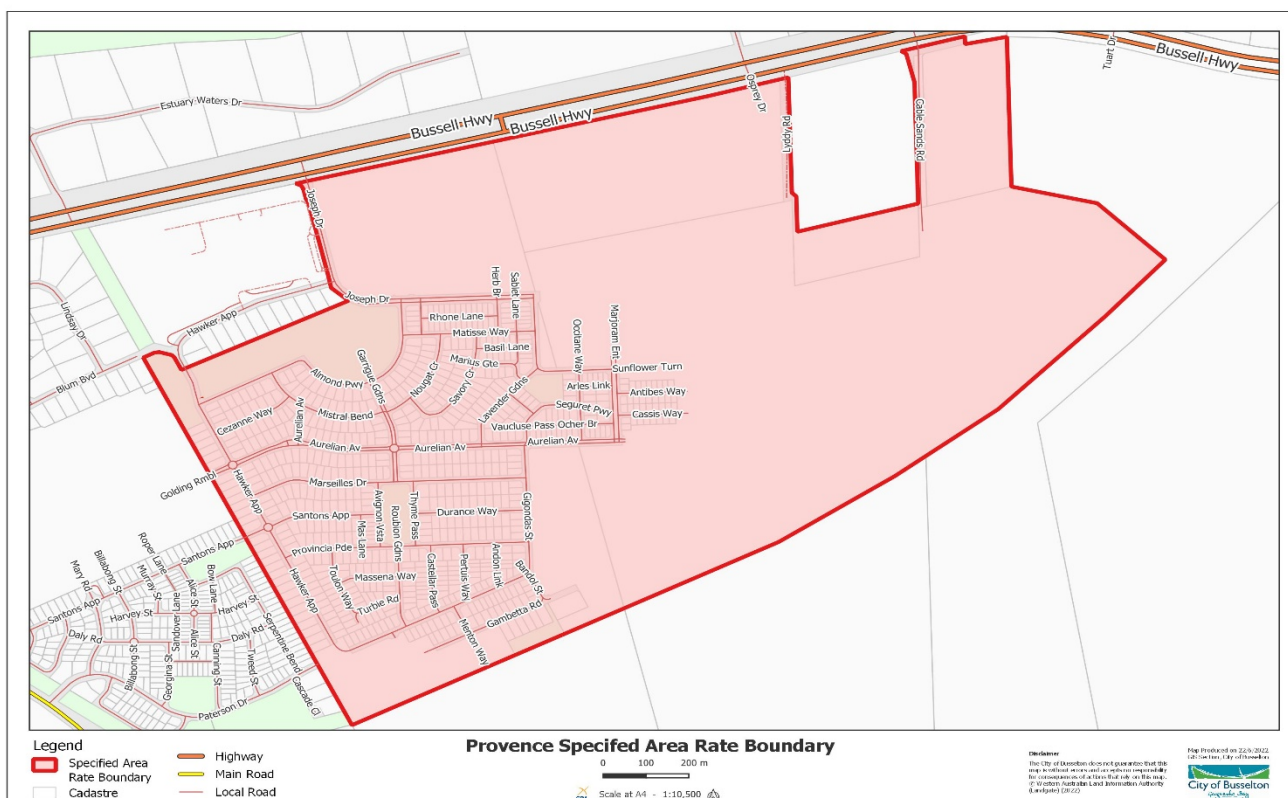
It is proposed for the 2025/26 financial year that the following rate in the dollar will apply for the Specified Area's as per the below maps:

<u>Specified Area</u>	Rate in the \$	Total Rates
GROSS RENTAL VALUATION PROPERTIES		
<p><u>PORT GEOGRAPHE</u></p> <p>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.</p>	\$0.010515	\$291,742
<p><u>PROVENCE</u></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>	\$0.009135	\$231,819
<p><u>VASSE</u></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>	\$0.011395	\$216,246
UNIMPROVED VALUATION PROPERTIES		
<p><u>PROVENCE</u></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>	\$0.000141	\$863

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



SAR Boundary Map - 121113.qgr



SAR Boundary Map - 121113.qgr

