Statement of Objects and Reasons

This Statement is published by the Shire of Boddington in accordance with Section 6.36 of the Local Government Act 1995 to advise the public of its objectives and reasons for implementing differential rates.

The purpose of levying rates is to meet Council’s budgetary requirements in each financial year in order to deliver services, facilities and community infrastructure. Property valuations provided by the Valuer General are used as the basis for the calculation of rates each year.

Section 6.36 of the Local Government Act provides the ability to differentially rate properties based on zoning and/or land use as determined by the Shire of Boddington. The application of differential rating maintains equity in the rating of properties across the Shire, enabling the Council to provide facilities, services and infrastructure to the entire community and visitors to the area.

Summary of the proposed minimum payments and rates in the dollar for 2024/25.

|  |  |  |
| --- | --- | --- |
| **Rating Category** | **Rate in the Dollar** | **Minimum Rate** |
| GRV General | 0.122613 | $1,002 |
| UV General | 0.004320 | $1,002 |
| UV Mining | 0.028235 | $1,002 |
| UV Commercial | 0.018591 | $1,002 |
| UV Rural Residential | 0.007612 | $1,002 |

# Gross Rental Values (GRV)

The Local Government Act 1995 provides that properties of a Non-Rural purpose be rated using the Gross Rental Valuation (GRV) as the basis for the calculation of annual rates. The Valuer General determines the GRV for all properties with a non-rural purpose within the Shire of Boddington approximately every six years and provides a GRV Roll. The current valuation is effective from 1 July 2019. Interim valuations are provided regularly to Council by the Valuer General for properties where changes have occurred during the year (i.e. subdivisions or strata title of property, amalgamations, building constructions, demolition, additions and/or property rezoning). In such instances, the Shire recalculates the rates for the affected properties and issues interim rate notices.

## GRV – General Rate

All land within the Shire used for non-rural purposes (GRV) is rated using a uniform GRV Rate. The uniform rate is calculated and adopted after the consideration of many factors such as current economic conditions, increases to land valuations as assessed by the Valuer General's Office, the infrastructure and service improvement proposals contained in the Budget, as well as other factors. It is considered that for this financial year the valuations imposed by the Valuer General provides the capacity for the additional rate contributions that may be required from different zoning/land use and therefore the need for a differential rate is not deemed necessary.

## Unimproved Values (UV)

The Local Government Act 1995, provides that properties predominantly used for a rural purpose are assigned an Unimproved Value as supplied and reviewed by the Valuer General on an annual basis. The unimproved value of land refers to the market value of the land in its natural state without improvements such as buildings, fences, dams etc.

The rate in the dollar set for the UV-Rural category forms the basis for calculating all other UV differential rates. Interim valuations are provided regularly to Council by the Valuer General for properties where changes have occurred during the year (i.e. subdivisions of property, amalgamations, and/or property rezoning). In such instances Council recalculates the rates for the affected properties and issues interim rate notices.

## UV - General

Characteristics

This rating category covers properties with a UV valuation and predominant rural land use.

Objects

To provide a base level of rating for UV properties.

Reasons

This rate reflects the level of rating required to raise the necessary revenue to operate efficiently and provide local government services and infrastructure.

## UV - Mining

Characteristics

This rating category covers all Mining Leases, Exploration Licenses, Prospecting Licences, Retention Licenses, General Purpose Leases, Special Prospecting Licences for Gold and Miscellaneous Licenses as defined under the Mining Act with a UV valuation. It also includes properties with a UV valuation that are held for mining purposes.

Objects

To raise additional revenue to fund cost impacts to the Shire from mining activities.

Reasons

This differential rate is higher than UV-General to improve fairness and equity outcomes by:

* Applying a premium to compensate for the different valuation method and comparatively lower valuation level compared to equivalent properties in built-up areas.
* Applying a premium to reflect the following key points:
	+ A mining buffer was originally identified in 2007 to assist in accommodating bauxite and gold mining and to reduce land use conflict. The mining buffer protects mining operations from sensitive land uses and development which could prejudice the extraction (now and in the future) of mineral and basic raw material resources.
	+ Mining operations have resource implications on other Shire services and assets including environmental health, emergency management, town planning services and administration.
	+ The impact of higher road infrastructure maintenance costs to the Shire as a result of frequent vehicle use over extensive lengths of roads.

## UV - Commercial

Characteristics

This rating category covers all properties with a UV valuation with any intensive usage which is significantly different from agricultural or horticultural production.

Objects

This differential rate is to raise additional revenue to fund cost impacts to the Shire from this type of development.

Reasons

This category is rated higher to reflect the higher infrastructure maintenance required from commercial activities within a rural zone.

## UV – Rural Residential

Characteristics

This rating category covers all properties with a UV valuation which are zoned Rural Residential and Rural Smallholdings in the Local Planning Scheme No. 3.

Objects

To raise an equitable level of rates in comparison to other categories.

Reasons

This category has a higher rate in the dollar than UV General to ensure that all properties can be rated equitably, including the ability to have a consistent minimum rate across all categories.

## Minimum Payments

The setting of general minimum payment level within all rating categories is an important method of ensuring all properties contribute an equitable rate amount to non-exclusive services. The minimum payment has been set at $1,002 for all rating categories.