



## Differential Rates Objects and Reasons 2021/2022

The following Objects and Reasons are provided in accordance with Section 6.36 of the Local Government Act 1995 (the Act) and Council's "Notice of Intention to Levy Differential Rates" to advertise the Objects and Reasons for the differential rates as part of the 2021/2022 Budget process.

**RATES** - Rates are levied on all rateable properties within the boundaries of the Shire of Kondinin in accordance with the Local Government Act 1995. The overall objective for the raising of the proposed rates and charges in the 2021/2022 Budget is to provide for the funding requirements of the Shire's services, activities, financing costs and the current and future capital requirements of the Shire in light of the Ten Year Long Term Financial Plan. This year it is proposed to increase the revenue collected from rates by 3.5%.

Section 6.33 of the Local Government Act 1995 provides the ability to differentially rate properties based on zoning and/or land use as determined by the Shire of Kondinin. The application of differential rating maintains equity in the rating of properties across the Shire, enabling the Council to provide facilities, infrastructure and services to the entire community and visitors.

### Summary of the proposed minimum payments and rates in the dollar for 2021/2022.

Rate Category	Minimum Payment	Rate in the \$ (cents) proposed
GRV – Townsite	\$450	12.3795
GRV – Mining Infrastructure	\$450	24.7500
UV – Rural	\$450	1.5420
UV – Mining	\$450	29.8485

**Valuations** – Landgate is the statutory authority responsible for the valuation process in accordance with the provisions of the Local Government Act 1995 and the Valuation of Land Act 1978 (as amended). The rates in the \$ will be based on the general valuations as supplied by the Valuer General in respect to Gross Rental Values (GRV) and Unimproved Values (UV). More information on the different valuation methods can be found on the Valuer General's website at [www.landgate.wa.gov.au](http://www.landgate.wa.gov.au)

**Gross Rental Valuations (GRV)** – A property's GRV represents the amount of the gross annual rental the land might obtain if it is let on a tenancy from year to year. GRV properties are reviewed every 5 years as per the Valuation of Land Act 1978 (as amended), the latest review for Shire of Kondinin being effective 1 July 2016.

**Unimproved Valuation (UV)** – A property's UV means the amount the land may reasonably be expected to obtain, if it was sold and assuming no improvements to the land had been made. UV properties are reviewed annually, the latest review for Shire of Kondinin being effective 1 July 2021

## **Objects and Reasons for Differential Rating**

### **GRV – Townsite**

This rate category applies to all properties within the townsite boundaries of Kondinin, Karlgarin & Hyden as per the Local Planning Scheme No1 and the area zoned for public purpose within the Wave Rock precinct.

The object of this differential is to ensure that all properties with GRV valuation make a reasonable contribution towards the services and facilities provided and maintained by the Shire of Kondinin for the benefit of residents within the towns of Kondinin, Karlgarin and Hyden.

Revenue derived from this category will assist funding the service levels expected by the community and achieving the outcomes of the Strategic Community Plan.

### **GRV – Mining Infrastructure**

This rate category applies to mining leases with improvements on the land. These improvements include workforce accommodation and facilities, offices, workshops and processing facilities.

The object of this differential is to raise additional revenue to contribute towards higher maintenance and construction costs associated with mining activity due to its remote location and weights and volumes involved. This rate reflects the cost of servicing the remote mining activity including road infrastructure and waste disposal.

The reason this category is rated higher than GRV is due to the additional costs of maintaining infrastructure (roads) in the eastern sector of the Shire associated with the frequent vehicle use from servicing the mining companies operating in the area. The servicing of mining operations result in the Shire's road network and waste facilities requiring continual ongoing maintenance and renewal work to service these users

### **UV – Rural**

This rate category applies to properties that are predominately used for farming.

The object of this differential is to maintain equity in the rating of property throughout the Shire enabling the Council to provide facilities, infrastructure and services for the entire Shire communities.

The reason for the differential rate is because the UV Rural valuations are by far higher than the UV Mining valuations.

### **UV – Mining**

This rate category applies to properties used for mining, exploration or prospecting purposes.

The object of the differential rate for this category is to raise additional revenue to fund the additional cost impacts to the Shire of Kondinin.

The reason this category is rated higher than UV-Rural is due to the additional costs of maintaining infrastructure (roads) in the eastern sector of the Shire associated with the frequent heavy vehicle use from the mining companies operating in the area. The mining operations result in the Shire's road network requiring continual ongoing maintenance and renewal work to service these users.

### **Minimum Payments**

The Local Government Act 1995 (section 6.35) allows councils to impose a minimum rate, which may not apply to more than 50% of rateable properties. The setting of minimum rates within rating categories recognises that every property receives some minimum level of benefit from the works and services provided by the Shire and the costs of providing non-exclusive services is shared equitably. A proposed minimum rate of \$450 has been applied to all rating categories.

**David Burton**

**Acting Chief Executive Officer**

**Shire of Kondinin**