

Special Council Meeting

27 May 2019

Minutes



Members of the public who attend Council meetings should not act immediately on anything they hear at the meetings, without first seeking clarification of Council's position. Persons are advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

Agendas and Minutes are available on the City's website www.kwinana.wa.gov.au

Vision Statement

Kwinana 2030

***Rich in spirit, alive with opportunities,
surrounded by nature – it's all here!***

Mission

**Strengthen community spirit, lead
exciting growth, respect the environment
- create great places to live.**



We will do this by –

- providing strong leadership in the community;
- promoting an innovative and integrated approach;
- being accountable and transparent in our actions;
- being efficient and effective with our resources;
- using industry leading methods and technology wherever possible;
- making informed decisions, after considering all available information; and
- providing the best possible customer service.

Values

We will demonstrate and be defined by our core values, which are:

- Lead from where you stand – Leadership is within us all.
- Act with compassion – Show that you care.
- Make it fun – Seize the opportunity to have fun.
- Stand Strong, stand true – Have the courage to do what is right.
- Trust and be trusted – Value the message, value the messenger.
- Why not yes? – Ideas can grow with a yes.

Special Council Meeting

Consideration of Advertised Differential Rates Submissions and Request for Ministerial Approval of 2019/2020 Proposed Differential Rates and Minimum Payments.

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Present:

MAYOR CAROL ADAMS
DEPUTY MAYOR PETER FEASEY
CR W COOPER
CR M KEARNEY
CR S LEE
CR S MILLS
CR M ROWSE

MS J ABBISS	-	Chief Executive Officer
MS C MIHOVILOVICH	-	Director City Strategy
MR D ELKINS	-	Director City Infrastructure
MS K HAYWARD	-	Project Manager
MR T HOSSEN	-	Lawyer
MS A MCKENZIE	-	Council Administration Officer

Members of the Press	0
Members of the Public	4

1 Declaration of Opening:

Presiding Member declared the meeting open at 6:00pm and welcomed Councillors, City Officers and gallery in attendance and read the Welcome.

“IT GIVES ME GREAT PLEASURE TO WELCOME YOU ALL HERE AND BEFORE COMMENCING THE PROCEEDINGS, I WOULD LIKE TO ACKNOWLEDGE THAT WE COME TOGETHER TONIGHT ON THE TRADITIONAL LAND OF THE NOONGAR PEOPLE”

2 Prayer:

Councillor Sandra Lee read the Prayer

“OH LORD WE PRAY FOR GUIDANCE IN OUR MEETING. PLEASE GRANT US WISDOM AND TOLERANCE IN DEBATE THAT WE MAY WORK TO THE BEST INTERESTS OF OUR PEOPLE AND TO THY WILL. AMEN”

3 Apologies/Leave(s) of Absence (previously approved)

Apologies

Nil

Leave(s) of Absence (previously approved):

Councillor Dennis Wood from the 27 May 2019 to 31 May 2019 inclusive.

4 Public Question Time:

Nil

5 Applications for Leave of Absence:

Nil

6 Declarations of Interest by Members and City Officers:

Nil

7 Community Submissions:

Nil

8 Reports

8.1 Consideration of Advertised Differential Rates Submissions and Request for Ministerial Approval of 2019/2020 Proposed Differential Rates and Minimum Payments

DECLARATION OF INTEREST:

There were no declarations of interest declared.

SUMMARY:

This report has been prepared for Council to consider submissions received as part of the advertising of the proposed differential rates and to request that the Minister for Local Government, Sport and Cultural Industries (Minister) approve the proposed differential rates prior to the adoption of the rates through the budget process.

At the Ordinary Council Meeting on 10 April 2019, Council endorsed to advertise the Statement of Objects and Reasons and proposed differential rates and minimum payments for the 2019/2020 financial year in accordance with the *Local Government Act 1995*. The advertisement that was placed in the Sound Telegraph newspaper and the West Australian newspaper on 1 May 2019 called for public submissions until close of business on Wednesday 22 May 2019.

Copies of the public notice and Statement of Objects and Reasons were made available for public inspection at the City's Administration Building, Library and on the City's website. Landowners within the Non Residential Vacant rate category were also written to regarding the proposed differential rate for their properties. At the expiration of the statutory advertising period, 33 submissions were received. Full details of all submissions are contained within Attachment A.

OFFICER RECOMMENDATION:

That Council:

1. Receive the 33 submissions and endorse the Officer comments outlined in Attachment A.
2. Instruct the Chief Executive Officer to proceed with the budget preparation based on Option Six and the Statement of Objects and Reasons contained in Attachment G.
3. Authorise the Chief Executive Officer to proceed with the application for Ministerial Approval of the adopted differential rates for:
 - a. GRV Vacant rate in the dollar;
 - b. GRV Vacant number of properties on minimum payment; and
 - c. UV General Industry rate in the dollar.

DISCUSSION:

In order to achieve set initiatives, rates play a significant part of the City's revenue. The purpose of levying rates is to meet the City's budget requirements led by its objectives, strategies and activities detailed in its various plans in order to deliver services and community infrastructure each financial year.

8.1 CONSIDERATION OF ADVERTISED DIFFERENTIAL RATES SUBMISSIONS AND REQUEST FOR MINISTERIAL APPROVAL OF 2019/2020 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS

Prior to advertising the intention to raise differential rates a comparison to neighbouring and close proximity local governments rates for 2018/2019 was undertaken to review the Department of Local Government rating principle of consistency. The local governments that the City was compared to were the Cities of Cockburn, Armadale, Rockingham and Mandurah and the Shire of Serpentine Jarrahdale. The other local governments have one GRV residential rate, one vacant rate (where applied) and one GRV non-residential rate (except for Mandurah that have two GRV non-residential rate categories). These local governments have simplified their rating structure allowing the valuation to be the determining factor when calculating the rates payable.

Each local government is required to determine the level of rates required to fund their budget shortfalls. The City of Kwinana's 2018/2019 residential rating categories minimum payments and rates in the dollar was lower than three of the local governments, with the exception of the Cities of Rockingham and Cockburn's rate in the dollar. Further, the comparison highlights that the City's 2018/2019 differential rate for the GRV non-residential (proposed Improved Commercial and Industrial) and GRV Vacant rating categories was higher in minimum payment and rate in the dollar than four of the comparative local governments.

At the Ordinary Council Meeting on 10 April 2019, Council resolved to advertise the Statement of Objects and Reasons, proposed differential rates and minimum payments for 2019/2020.

The City of Kwinana's 2019/2020 advertised proposed differential rates are provided in Table 1 and 2 below:

Table 1 – Advertised Proposed Differential Rate in the Dollar and Minimum Payments for GRV Rating Categories

GRV 2019/2020 Rate Categories	2019/2020 Minimum Payment (\$)	2019/2020 Rate in Dollar (\$)	GRV 2018/2019 Rate Categories that are proposed to be amalgamated in 2019/2020	Average Increase from 2018/2019
Improved Residential	\$1,072	0.08279		\$49 (3.5%)
Improved Special Residential	\$1,072	0.07589		\$112 (6.59%)
Improved Commercial and Industrial	\$1,395	0.09269	Light Industrial and Commercial	\$505 (2.5%)
			General Industry and Service Commercial	\$689 (7.08%)
			Large Scale General Industry and Service Commercial	\$3,624 (4.04%)
Vacant	\$1,072	0.17249	Vacant Residential	\$109 (2.5%)
			Vacant Non-Residential	\$4,808 (67.41%)

Table 2 – Advertised Proposed Differential Rate in the Dollar and Minimum Payments for UV Rating Categories

8.1 CONSIDERATION OF ADVERTISED DIFFERENTIAL RATES SUBMISSIONS AND REQUEST FOR MINISTERIAL APPROVAL OF 2019/2020 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS

UV Rate Categories	2019/20 Minimum Payment (\$)	2019/20 Rate in Dollar (\$)	Average Increase from 2018/2019
General Industry	\$1,395	0.01821	\$25,048 (3.5%)
Rural	\$1,072	0.00523	\$198 (3.5%)
Mining	\$1,395	0.00877	\$480 (3.5%)

The proposed advertised differential rates can be summarised as follows:

- 2.5% increase to GRV commercial/industrial rating categories rate in the dollar;
- Finalise harmonisation of General Industry and Service Commercial, and Large Scale General Industry and Service Commercial with Light Industrial and Commercial to create new rating category being GRV Improved Commercial and Industrial with a rate in the dollar of 0.09269;
- 2.5% increase to GRV Vacant Residential rate in the dollar;
- Finalise harmonisation of Vacant Non Residential and Vacant Residential rating categories to create new rating category being GRV Vacant
- 3.5% increase to rate in the dollars per the Long Term Financial Plan for all other rating categories;
- Continue harmonisation of GRV Improved Residential and Improved Special Residential rating categories and reducing the difference between these rate categories over the remaining four years (to the 2023/2024 financial year);
- Minimum rates increased by 3.5% for all rating categories.

Advertising of the proposed differential rates for 2019/2020 took place within the Sound Telegraph and The West Australian newspapers on 1 May 2019 and the public notice was also available on the City's Website and placed in the Darius Wells Library and City of Kwinana Administration Centre. Landowners within the Non Residential Vacant rate category were also written to regarding the proposed differential rate for their properties. The notice called for submissions to the proposal with a closing date of Wednesday 22 May 2019 (not less than 21 days).

During the submission period, 33 submissions were received, 24 from Improved Residential, three from Improved Special Residential, five Vacant (from Vacant Non Residential) and one from Mining and Industrial. The full details of each submission and the City Officer's responses are contained within Attachment A.

Since the advertising of the proposed differential rates interim rates processing continued. This has now ceased until the rates for 2019/2020 are raised and the updated rating information has been included in all options below.

As a result of the submissions additional modelling based on an average increase of 2%, 2.5% and 3% across all rating categories, in addition to finalising the simplification of the three GRV commercial and industrial rating categories (to GRV Improved Commercial and Industrial) and the GRV Vacant Residential and Non-Residential rating categories (to GRV Vacant) was conducted with the results provided in Options Two to Four below. Options Five to Seven include harmonising the GRV Vacant rate categories over two to four years.

8.1 CONSIDERATION OF ADVERTISED DIFFERENTIAL RATES SUBMISSIONS AND REQUEST FOR MINISTERIAL APPROVAL OF 2019/2020 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS

Option One

Option One is to continue with proposed differential rates as advertised, which is summarised as follows:

- 2.5% increase to GRV Light Industrial and Commercial rating category rate in the dollar;
- Finalise harmonisation of General Industry and Service Commercial, and Large Scale General Industry and Service Commercial with Light Industrial and Commercial to create new rating category being GRV Improved Commercial and Industrial with a rate in the dollar of 0.09269;
- 2.5% increase to GRV Vacant Residential rate in the dollar;
- Finalise harmonisation of Vacant Non Residential and Vacant Residential rating categories to create new rating category being GRV Vacant
- 3.5% increase to rate in the dollars per the Long Term Financial Plan for all other rating categories;
- Continue harmonisation of GRV Improved Residential and Improved Special Residential rating categories and reducing the difference between these rate categories over the remaining four years (to the 2023/2024 financial year);
- Minimum rates increased by 3.5% for all rating categories.

2019/20 Proposed Rates	19/20 Proposed Rate in Dollar	19/20 Min \$	No. of Properties	19/20 Rateable value	19/20 Proposed Rates \$	19/20 Average Rates \$	18/19 Average Rates \$	Average \$ Increase	Average % Increase
Non-Minimum			15,820	783,286,427	\$37,071,155				
GRV			15,648	378,779,427	\$33,240,949				
Improved Residential (IP)	0.08279	\$1,072	13,885	240,503,744	\$19,911,307	\$1,434	\$1,386	\$48	3.5%
Improved Special Residential (SR)	0.07589	\$1,072	824	19,654,111	\$1,491,551	\$1,810	\$1,698	\$112	6.6%
Light Industrial and Commercial (LIC)	0.09269	\$1,395	139	24,520,381	\$2,272,794	\$16,351	\$15,952	\$399	2.5%
General Industry and Service Commercial (GISC)	0.09269	\$1,395	326	36,655,045	\$3,397,556	\$10,422	\$9,723	\$699	7.2%
Large Scale General Industry and Service Commercial (LSGI)	0.09269	\$1,395	46	46,881,506	\$4,345,447	\$94,466	\$90,797	\$3,669	4.0%
Vacant Non Residential	0.17249	\$1,072	43	2,895,880	\$499,510	\$11,617	\$6,939	\$4,677	67.4%
Vacant Residential (V)	0.17249	\$1,072	385	7,668,760	\$1,322,785	\$3,436	\$3,352	\$84	2.5%
UV			172	404,507,000	\$3,830,206		\$21,507		
General Industry (GI)	0.01821	\$1,395	3	121,200,000	\$2,207,052	\$735,684	\$710,636	\$25,048	3.5%
Rural (R)	0.00523	\$1,072	144	243,347,000	\$1,272,705	\$8,838	\$8,534	\$304	3.5%
Mining (M)	0.00877	\$1,395	25	39,960,000	\$350,449	\$14,018	\$13,538	\$480	3.5%
Minimum			2,445	31,160,587	\$2,646,234				
GRV			2,367	22,100,814	\$2,557,450				
Improved Residential (IP)	0.08279	\$1,072	1,432	16,962,648	\$1,535,104	\$1,072	\$1,036	\$36	3.5%
Improved Special Residential (SR)	0.07589	\$1,072	4	54,600	\$4,288	\$1,072	\$1,036	\$36	3.5%
Light Industrial and Commercial (LIC)	0.09269	\$1,395	28	304,161	\$39,060	\$1,395	\$1,348	\$47	3.5%
General Industry and Service Commercial (GISC)	0.09269	\$1,395	34	299,022	\$47,430	\$1,395	\$1,348	\$47	3.5%
Vacant Non Residential	0.17249	\$1,072	3	4,770	\$3,216	\$1,072	\$1,036	\$36	3.5%
Vacant Residential (V)	0.17249	\$1,072	866	4,475,613	\$928,352	\$1,072	\$1,036	\$36	3.5%
UV			78	9,059,773	\$88,784		\$1,100		
Rural (R)	0.00523	\$1,072	62	8,872,600	\$66,464	\$1,072	\$1,036	\$36	3.5%
Mining (M)	0.00877	\$1,395	16	187,173	\$22,320	\$1,395	\$1,348	\$47	3.5%
Grand Total			18,265	814,447,014	\$39,717,389				

The Statement of Objects and Reasons for option one are contained within Attachment B.

Option Two

Option Two applies a 3% increase in the rate in the dollar to all rating categories plus applying the rate harmonisation gap to the applicable rating categories, which is summarised as follows:

- 3% increase to GRV Light Industrial and Commercial rating category rate in the dollar;
- Finalise harmonisation of General Industry and Service Commercial, and Large Scale General Industry and Service Commercial with Light Industrial and Commercial to create new rating category being GRV Improved Commercial and Industrial with a rate in the dollar of 0.09314;
- 3% increase to GRV Vacant Residential rate in the dollar;
- Finalise harmonisation of Vacant Non Residential and Vacant Residential rating categories to create new rating category being GRV Vacant with a rate in the dollar of 0.17333;

8.1 CONSIDERATION OF ADVERTISED DIFFERENTIAL RATES SUBMISSIONS AND REQUEST FOR MINISTERIAL APPROVAL OF 2019/2020 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS

- 3% increase to rate in the dollars for all other rating categories;
- Continue harmonisation of GRV Improved Residential and Improved Special Residential rating categories and reducing the difference between these rate categories over the remaining four years (to the 2023/2024 financial year);
- Minimum rates increased by 3% for all rating categories.

2019/20 Proposed Rates	19/20 Proposed Rate in Dollar	19/20 Min \$	No. of Properties	19/20 Rateable value	19/20 Proposed Rates \$	19/20 Average Rates \$	18/19 Average Rates \$	Average \$ Increase	Average % Increase
Non-Minimum			15,823	783,313,847	\$37,008,723				
GRV			15,651	378,806,847	\$33,198,724				
Improved Residential (IP)	0.08239	\$1,067	13,885	240,503,744	\$19,815,106	\$1,427	\$1,386	\$41	3.0%
Improved Special Residential (SR)	0.07553	\$1,067	824	19,654,111	\$1,484,475	\$1,802	\$1,698	\$104	6.1%
Light Industrial and Commercial (LIC)	0.09314	\$1,388	140	24,535,381	\$2,285,225	\$16,323	\$15,848	\$475	3.0%
General Industry and Service Commercial (GISC)	0.09314	\$1,388	326	36,655,045	\$3,414,051	\$10,473	\$9,723	\$750	7.7%
Large Scale General Industry and Service Commercial (LSGI)	0.09314	\$1,388	46	46,881,506	\$4,366,543	\$94,925	\$90,797	\$4,128	4.5%
Vacant Non Residential	0.17333	\$1,067	43	2,895,880	\$501,943	\$11,673	\$6,939	\$4,734	68.2%
Vacant Residential (V)	0.17333	\$1,067	387	7,681,180	\$1,331,379	\$3,440	\$3,340	\$100	3.0%
UV			172	404,507,000	\$3,810,000				
General Industry (GI)	0.01812	\$1,388	3	121,200,000	\$2,196,144	\$732,048	\$710,636	\$21,412	3.0%
Rural (R)	0.00520	\$1,067	144	243,347,000	\$1,265,404	\$8,788	\$8,534	\$254	3.0%
Mining (M)	0.00872	\$1,388	25	39,960,000	\$348,451	\$13,938	\$13,538	\$400	3.0%
Minimum			2,442	31,133,167	\$2,630,331				
GRV			2,364	22,073,394	\$2,541,969				
Improved Residential (IP)	0.08239	\$1,067	1,432	16,962,648	\$1,527,944	\$1,067	\$1,036	\$31	3.0%
Improved Special Residential (SR)	0.07553	\$1,067	4	54,600	\$4,268	\$1,067	\$1,036	\$31	3.0%
Light Industrial and Commercial (LIC)	0.09314	\$1,388	27	289,161	\$37,476	\$1,388	\$1,348	\$40	3.0%
General Industry and Service Commercial (GISC)	0.09314	\$1,388	34	299,022	\$47,192	\$1,388	\$1,348	\$40	3.0%
Vacant Non Residential	0.17333	\$1,067	3	4,770	\$3,201	\$1,067	\$1,036	\$31	3.0%
Vacant Residential (V)	0.17333	\$1,067	864	4,463,193	\$921,888	\$1,067	\$1,036	\$31	3.0%
UV			78	9,059,773	\$88,362				
Rural (R)	0.00520	\$1,067	62	8,872,600	\$66,154	\$1,067	\$1,036	\$31	3.0%
Mining (M)	0.00872	\$1,388	16	187,173	\$22,208	\$1,388	\$1,348	\$40	3.0%
Grand Total			18,265	814,447,014	\$39,639,054				

The Statement of Objects and Reasons for option two are contained within Attachment C.

Option Three

Option Three applies a 2.5% increase in the rate in the dollar to all rating categories plus applying the rate harmonisation gap to the applicable rating categories, which is summarised as follows:

- 2.5% increase to GRV Light Industrial and Commercial rating category rate in the dollar;
- Finalise harmonisation of General Industry and Service Commercial, and Large Scale General Industry and Service Commercial with Light Industrial and Commercial to create new rating category being GRV Improved Commercial and Industrial with a rate in the dollar of 0.09269;
- 2.5% increase to GRV Vacant Residential rate in the dollar;
- Finalise harmonisation of Vacant Non Residential and Vacant Residential rating categories to create new rating category being GRV Vacant with a rate in the dollar of 0.17249;
- 2.5% increase to rate in the dollars for all other rating categories;
- Continue harmonisation of GRV Improved Residential and Improved Special Residential rating categories and reducing the difference between these rate categories over the remaining four years (to the 2023/2024 financial year);
- Minimum rates increased by 2.5% for all rating categories.

8.1 CONSIDERATION OF ADVERTISED DIFFERENTIAL RATES SUBMISSIONS AND REQUEST FOR MINISTERIAL APPROVAL OF 2019/2020 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS

2019/20 Proposed Rates	19/20 Proposed Rate in Dollar	19/20 Min \$	No. of Properties	19/20 Rateable value	19/20 Proposed Rates \$	19/20 Average Rates \$	18/19 Average Rates \$	Average \$ Increase	Average % Increase
Non-Minimum			15,823	783,313,847	\$36,830,750				
GRV			15,651	378,806,847	\$33,038,124				
Improved Residential (IP)	0.08199	\$1,062	13,885	240,503,744	\$19,718,903	\$1,420	\$1,386	\$35	2.5%
Improved Special Residential (SR)	0.07518	\$1,062	824	19,654,111	\$1,477,596	\$1,793	\$1,698	\$95	5.6%
Light Industrial and Commercial (LIC)	0.09269	\$1,382	140	24,535,381	\$2,274,185	\$16,244	\$15,848	\$396	2.5%
General Industry and Service Commercial (GISC)	0.09269	\$1,382	326	36,655,045	\$3,397,556	\$10,422	\$9,723	\$699	7.2%
Large Scale General Industry and Service Commercial (LSGI)	0.09269	\$1,382	46	46,881,506	\$4,345,447	\$94,466	\$90,797	\$3,669	4.0%
Vacant Non Residential	0.17249	\$1,062	43	2,895,880	\$499,510	\$11,617	\$6,939	\$4,677	67.4%
Vacant Residential (V)	0.17249	\$1,062	387	7,681,180	\$1,324,927	\$3,424	\$3,340	\$84	2.5%
UV			172	404,507,000	\$3,792,626				
General Industry (GI)	0.01803	\$1,382	3	121,200,000	\$2,185,236	\$728,412	\$710,636	\$17,776	2.5%
Rural (R)	0.00518	\$1,062	144	243,347,000	\$1,260,537	\$8,754	\$8,534	\$220	2.5%
Mining (M)	0.00868	\$1,382	25	39,960,000	\$346,853	\$13,874	\$13,538	\$336	2.5%
Minimum			2,442	31,133,167	\$2,618,044				
GRV			2,364	22,073,394	\$2,530,088				
Improved Residential (IP)	0.08199	\$1,062	1,432	16,962,648	\$1,520,784	\$1,062	\$1,036	\$26	2.5%
Improved Special Residential (SR)	0.07518	\$1,062	4	54,600	\$4,248	\$1,062	\$1,036	\$26	2.5%
Light Industrial and Commercial (LIC)	0.09269	\$1,382	27	289,161	\$37,314	\$1,382	\$1,348	\$34	2.5%
General Industry and Service Commercial (GISC)	0.09269	\$1,382	34	299,022	\$46,988	\$1,382	\$1,348	\$34	2.5%
Vacant Non Residential	0.17249	\$1,062	3	4,770	\$3,186	\$1,062	\$1,036	\$26	2.5%
Vacant Residential (V)	0.17249	\$1,062	864	4,463,193	\$917,568	\$1,062	\$1,036	\$26	2.5%
UV			78	9,059,773	\$87,956				
Rural (R)	0.00518	\$1,062	62	8,872,600	\$65,844	\$1,062	\$1,036	\$26	2.5%
Mining (M)	0.00868	\$1,382	16	187,173	\$22,112	\$1,382	\$1,348	\$34	2.5%
Grand Total			18,265	814,447,014	\$39,448,794				

The Statement of Objects and Reasons for option three are contained within Attachment D.

Option Four

Option Four applies a 2% increase in the rate in the dollar to all rating categories plus applying the rate harmonisation gap to the applicable rating categories, which is summarised as follows:

- 2% increase to GRV Light Industrial and Commercial rating category rate in the dollar;
- Finalise harmonisation of General Industry and Service Commercial, and Large Scale General Industry and Service Commercial with Light Industrial and Commercial to create new rating category being GRV Improved Commercial and Industrial with a rate in the dollar of 0.09224;
- 2% increase to GRV Vacant Residential rate in the dollar;
- Finalise harmonisation of Vacant Non Residential and Vacant Residential rating categories to create new rating category being GRV Vacant with a rate in the dollar of 0.17165;
- 2% increase to rate in the dollars for all other rating categories;
- Continue harmonisation of GRV Improved Residential and Improved Special Residential rating categories and reducing the difference between these rate categories over the remaining four years (to the 2023/2024 financial year);
- Minimum rates increased by 2% for all rating categories.

8.1 CONSIDERATION OF ADVERTISED DIFFERENTIAL RATES SUBMISSIONS AND REQUEST FOR MINISTERIAL APPROVAL OF 2019/2020 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS

2019/20 Proposed Rates	19/20 Proposed Rate in Dollar	19/20 Min \$	No. of Properties	19/20 Rateable value	19/20 Proposed Rates \$	19/20 Average Rates \$	18/19 Average Rates \$	Average \$ Increase	Average % Increase
Non-Minimum			15,823	783,313,847	\$36,650,142				
GRV			15,651	378,806,847	\$32,877,323				
Improved Residential (IP)	0.08159	\$1,057	13,885	240,503,744	\$19,622,694	\$1,413	\$1,386	\$28	2.0%
Improved Special Residential (SR)	0.07482	\$1,057	824	19,654,111	\$1,470,521	\$1,785	\$1,698	\$86	5.1%
Light Industrial and Commercial (LIC)	0.09224	\$1,375	140	24,535,381	\$2,263,144	\$16,165	\$15,848	\$317	2.0%
General Industry and Service Commercial (GISC)	0.09224	\$1,375	326	36,655,045	\$3,381,061	\$10,371	\$9,723	\$649	6.7%
Large Scale General Industry and Service Commercial (LSGI)	0.09224	\$1,375	46	46,881,506	\$4,324,350	\$94,008	\$90,797	\$3,210	3.5%
Vacant Non Residential	0.17165	\$1,057	43	2,895,880	\$497,078	\$11,560	\$6,939	\$4,621	66.6%
Vacant Residential (V)	0.17165	\$1,057	387	7,681,180	\$1,318,475	\$3,407	\$3,340	\$67	2.0%
UV			172	404,507,000	\$3,772,819				
General Industry (GI)	0.01794	\$1,375	3	121,200,000	\$2,174,328	\$724,776	\$710,636	\$14,140	2.0%
Rural (R)	0.00515	\$1,057	144	243,347,000	\$1,253,237	\$8,703	\$8,534	\$169	2.0%
Mining (M)	0.00864	\$1,375	25	39,960,000	\$345,254	\$13,810	\$13,538	\$272	2.0%
Minimum			2,442	31,133,167	\$2,605,680				
GRV			2,364	22,073,394	\$2,518,146				
Improved Residential (IP)	0.08159	\$1,057	1,432	16,962,648	\$1,513,624	\$1,057	\$1,036	\$21	2.0%
Improved Special Residential (SR)	0.07482	\$1,057	4	54,600	\$4,228	\$1,057	\$1,036	\$21	2.0%
Light Industrial and Commercial (LIC)	0.09224	\$1,375	27	289,161	\$37,125	\$1,375	\$1,348	\$27	2.0%
General Industry and Service Commercial (GISC)	0.09224	\$1,375	34	299,022	\$46,750	\$1,375	\$1,348	\$27	2.0%
Vacant Non Residential	0.17165	\$1,057	3	4,770	\$3,171	\$1,057	\$1,036	\$21	2.0%
Vacant Residential (V)	0.17165	\$1,057	864	4,463,193	\$913,248	\$1,057	\$1,036	\$21	2.0%
UV			78	9,059,773	\$87,534				
Rural (R)	0.00515	\$1,057	62	8,872,600	\$65,534	\$1,057	\$1,036	\$21	2.0%
Mining (M)	0.00864	\$1,375	16	187,173	\$22,000	\$1,375	\$1,348	\$27	2.0%
Grand Total			18,265	814,447,014	\$39,255,822				

The Statement of Objects and Reasons for option four are contained within Attachment E.

Option Five

Option Five applies a 2.5% increase in the rate in the dollar to all rating categories plus applying the rate harmonisation gap to the applicable rating categories, which is summarised as follows:

- 2.5% increase to GRV Light Industrial and Commercial rating category rate in the dollar;
- Finalise harmonisation of General Industry and Service Commercial, and Large Scale General Industry and Service Commercial with Light Industrial and Commercial to create new rating category being GRV Improved Commercial and Industrial with a rate in the dollar of 0.09269;
- 2.5% increase to GRV Vacant Residential rate in the dollar;
- Continue the harmonisation of the Vacant Non Residential and Vacant Residential rating categories over the next two years;
- 2.5% increase to rate in the dollars for all other rating categories;
- Continue harmonisation of GRV Improved Residential and Improved Special Residential rating categories and reducing the difference between these rate categories over the remaining four years (to the 2023/2024 financial year);
- Minimum rates increased by 2.5% for all rating categories.

8.1 CONSIDERATION OF ADVERTISED DIFFERENTIAL RATES SUBMISSIONS AND REQUEST FOR MINISTERIAL APPROVAL OF 2019/2020 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS

2019/20 Proposed Rates	19/20 Proposed Rate in Dollar	19/20 Min \$	No. of Properties	19/20 Rateable value	19/20 Proposed Rates \$	19/20 Average Rates \$	18/19 Average Rates \$	Average \$ Increase	Average % Increase
Non-Minimum			15,823	783,313,847	\$36,731,566				
GRV			15,651	378,806,847	\$32,938,940				
Improved Residential (IP)	0.08199	\$1,062	13,885	240,503,744	\$19,718,903	\$1,420	\$1,386	\$34	2.5%
Improved Special Residential (SR)	0.07518	\$1,062	824	19,654,111	\$1,477,596	\$1,793	\$1,698	\$95	5.6%
Light Industrial and Commercial (LIC)	0.09269	\$1,382	140	24,535,381	\$2,274,185	\$16,244	\$15,848	\$396	2.5%
General Industry and Service Commercial (GISC)	0.09269	\$1,382	326	36,655,045	\$3,397,556	\$10,422	\$9,723	\$699	7.2%
Large Scale General Industry and Service Comm	0.09269	\$1,382	46	46,881,506	\$4,345,447	\$94,466	\$90,797	\$3,669	4.0%
Vacant Non Residential	0.13824	\$1,062	43	2,895,880	\$400,326	\$9,310	\$6,939	\$2,371	34.2%
Vacant Residential (V)	0.17249	\$1,062	387	7,681,180	\$1,324,927	\$3,424	\$3,340	\$84	2.5%
UV			172	404,507,000	\$3,792,626				
General Industry (GI)	0.01803	\$1,382	3	121,200,000	\$2,185,236	\$728,412	\$710,636	\$17,776	2.5%
Rural (R)	0.00518	\$1,062	144	243,347,000	\$1,260,537	\$8,754	\$8,534	\$220	2.5%
Mining (M)	0.00868	\$1,382	25	39,960,000	\$346,853	\$13,874	\$13,538	\$336	2.5%
Minimum			2,442	31,133,167	\$2,618,044				
GRV			2,364	22,073,394	\$2,530,088				
Improved Residential (IP)	0.08199	\$1,062	1,432	16,962,648	\$1,520,784	\$1,062	\$1,036	\$26	2.5%
Improved Special Residential (SR)	0.07518	\$1,062	4	54,600	\$4,248	\$1,062	\$1,036	\$26	2.5%
Light Industrial and Commercial (LIC)	0.09269	\$1,382	27	289,161	\$37,314	\$1,382	\$1,348	\$34	2.5%
General Industry and Service Commercial (GISC)	0.09269	\$1,382	34	299,022	\$46,988	\$1,382	\$1,348	\$34	2.5%
Vacant Non Residential	0.13824	\$1,062	3	4,770	\$3,186	\$1,062	\$1,036	\$26	2.5%
Vacant Residential (V)	0.17249	\$1,062	864	4,463,193	\$917,568	\$1,062	\$1,036	\$26	2.5%
UV			78	9,059,773	\$87,956				
Rural (R)	0.00518	\$1,062	62	8,872,600	\$65,844	\$1,062	\$1,036	\$26	2.5%
Mining (M)	0.00868	\$1,382	16	187,173	\$22,112	\$1,382	\$1,348	\$34	2.5%
Grand Total			18,265	814,447,014	\$39,349,610				

The Statement of Objects and Reasons for option five are contained within Attachment F.

Option Six

Option Six applies a 2.5% increase in the rate in the dollar to all rating categories plus applying the rate harmonisation gap to the applicable rating categories, which is summarised as follows:

- 2.5% increase to GRV Light Industrial and Commercial rating category rate in the dollar;
- Finalise harmonisation of General Industry and Service Commercial, and Large Scale General Industry and Service Commercial with Light Industrial and Commercial to create new rating category being GRV Improved Commercial and Industrial with a rate in the dollar of 0.09269;
- 2.5% increase to GRV Vacant Residential rate in the dollar;
- Continue the harmonisation of the Vacant Non Residential and Vacant Residential rating categories over the next four years;
- 2.5% increase to rate in the dollars for all other rating categories;
- Continue harmonisation of GRV Improved Residential and Improved Special Residential rating categories and reducing the difference between these rate categories over the remaining four years (to the 2023/2024 financial year);
- Minimum rates increased by 2.5% for all rating categories.

8.1 CONSIDERATION OF ADVERTISED DIFFERENTIAL RATES SUBMISSIONS AND REQUEST FOR MINISTERIAL APPROVAL OF 2019/2020 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS

2019/20 Proposed Rates	19/20 Proposed Rate in Dollar	19/20 Min \$	No. of Properties	19/20 Rateable value	19/20 Proposed Rates \$	19/20 Average Rates \$	18/19 Average Rates \$	Average \$ Increase	Average % Increase
Non-Minimum			15,823	783,313,847	\$36,684,334				
GRV			15,651	378,806,847	\$32,891,708				
Improved Residential (IP)	0.08199	\$1,062	13,885	240,503,744	\$19,718,903	\$1,420	\$1,386	\$34	2.5%
Improved Special Residential (SR)	0.07518	\$1,062	824	19,654,111	\$1,477,596	\$1,793	\$1,698	\$95	5.6%
Light Industrial and Commercial (LIC)	0.09269	\$1,382	140	24,535,381	\$2,274,185	\$16,244	\$15,848	\$396	2.5%
General Industry and Service Commercial (GISC)	0.09269	\$1,382	326	36,655,045	\$3,397,556	\$10,422	\$9,723	\$699	7.2%
Large Scale General Industry and Service Commercial (LSGI)	0.09269	\$1,382	46	46,881,506	\$4,345,447	\$94,466	\$90,797	\$3,669	4.0%
Vacant Non Residential	0.12193	\$1,062	43	2,895,880	\$353,095	\$8,212	\$6,939	\$1,273	18.3%
Vacant Residential (V)	0.17249	\$1,062	387	7,681,180	\$1,324,927	\$3,424	\$3,340	\$84	2.5%
UV			172	404,507,000	\$3,792,626				
General Industry (GI)	0.01803	\$1,382	3	121,200,000	\$2,185,236	\$728,412	\$710,636	\$17,776	2.5%
Rural (R)	0.00518	\$1,062	144	243,347,000	\$1,260,537	\$8,754	\$8,534	\$220	2.5%
Mining (M)	0.00868	\$1,382	25	39,960,000	\$346,853	\$13,874	\$13,538	\$336	2.5%
Minimum			2,442	31,133,167	\$2,618,044				
GRV			2,364	22,073,394	\$2,530,088				
Improved Residential (IP)	0.08199	\$1,062	1,432	16,962,648	\$1,520,784	\$1,062	\$1,036	\$26	2.5%
Improved Special Residential (SR)	0.07518	\$1,062	4	54,600	\$4,248	\$1,062	\$1,036	\$26	2.5%
Light Industrial and Commercial (LIC)	0.09269	\$1,382	27	289,161	\$37,314	\$1,382	\$1,348	\$34	2.5%
General Industry and Service Commercial (GISC)	0.09269	\$1,382	34	299,022	\$46,988	\$1,382	\$1,348	\$34	2.5%
Vacant Non Residential	0.12193	\$1,062	3	4,770	\$3,186	\$1,062	\$1,036	\$26	2.5%
Vacant Residential (V)	0.17249	\$1,062	864	4,463,193	\$917,568	\$1,062	\$1,036	\$26	2.5%
UV			78	9,059,773	\$87,956				
Rural (R)	0.00518	\$1,062	62	8,872,600	\$65,844	\$1,062	\$1,036	\$26	2.5%
Mining (M)	0.00868	\$1,382	16	187,173	\$22,112	\$1,382	\$1,348	\$34	2.5%
Grand Total			18,265	814,447,014	\$39,302,378				

The Statement of Objects and Reasons for option six are contained within Attachment G.

Option Seven

Option Seven applies a 2% increase in the rate in the dollar to all rating categories plus applying the rate harmonisation gap to the applicable rating categories, which is summarised as follows:

- 2% increase to GRV Light Industrial and Commercial rating category rate in the dollar;
- Finalise harmonisation of General Industry and Service Commercial, and Large Scale General Industry and Service Commercial with Light Industrial and Commercial to create new rating category being GRV Improved Commercial and Industrial with a rate in the dollar of 0.09224;
- 2% increase to GRV Vacant Residential rate in the dollar;
- Continue the harmonisation of the Vacant Non Residential and Vacant Residential rating categories over the next two years;
- 2% increase to rate in the dollars for all other rating categories;
- Continue harmonisation of GRV Improved Residential and Improved Special Residential rating categories and reducing the difference between these rate categories over the remaining four years (to the 2023/2024 financial year);
- Minimum rates increased by 2% for all rating categories.

8.1 CONSIDERATION OF ADVERTISED DIFFERENTIAL RATES SUBMISSIONS AND REQUEST FOR MINISTERIAL APPROVAL OF 2019/2020 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS

2019/20 Proposed Rates	19/20 Proposed Rate in Dollar	19/20 Min \$	No. of Properties	19/20 Rateable value	19/20 Proposed Rates \$	19/20 Average Rates \$	18/19 Average Rates \$	Average \$ Increase	Average % Increase
Non-Minimum			15,823	783,313,847	36,551,885				
GRV			15,651	378,806,847	32,779,065				
Improved Residential (IP)	0.08159	\$1,057	13,885	240,503,744	19,622,694	\$1,413	\$1,386	\$28	2.0%
Improved Special Residential (SR)	0.07482	\$1,057	824	19,654,111	1,470,521	\$1,785	\$1,699	\$86	5.0%
Light Industrial and Commercial (UC)	0.09224	\$1,375	140	24,535,381	2,263,144	\$16,165	\$15,848	\$317	2.0%
General Industry and Service Commercial (GISC)	0.09224	\$1,375	326	36,655,045	3,381,061	\$10,371	\$9,723	\$649	6.7%
Large Scale General Industry and Service Commercial (LSGI)	0.09224	\$1,375	46	46,881,506	4,324,350	\$94,008	\$90,797	\$3,210	3.5%
Vacant Non Residential	0.13772	\$1,057	43	2,895,880	398,821	\$9,275	\$6,939	\$2,336	33.7%
Vacant Residential (V)	0.17165	\$1,057	387	7,681,180	1,318,475	\$3,407	\$3,340	\$67	2.0%
UV			172	404,507,000	3,772,819				
General Industry (GI)	0.01794	\$1,375	3	121,200,000	2,174,328	\$724,776	\$710,636	\$14,140	2.0%
Rural (R)	0.00515	\$1,057	144	243,347,000	1,253,237	\$8,703	\$8,534	\$169	2.0%
Mining (M)	0.00864	\$1,375	25	39,960,000	345,254	\$13,810	\$13,538	\$272	2.0%
Minimum			2,442	31,133,167	2,605,680				
GRV			2,364	22,073,394	2,518,146				
Improved Residential (IP)	0.08159	\$1,057	1,432	16,962,648	1,513,624	\$1,057	\$1,036	\$21	2.0%
Improved Special Residential (SR)	0.07482	\$1,057	4	54,600	4,228	\$1,057	\$1,036	\$21	2.0%
Light Industrial and Commercial (UC)	0.09224	\$1,375	27	289,161	37,125	\$1,375	\$1,348	\$27	2.0%
General Industry and Service Commercial (GISC)	0.09224	\$1,375	34	299,022	46,750	\$1,375	\$1,348	\$27	2.0%
Vacant Non Residential	0.13772	\$1,057	3	4,770	3,171	\$1,057	\$1,036	\$21	2.0%
Vacant Residential (V)	0.17165	\$1,057	864	4,463,193	913,248	\$1,057	\$1,036	\$21	2.0%
UV			78	9,059,773	87,534				
Rural (R)	0.00515	\$1,057	62	8,872,600	65,534	\$1,057	\$1,036	\$21	2.0%
Mining (M)	0.00864	\$1,375	16	187,173	22,000	\$1,375	\$1,348	\$27	2.0%
Grand Total			18,265	814,447,014	39,157,565				

The Statement of Objects and Reasons for option seven are contained within Attachment H.

Application to the Minister

Based on the proposed advertised differential rates, it is a requirement that the City seek approval of the Minister to impose differential rates for

- Rate categories that are more than twice the lowest differential general rate –
 - The GRV Vacant rate in the dollar is more than twice the value of the lowest GRV rating category, Improved Special Residential; and
 - UV General Industry rate in the dollar is more than twice the value of the lowest UV rating category, Rural.
- The number of properties on minimum payment within the Vacant rating category is more than 50% for that rating category.

Summary of Options

In considering the response from the submissions, the current economic climate and to provide a sufficient balance between services to the community and the community's capacity to pay, the City Officer recommendation is Option Six. A summary of the average percentage increase in rates for all the options are presented in the comparison table below:

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7
Improved Residential	3.5%	3%	2.5%	2%	2.5%	2.5%	2%
Improved Special Residential	6.5%	6.1%	5.6%	5.1%	5.6%	5.6%	5%
Light Industrial and Commercial	2.5%	3%	2.5%	2%	2.5%	2.5%	2%

8.1 CONSIDERATION OF ADVERTISED DIFFERENTIAL RATES SUBMISSIONS AND REQUEST FOR MINISTERIAL APPROVAL OF 2019/2020 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS

General Industry and Service Commercial	7.2%	7.7%	7.2%	6.7%	7.2%	7.2%	6.7%
Large Scale General Industry and Service Commercial	4.0%	4.5%	4.0%	3.5%	4%	4%	3.5%
Vacant Non Residential	67.4%	68.2%	67.4%	66.6%	34.2%*	18.3%**	33.7%*
Vacant Residential	2.5%	3%	2.5%	2%	2.5%	2.5%	2%
General Industry	3.5%	3%	2.5%	2%	2.5%	2.5%	2%
Rural	3.5%	3%	2.5%	2%	2.5%	2.5%	2%
Mining	3.5%	3%	2.5%	2%	2.5%	2.5%	2%
Difference in rate revenue from advertised	39,717,389	(78,335)	(268,595)	(461,567)	(367,779)	(415,011)	(559,824)

* Harmonising the Vacant Non Residential and Vacant Residential over two years

** Harmonising the Vacant Non Residential and Vacant Residential over four years

LEGAL/POLICY IMPLICATIONS:

Local Government Act 1995 section 6.33(3) states:

Differential general rates

- (3) *In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.*

Local Government Act 1995 section 6.35 states:

Minimum payment

- (1) *Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.*
- (2) *A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.*
- (3) *In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —*
 - (a) *50% of the total number of separately rated properties in the district; or*
 - (b) *50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.*
- (4) *A minimum payment is not to be imposed on more than the prescribed percentage of —*
 - (a) *the number of separately rated properties in the district; or*
 - (b) *the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.*
- (5) *If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.*

8.1 CONSIDERATION OF ADVERTISED DIFFERENTIAL RATES SUBMISSIONS AND REQUEST FOR MINISTERIAL APPROVAL OF 2019/2020 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS

FINANCIAL/BUDGET IMPLICATIONS:

The rate revenue for each option is summarised in the table below and directly impacts the funds available to deliver services and programs in the 2019/2020 budget;

	Rates Revenue*	Difference in rates raised from advertised
Option One (advertised)	\$39,717,389	
Option Two	\$39,639,054	(\$78,335)
Option Three	\$39,448,794	(\$268,595)
Option Four	\$39,255,822	(\$461,567)
Option Five	\$39,349,610	(\$367,779)
Option Six	\$39,302,378	(\$415,011)
Option Seven	\$39,157,565	(\$559,824)

* Does not include interim rates provision

ASSET MANAGEMENT IMPLICATIONS:

There are asset management implications as a result of this report due to the delivery of City's services and programs being based on the amount of revenue that is included in the budget.

ENVIRONMENTAL IMPLICATIONS:

There are environmental implications as a result of this report due to the delivery of City's services and programs being based on the amount of revenue that is included in the budget.

STRATEGIC/SOCIAL IMPLICATIONS:

This proposal will support the achievement of the following outcome and objective detailed in the Corporate Business Plan.

Plan	Outcome	Objective
Corporate Business Plan	Business Performance	5.4 Ensure the financial sustainability of the City of Kwinana into the future

COMMUNITY ENGAGEMENT:

The proposed rates were advertised by local public notice in the Sound Telegraph and public notice in The West Australian on 1 May 2019, detailing each rate in the dollar and minimum payment. A submission period of 21 days was provided. Submissions closed at 5pm, 22 May 2019 and are presented for Council consideration as part of this report and contained within Attachment A.

8.1 CONSIDERATION OF ADVERTISED DIFFERENTIAL RATES SUBMISSIONS AND REQUEST FOR MINISTERIAL APPROVAL OF 2019/2020 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS

The following additional engagement also took place:

- Information was made available on the City's Website outlining the intention to raise differential rates and minimum payments and details on how to make a submission.
- Facebook post on the City's social media site.
- Landowners within the Vacant Non Residential rate category were also written to regarding the proposed differential rate for their properties.

PUBLIC HEALTH IMPLICATIONS

There will be public health implications as a result of this report due to the delivery of City's services and programs being based on the amount of revenue that is included in the budget.

RISK IMPLICATIONS:

The risk implications in relation to this proposal are as follows:

Risk Event	If the Council do not make a decision, the City would not be able to levy the 2019/2020 rates by 30 June and this would impact the City's cashflow for the 2019/2020 financial year
Risk Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Effect/Impact	Financial
Risk Assessment Context	Operational
Consequence	Catastrophic
Likelihood	Rare
Rating (before treatment)	Moderate
Risk Treatment in place	Reduce - mitigate risk
Response to risk treatment required/in place	Ensure that sufficient consultation with ratepayers has been completed and that a report is prepared with sufficient time for Elected Members to consider the proposed differential rates.
Rating (after treatment)	Low

8.1 CONSIDERATION OF ADVERTISED DIFFERENTIAL RATES SUBMISSIONS AND REQUEST FOR MINISTERIAL APPROVAL OF 2019/2020 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS

COUNCIL DECISION

459

MOVED CR P FEASEY

SECONDED CR M ROWSE

That Council:

- 1. Receive the 33 submissions and endorse the Officer comments outlined in Attachment A.**
- 2. Instruct the Chief Executive Officer to proceed with the budget preparation based on Option Six and the Statement of Objects and Reasons contained in Attachment G.**
- 3. Authorise the Chief Executive Officer to proceed with the application for Ministerial Approval of the adopted differential rates for:**
 - a. GRV Residential Vacant rate in the dollar;**
 - b. GRV Residential Vacant number of properties on minimum payment; and**
 - c. UV General Industry rate in the dollar.**

CARRIED

5/2

NOTE – That the Officer Recommendation has been amended at points 3a and 3b to include the word ‘Residential’ after the word GRV.

#	Assessment No.	Rating Category	Original Submission from Property Owner	Officer Recommended Response to Submission
1	7545	Improved Special Residential	<p>I would like to request that, if our rates are to rise, as intended, then we receive some benefit. I started the Residents of Casuarina Facebook group when I moved here in 2016 and many of the residents have complained over the years about a perceived lack of awareness from the City of their Special Rural residents in Casuarina and their needs. For instance, a cycle path along Thomas Rd has been sorely needed but there seem to be no plans to build one.</p>	<p>The City of Kwinana Bike and Walk Plan was adopted by Council at its 5 December 2018 Ordinary Council Meeting. The Plan identified five key projects for priority action and these are considered the most important projects for the City of Kwinana. One of the five projects was Thomas Road, Casuarina which consisted of a 2 kilometre shared path between Marri Park Drive to Kwinana Freeway 2.5 metre wide (south side).</p> <p>The priority projects will be considered as part of the City's forward works programming for paths and over time, the objectives of the Plan will be achieved. It is recommended that the current 2018 'Footpaths Projected 10 Year Capital Upgrade and New Works Program' be attached as Appendix E to the final Plan for information purposes and for clarity.</p>
2	22194	Improved Residential	<p>I've noticed one of the key projects for 2019 is Safety and Security with \$2.5m investment planned.</p> <p>I live in Wellard on Bromsgrove street.</p> <p>For past two years on a very large number of occasions a group of young and occasionally grown up man gather not more than 40m outside of my house in a walk path underneath the railway.</p> <p>Many of them are walking around that spot intoxicated. Many times my garage door has been thrown stones onto and vandalised, damaged. With police suggesting to stay home during those moments, I'm sorry, where is Safety and Security in the area? How can I feel safe letting my kids out?</p> <p>On all of those occasions I've been calling City Assist Service to hear an operator saying you can't do much about it. Also, the police was often called for and occasionally a police car came down to investigate the ongoing issue however, no action has been taken yet to resolve that issue.</p> <p>Now, because of that and because of the fact that my 12 year old son was occasionally beaten in the local skate park with his property stolen, I do not consider the location I live in safe. Also, other local children were harassed in the same skate park and therefore, Wellard is not a safe environment for kids at all.</p> <p>For this reason alone I do not believe any raise to rates we pay annually is justified in any way.</p> <p>I do believe though rates should be dropped and should be proportional to the safety and security ratepayers perceive.</p> <p>If the key pillar of the City budget for 2018/19 is to continue focus on safety and security then please, put efforts and actions around safety in my area in Wellard. Show you are willing to assist with such matters and only then, I'd be happy to pay higher rates.</p>	<p>Any damage of private property is a Police matter. It is recommended that you discuss these incidents with Roger Cook MLA. The City of Kwinana continually work with the Kwinana Police to introduce initiatives and programs that promote a safer community.</p> <p>The City Assist service that the City provides a 24 hours a day, 7 days a week response service to local government law enforcement matters and does not replace any functions of the WA Police.</p> <p>The City invests in safety and security in the following ways:</p> <ul style="list-style-type: none"> • Dog, cat control and management issues; • Attend to roaming livestock control issues on council owned and control road verges and reserves; • Local parking and parking management issues on City owned, controlled and managed roads, verges, public access ways and footpaths only; • Litter, untidy property and Illegal dumping complaints; • Safety and security concerns at council owned, controlled and managed facilities, reserves and parks only; • Local fire hazards, permit to burn and bushfire fuel load concerns within its local community; • Local Government compliance concerns related to commercial vehicles, parking, untidy properties and general verge compliance issues; • Afterhours complaints and operate in an, observe and report capacity in relation to matters such as building constructions, loud music, etc; • City maintenance and repair issues at its facilities, roads, parks and reserve areas reported after hours; and • Off road vehicle issues on Council owned and control facilities, reserves and parkland areas only.
3	16197	Improved Residential	<p>There has been a lot of emphasis and chat on rates increasing in the Kwinana area this year by 3.5%.</p> <p>I would hope that this is incorrect, and that rates in fact will be going down in alignment with the current market trend which continues to fall.</p> <p>I have been in the area for 7 years and each year the rates increase, while the market falls each year and is not picking up.</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced</p>

			<p>I have been advised that the rates are reviewed every 3 years and are based on the current market trend, yet I have been here 1-2 lots of 3 year rate reviews and have never seen a change - only increases.</p> <p>Everything is increasing, power, water not to mention electricity. House prices and rate-ability have drastically fallen in the area (especially Kwinana) over the past 7 years since we have been here.</p> <p>Did you know that Kwinana pay far more for rates than most suburbs in Perth and we are charged more than Shire of Cockburn residents for rates? (Yes, I have checked property size, house size and the same inclusions and yes you guessed it - Kwinana rates are still higher....) Considering how much infrastructure Cockburn has going on, it seems quite ludicrous that Kwinana's rates are higher than Cockburn....</p> <p>The area does make a lot of people seriously consider moving, there's not much going for it, crime is worse and costs are skyrocketing. You should be doing more to retain people in the area, there's really not much else going for it - especially in the older areas. Seems the newer suburbs get all the funding and attention, whilst the rest get very minimal. Have you seen the state of the Bertram park on Johnson road opposite the community centre? Not inviting at all for kids or pets, which is a huge shame.</p> <p>I would hope there is consideration for the areas rates to be reduced rather than increased for a 7th year in a row, and hopefully not by the rumoured 3.5%.</p> <p>Any consideration for the above would be most appreciated.</p>	<p>government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p> <p>It is the valuation that is reviewed every three years. The next valuation will impact rates from 1 July 2020 and is determined by the Valuer General (as part of Landgate, a State Government Department).</p> <p>The City does recognise that the rate in the dollar in the 2018/2019 financial year was more than the City of Cockburn; however, the rate in the dollar was not more than Shire of Serpentine Jarrahdale, or the Cities of Mandurah and Armadale.</p> <p>In relation to your comment relating to the condition of Bertram Park, this will be forwarded to the Place Manager who is responsible for the Bertram area.</p>
4	18184	Improved Residential	<p>I am emailing to strongly protest against any proposed rates increase by the council for the next financial year.</p> <p>I struggled to pay last years rates (in fact I'm still paying them off now), and the financial situation of the majority of your council population have not improved, and in fact have got worse!</p> <p>The value of properties, both rental and sales are still going DOWN, and there is no justification for any rates rise at all.</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p> <p>The City offers a number of payment options. These include a one, two or four payment option as well as direct debit arrangements that can be weekly or fortnightly.</p>
5	17750	Improved Residential	<p>I would like to strongly urge against the proposed rate increase for the City of Kwinana. Rate payers in the City of Kwinana are already paying higher rates than surrounding suburbs in the City of Cockburn. Rate payers in the City of Kwinana don't receive free tip passes like their neighbouring City of Cockburn suburbs. We also don't have the 3 bin refuse system that they have. Families in the City of Kwinana should not be burdened with further costs when we are receiving less services.</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p>

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6	21134	Improved Residential	<p>I want to express my anger at the proposed rates increase.</p> <p>I live in Wandi and already pay nearly \$1000 more than residents that live in Aubin Grove. We don't use any of the facilities because they are too far away. All we receive for our rates is rubbish collection.</p> <p>House prices have significantly dropped and wages are down and yet you want to put our rates up. \$41m in your coffers. Disgusting.</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p>
7	16731	Improved Residential	<p>I'm very disgusted to hear u will be raising council rates , the rate payers in your electorate are suffering lack of payrises loss of penalty rates unemployment in the area is one of the highest, house prices have continued to devalue in our area and u have the hide to take more well I will be doing my best to encourage people not to vote for You mayor and it's council next time . You failed to support business in Medina when we owned one their crime in our area and Bertram are high and the best u offer is take more money of ratepayers which is one of highest in the state well don't think the people will except this lightly, I for one will approach the state government on this as a unfair hardship and pure greed .</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p> <p>The City recognises the importance of industry and commercial businesses and the employment opportunities that are provided. Over the last couple of years, the City has actively assisted local businesses in grants for external improvements, training and support initiatives. The City of Kwinana is supporting small businesses through the Local Commercial Activity Centre Improvement Grant, which includes Medina.</p>
8	5447	Improved Residential	<p>I would like to put in an official objection to the proposed council rate increase this year. We just had a 3% increase last year.</p> <p>It is ridiculous that this now seems to be "standard" increase you are looking at each year. Maybe you should have a look at your budget and what you plan on doing with. If you cant manage on the current amount of money you get from rate payers then maybe you need to look at your expenditure and where you can make some cuts, or shelve some of your "proposals".</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced</p>

			<p>FYI - Kwinana is actually classed as a low socio economic area. You may want to consider that also. There are a lot of people who are barely managing as it is with the increase to water, electricity, registration, health insurance and everything else people pay.</p>	<p>government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p>
9	20296	Improved Residential	<p>I am against the rates increasing by 3.5% this year, rates in Kwinana has been increasing substantially as opposed to the inflation rate. More than half of the houses are for sale, crime is up and apart from there is no good shopping centre. Shops in Kwinana town centre are closing or closed.</p> <p>There are no good High schools in the area, increases the rates will only prompt people to move out of this area. At the time when people are struggling to pay mortgage, you guys are increasing the rates.</p> <p>If you keep on doing this then eventually we will have to leave this suburb. Ask the questions:</p> <ul style="list-style-type: none"> • Does Kwinana have a good High School? • Do we have a movie theatre? • Any Bunnings? <p>No one wants to open a shop here because it is not a good area. We only purchased because at that time it was cheap buying here but didn't know that you will increase rates so much.</p> <p>Think about it before you force people out of your suburb. Maybe all councils should come under state government if you keep doing this. You have so much industry in the suburb but still the poorest suburb and get after poor home owners.</p>	<p>The City of Kwinana has three high schools in its local government area which are:</p> <ol style="list-style-type: none"> 1. Gilmore College; 2. Peter Carnley Anglican College; and 3. The King's College <p>The City recognises the importance of industry and commercial businesses and the employment opportunities that are provided. Over the last couple of years, the City has actively assisted local businesses in grants for external improvements, training and support initiatives.</p>
10	7611 7683	Mining and Industrial	<p>The above-mentioned properties are located in Structure Plan 3 of Latitude 32. Currently, Council has rated them on the Mining and Industrial rate. However, with sand removal almost complete and no immediate plans in place (and possibly not for 10 years) for infrastructure to be delivered to the area, there is very little use for these properties except as a possible hardstand.</p> <p>Given the market slow down for this activity and the constraints of the Master Plan for the area, it becomes very difficult for landowners to utilise these properties. To make matters worse the indecision surrounding the whole area has virtually made it impossible to sell property (they have been on the market for 2 years) in the area with only severe hardship cases purchased by the Government.</p> <p>We therefore strongly oppose the current proposed increase in rates and in fact seek a reduction in rates until some activity takes place.</p> <p>We understand that Kwinana Council is constantly under pressure to realise its delivery of services with limited funding. However, given that there aren't many residents left in the area, a high level of services is not required. Also, Council should seek assistance from the appropriate Minister on the fact that LandCorp has purchased many properties within Latitude 32 and are not paying any rates to support your budget. The Redevelopment Plan has burdened most landowners in one way or another and with Council not being understanding, the burden is intensifying.</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p> <p>The City of Kwinana would also like Landcorp to progress the development of Latitude 32 and it is suggested that you discuss the redevelopment of this area with Roger Cook MLA.</p>
11	17539	Improved Residential	<p>I have just read the impending rate rise and just wanted to communicate that this isn't a good idea, people are already struggling in the current financial climate!</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p>

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12	10283	Improved Residential	<p>WHAT and WHY ????</p> <p>This is a blatant money grab, every year I have to chase you lazy buggers because our parks are dead, you never reply to people's enquiries (phone and email), we have some of the highest rates in Perth for what-Zip. Bertram is the poor cousin to Wellard and the Council doesn't give a █████, and you know it but won't admit it !!!!!</p> <p>Get off your asses and do something for us before expecting us to put our hands in our pockets. I haven't seen a pay rise in ten years but you lazy █████ see one every year. This is absolute █████.</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p> <p>It is encouraged that you contact the City of Kwinana Bertram Place Leader on 9439 0200 to discuss any ideas and suggestions for the Bertram area.</p>
13	11436	Improved Residential	<p>I wanted to express my dismay at hearing rates are expected to rise above the rate of inflation - again.</p> <p>Income growth and cpi has been incredibly low throughout Australia and the impact above cpi rate increases have on households is significant.</p> <p>Year on year rate increases have been well over cpi and it's unsustainable. I understand council costs grow quickly but it's your responsibility to keep a lid on costs, find efficiencies, use contractors where appropriate or cut programs if needed, this is a year for restraint.</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p>
14	1270	Improved Residential	<p>I'm writing in regards to the proposed land rate increase.</p> <p>Inevitably I believe in price increases over a period of time as the economy grows etc, however when these increases are being implemented every financial year and still our council cannot keep to their budget. These increases are continually happening and we as land rate payers are getting no reprieve not 1 year in the last 5 years of owning this house has our land rates stayed at the same rate they were the previous year. Personally I like to pay the whole amount at once so I don't have to again pay more money for administration fees etc. I can confirm from all the people in my personal spectrum are just as annoyed as I am. Whilst in the last few years there have been significant changes to the community for example the adventure park, skate park and community events have been a great asset. We just want maybe every second year for our land rates to stay the same rate, making us feel that we are getting a good deal and that our council cares about the residents in our community.</p> <p>Maybe what you council members don't understand is your community is █████ off we already don't like forking out lump sums of money Out of our pockets and to find that council don't use it wisely and keep to their budget. However when a community is █████ off they</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p>

			<p>research and find a way to sway the vote their way. Which is how I found out the Kwinana chat Facebook page.</p> <p>I'm a mother of 3 and use the facilities in our community and am proud of how far this community has come and honestly don't mind paying the land rates. Just want our council to understand that we are working class and we want a break from these increases.</p>	
15	2110	Improved Residential	<p>I'm writing in regards to the potential rate increase .</p> <p>As a new home owner in the area and a solo parent of a special needs child , this extra expense will have a very negative effect on our house hold as the extra 3.5% is not in budget at this time .</p> <p>While I am very grateful for the wonderful things our new community is privy to I ask that the rate increase maybe lowered at all?</p> <p>Also I was wondering if the water at the adventure park can be turned off during the cold months of autumn and winter as children are always drawn to water especially my little one who is very hard to manage once he sees the water .</p> <p>Thank you for your time and consideration.</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p> <p>In response to your enquiry about the water at the Adventure Park being turned off during the colder months of autumn and winter. The City of Kwinana is currently undertaking a review of its service levels for parks and this will be included as part of the consideration.</p>
16	7558	Improved Special Residential	<p>There has been a lot of talk of additional rate increases, which I thought was already in place in a plan for the next few years. As a rural property owner in casuarina I am concerned that we are not looked after as well as the suburbs. Thomas road is in a terrible condition with no turning cross over lanes, constant accidents happening.</p> <p>No public transport or paths so my children can not walk to school/train station. We are not supplied with gas or water yet we seem to be treated as a normal residential owner.</p> <p>If increases are warranted I will understand but there doesn't seem to any talk of the rural property's...to have us understand we are being looked after by the shire and accept additional increases without so much fuss...</p>	<p>It is noted that the City does not provide most of these services that are mentioned, as they are not local government services.</p> <p>The Valuer General has confirmed that if a property does not have services such as, sewerage, water and gas, they receive a reduced GRV valuation. A property that does have these services will have a higher GRV valuation. For example, a property that has the same improvements in a residential zoned area (i.e. around the City Centre) that has access to all the services will have a higher valuation than the same house that does not have these services (such as the properties in a Special Rural/Rural A zoning). The principle of allowing the valuation to determine the rates payable, and not the rate in the dollar, is an approach that provides equity and fairness ensuring that rate categories (such as the residential rate category) will not be subsidising the Improved Special Residential rate category.</p> <p>Public transport is the responsibility of the State Government; however the City can carry out an assessment of the public transport service in a specific area (on request) and then advocate to our local member and to the State Government as a result of the community needs that might come from the assessment.</p> <p><u>Footpaths</u> - The Council adopted a Bike and Walk Plan that identified the footpath needs and priorities across the City. The City of Kwinana Bike and Walk Plan was adopted by Council at its 5 December 2018 Ordinary Council Meeting. The Plan identified five key projects for priority action and these are considered the most important projects for the City of Kwinana. One of the five projects was Thomas Road, Casuarina which consisted of a 2 kilometre shared path between Marri Park Drive to Kwinana Freeway 2.5 metre wide (south side).</p> <p>The priority projects will be considered as part of the City's forward works programing for paths and over time, the objectives of the Plan will be achieved. It is recommended that the current 2018 'Footpaths Projected 10 Year Capital Upgrade</p>

				<p>and New Works Program' be attached as Appendix E to the final Plan for information purposes and for clarity.</p> <p><u>Thomas Road</u> – As part of developers subdividing land, the City requires them to contribute towards the upgrade of roads, which includes Thomas Road. Thomas Road is under the management of the State Government through Main Roads. The City has worked with Main Roads on plans to upgrade Thomas Road to a dual carriageway, including the installation of roundabouts at key intersections. To date, Main Roads have not committed to a date to commence construction.</p>
17	21984	Improved Residential	<p>as a community member of the brand area and Kwinana council are specifically, I was advised by another member that the 3.5% rate rise is up for debate. Please be aware, Kwinana as a community, personally feel that this is too much! We are aware this is to meet your planned spending goals but we feel this needs to be reviewed and made to fit a smaller budget due to the fact that we already had a significant rise in the rate last year. Also note, that if we compare this rate to other communities such as city beach, we are paying much more and they seem as though they are ending up better off.</p> <p>Please have a think about our community and review the budget, as it is not in our best interest as a community to have another significant rise in our rates.</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p>
18	19472	Improved Residential	<p>As a community member of the brand area and Kwinana council area specifically, I was advised by another community member that the 3.5% rate rise is up for debate until 22nd May. Please be aware that personally, and as a community, we feel this is too much. I am aware that it is to meet your planned spending goals for next year but perhaps next years spending could be reviewed and fit within a smaller budget. We already had a significant rise last year as rate payers. My income has not increased and is not set to increase proportionately to your rate rise from last year and certainly not this year.</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p>
19	18929	Improved Residential	<p>I'm living in sunrise estate Wellard. It comes in Kwinana council. I came to know the council rates are about to increase. I strongly condemn that. I'm against this 3.5% increase. It's burden on us. We are not reviving any extra facility so why it's going to increase? Please think again and take that increase back.</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p>
20	16826	Improved Residential	<p>The City of Kwinana is increasing the rates more than 3%, please consider the people really struggling in the current years due to economy and it is already very hard for them to survive. Please reconsider your decision about the rates.</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p>

				<p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p>
21	18905	Improved Residential	<p>This is not fair according to our and more families we know. Home market is already so down. How can a family with one on full time job and other one casual, can pay rise. Living expenses are already so high. One is not living and earning just to pay bills and expenses only.</p> <p>Due to slow market we have to wait to sell our home as well. We already made a mistake by building in wrong time. We thought to build a bigger one due to family getting bigger and this area is so convenient to us but now after reading rises, thought should have moved in Piara water or somewhere else nearer to city or renowned where selling would be easy afterwards. Increase in rises is just giving us more stress as our pays are not getting increased. Pays are same. Am working casual in Coles, already struggling to get enough hours to make our livings. As this time 2 homes are killing us. And now the pay rise. Already had enough.</p> <p>Please think again about. If we are struggling than definitely every other family is struggling too due to high living expenses, not enough work.</p> <p>My hubby laid 22K tax last year, my earning last year was 18K. He paid tax more than my earning. All the taxes killing us. We personally think if someone is paying tax more than 20K everyone his/her council rates and car registrations fee should be remitted as we already paying lots of taxes. If you say, we are getting health benefits than would like to mention we pay Medicare fee separately per year, and still waiting for my daughter's ENT specialist's appointment from last 2 years and haven't listened from them yet. Public patients are waiting forever for their turn and we are paying Medicare fee too, unless get private insurances and then don't have to pay but private costs are not hidden from anyone. We are not only paying home council rates per year but home insurances, car insurances, car registrations, electricity bills, water bills, phone internet bills, mortgages etc. which are increasing as well but normal man's pay is not rising. Haven't included food and personal expenditures yet. One is not living for paying bills only. Am applying job for last one year at least get any permanent part time job as have 2 kids 5 and half years and one and half years old, don't want to work full time and paying childcare fee, one year of struggle with no luck.</p> <p>Please consider everything before rising bills and rates. You are just increasing more rate of stress and anxiety as it would be directly proportional to every rise in bills. And we all know how it would ends.</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p> <p>In relation to your comments about income tax payments, car registrations, Medicare, hospitals and utilities, these are State and Federal Government charges and these matters should be addressed to Roger Cook MLA and Madeleine King MP.</p>
22	22251	Improved Residential	<p>I must admit I was shocked to see that our rates might increase by 3.5%..... You already have struggling households and you are willing to add additional pressures. Our Council do not need to deliver more services each year, this should not occur unless the current services are sustainable. Do you current services meet the needs of your Customers??</p> <p>The Council are approving new housing development sites, these are very small in size which means more houses which increases rates revenue for the Council..... Suggest ceasing the approval of new housing development sites in established bush land which would remove the need/feel you have to provide reduced price seedlings/trees....</p> <p>It is difficult to see why the inappropriate spend by the Council is forwarded to us to pay for....</p> <p>I am happy to have a chat regarding this email, as I am new to the city of Kwinana and I may not have read all the information but the above is my opinion of what I have seen in the time I have lived here.</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p>

			I believe the Council need to have a hard look at the books and the services provided/required to it's "Customers", its our opinion you are going to easy way out - revenue short falls, it's ok we will increase the rates to cover it.... disappointing.	
23	5261	Improved Residential	<p>As a ratepayer of Kwinana in the location of Brand, I would like to register my objection to the proposed 3.5% rate rise for 2019.</p> <p>Whilst I am extremely happy with the work done by the council workers in our area, which is not small I might add and I fully appreciate the verge side pickups both greenwaste and whitegoods, I feel that this increase to offset a shortfall by the council is too high.</p> <p>I am a part time worker with a mortgage and my wage has not and will not rise proportionately to cover the last rates increase and so certainly not for another one this year.</p> <p>I understand the need to meet the budget for the planned spending for next year, but would appeal to the council to reduce the amount by which the rates will rise as it is already difficult for rate paying residents like myself to meet the cost as it currently stands.</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p>
24	17422	Improved Residential	<p>I'm living in Emerlad estate Wellard. It comes in Kwinana council. I came to know the council rates are about to increase. I strongly condemn that. I'm against this 3.5% increase. It's burden on us. We are not reviving any extra facility so why it's going to increase? Please think again and take that increase back.</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p> <p>The feasibility study and business case for the Wellard West Community Facility and Sports Pavilion has been completed. The construction is expected to commence in the 2020/2021 financial year. There has been a number of engagement programs through the Wellard area, including parks play and youth outreach activities.</p>
25	5544	Improved Residential	<p>I am writing to say that I don't believe that the 3.5 rate increase is fair and just! Every thing is going up, electricity, gas water. every thing other than wages, gee if only I could get a 3.5 percent increase in my low wages I would be able to pay my very costly living expenses in a somewhat more timely manner!</p> <p>I am very disgruntled at the proposed rate increase to say the least!</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p>
26	6394	Improved Residential	<p>I have been a resident of Kwinana, and rate payer, for past 15 years. Unfortunately I am legally blind making it difficult for me to get to, and navigate, at meetings held for Public feedback. My husband is also forced to work extra long hours in order to support a reasonable standard of living.</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p>

			<p>Firstly, I would like to express my disappointment at the future upgrades around the Darius side of the shopping centre while other areas remain untouched the whole time I've lived here. I have concerns that further cafes and restaurants will only put more pressure on already struggling food outlets and small businesses in the area. Privately owned restaurants throughout the whole of Kwinana are constantly closing down due to lack of customers. A cafe strip running alongside Aldi is not going to suddenly make it a bustling scene of activity. This is a lower socioeconomic area where Maccas, HJ's and KFC will remain the first choice for most residents. (We don't all work for the Council, lol.)</p> <p>Further, I would like to know what can be done regarding our appalling shopping centre. It's been going downhill for years and nothing ever improves. When we do get a decent shop it ends up closing due to lack of regular foot traffic etc. While I acknowledge that a lot of the decisions are outside of CoK's control I believe it's time Council stepped up to improve the overall shopping experience for Kwinana residents. I am a firm believer that if the local shopping centre has little on offer it has a rippling effect on an already crippling housing market.</p> <p>I do not agree with the proposed 3.5% rate rise as CoK already has highly inflated rates compared to the rest of the metropolitan area. I know this for a fact through friends and family who live in more affluent suburbs. Families are already struggling in Kwinana so have to question the motives.</p> <p>Lastly, this may seem a little left of centre but I would like to know what's being done, or proposed, for the ever increasing cat population in the area? I have lived in several suburbs throughout the metropolitan area and never come close to what seems to be a totally out of control problem with cats roaming freely day and night. I love all animals but seriously the cat problems, coupled with a mostly empty shopping centre, is enough for my husband and me to sell up and move out of the area. Unfortunately property prices are at an all time low at the moment and I feel CoK is actually perpetuating the situation at a local level.</p> <p>I hope my concerns are given some thought and consideration but somehow I doubt it. I could not sit back though any longer and say nothing. Especially with the proposed rate increase and proposed upgrades for only a small area of Kwinana where I've already seen a lot of money poured into. While everything else around stays the same.</p>	<p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p> <p>The City recognises the importance of industry and commercial businesses and the employment opportunities that are provided. Over the last couple of years, the City has actively assisted local businesses in grants for external improvements, training and support initiatives.</p> <p>In relation to your comments about the increasing cat population, the City of Kwinana has installed infrastructure within its Animal Management Facility to enable it to capture and detain unregistered and stray cats. The City of Kwinana in the last couple of years has increased its Rangers service to allow for increased management of cats and dogs.</p>
27	19425	Vacant Non Residential	<p>We have recently received a letter advising of the increase of differential rate for our property from Vacant Non Residential to Vacant and would like to lodge our objection to the increase in rates.</p> <p>We have been actively marketing the land for design and construct tenancies over the last five years and we have not been successful in securing any tenant based upon the following reasons:</p> <ul style="list-style-type: none"> • The overall economic climate in Western Australia has been very flat. Despite our significant marketing attempts the level of enquiry for new industrial buildings has been very low. • High level of vacancy in neighbouring areas of Kwinana and Henderson has meant that tenants are opting for existing properties. • The lack of certainty regarding the impending State Government decision regarding the possible construction of a new port in Kwinana. This has meant that all intermodal plans are on hold regarding the Hope Valley precinct. <p>This is the worst possible time to revise these rates. Increasing the rates during an extremely hard financial climate is ludicrous and unacceptable to us.</p>	<p>The City has reviewed its rating strategy against the Department of Local Government principles and this has identified that Non Residential Vacant properties are being rated in a more favourable manner than those properties rated Residential Vacant. The City applies a lower rate in the dollar for Non Residential Vacant properties and if the City were to apply the Department of Local Government principles, this would not meet the principle of fairness and equity.</p> <p>The City of Kwinana also reviewed neighbouring local governments to determine whether these local government treated vacant properties differently. It was found that no neighbouring local government rate vacant properties differently based on land use. If the City were to apply the Department of Local Government principles, this would not meet the principle of consistency.</p> <p>The City of Kwinana imposes a higher rate in the dollar on vacant land is to act as a disincentive to persons who are land banking and not actively developing vacant land.</p>

			<p>Please note that I sit on the Latitude 32 Reference Group Committee and will raise this with fellow members. I am also a division councillor with the Property Council of Australia and I intend to bring this to their attention.</p> <p>I urge you to please reconsider this decision.</p>	
28	19308	Improved Residential	<p>I'm writing this email to highlight my concerns over the proposed increase of the Kwinana council rates.</p> <p>For a predominantly family centred community like ours, who has an average median income, another raise would be a major burden for us. Just last year the council rates were increased, another one this year is not affordable for us. I'm given to understand that the our council rates are much higher compared to most of the other councils. The City of Kwinana in fact is on the top 3 most expensive council rates in WA.</p> <p>The cost of all utilities, normal household goods are increasing. We request the City to kindly listen and realise the pressure it is exerting in the low income families who already struggle to make ends meet. Alternatively, we suggest the council to control its spending to balance its budget and stop passing bills to the already pressured family budgets. We demand better economic management from our council and also a renewed commitment towards extending financial support and therefore reducing the tax burden on the community.</p> <p>We would like to kindly freeze the current proposed 2019/20 rate increase in light of the fact that the current GRV is based on the peak rates, which does not reflect the current value and to realize that the current market has gone through a tremendous setback which should bring the GRV down in 2020</p> <p>Highly appreciate your consideration for the above and hope for a positive outcome.</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p>
29	9082	Vacant Non Residential	<p>We strongly oppose to the 67% increase in our rates because of the proposed changes as outlined in your letter.</p> <p>Within the current economic environment of a collapsing property market With an almost 0% inflation rate we find your proposal to be incomprehensible and without any justification.</p> <p>Has the City's costs increased 67%? Has the city ever accepted a 67% increase in one year from any of its suppliers or contractors? If so can you please forward to me next year's expenditure budget demonstrating these increases.</p> <p>WE STRONGLY OBJECT TO ANY CHANGES TO THE RATES FOR OUR PROPERTY</p>	<p>The City has reviewed its rating strategy against the Department of Local Government principles and this has identified that Non Residential Vacant properties are being rated in a more favourable manner than those properties rated Residential Vacant. The City applies a lower rate in the dollar for Non Residential Vacant properties and if the City were to apply the Department of Local Government principles, this would not meet the principle of fairness and equity.</p> <p>The City of Kwinana also reviewed neighbouring local governments to determine whether these local government treated vacant properties differently. It was found that no neighbouring local government rates vacant properties differently based on land use. If the City were to apply the Department of Local Government principles, this would not meet the principle of consistency.</p> <p>The City of Kwinana imposes a higher rate in the dollar on vacant land is to act as a disincentive to persons who are land banking and not actively developing vacant land.</p>
30	8175	Vacant Non Residential	<p>I am A posed to the increase in rates for 2019/2020 as outlined in your letter to Ratepayers.</p> <p>The Rates for 25 Lionel St was \$2168.82 in 2017 then in 2018 the Town of Kwinana wrote to me saying they would increased my rates to \$2585.75 for 2018 which I paid in full. I excepted this increase but don't agree to the another increase in rates as proposed by the Town of Kwinana.</p> <p>The Town of Kwinana isn't being fair to all unimproved General Industrial property owner in there area.</p> <p>When I bought my property it was a bush block, I have made major improvements.</p>	<p>The City has reviewed its rating strategy against the Department of Local Government principles and this has identified that Non Residential Vacant properties are being rated in a more favourable manner than those properties rated Residential Vacant. The City applies a lower rate in the dollar for Non Residential Vacant properties and if the City were to apply the Department of Local Government principles, this would not meet the principle of fairness and equity.</p> <p>The City of Kwinana also reviewed neighbouring local governments to determine whether these local government treated vacant properties differently. It was found that no neighbouring local government rates vacant properties differently based on</p>

			<p>Clear the property, installed retaining walls, Drainage, Fencing with gates, Bitumen, Concrete crossover and utilities to my property. The property is neat and tidy not like a lot of the properties in Naval Base. So I think my property has been improved.</p> <p>My property has been vacant for a number of years now so I pay all Rates and Taxes myself. The commercial market is very slow right now with many properties vacant and commercial property owner doing it tough.</p> <p>Maybe the Town of Kwinana could offer low interest loans to property owners to improve their properties and build new commercial buildings? It's very difficult to get a investment loan in the current commercial environment.</p> <p>I noticed people walking on the road on Lionel St there are no footpaths, and repairs are required to concrete curbs and roads in the area. The council could do a lot more with our rates in Naval Base?</p> <p>Lots of the properties are run down and are a real eye sore in Naval Base?</p> <p>I can't afford another rate increase and I'm sure all the other property owners feel the same.</p>	<p>land use. If the City were to apply the Department of Local Government principles, this would not meet the principle of consistency.</p> <p>The City of Kwinana imposes a higher rate in the dollar on vacant land is to act as a disincentive to persons who are land banking and not actively developing vacant land.</p> <p>The risk of administering loans that the local government is not party to carries significant risks. Local governments will be responsible to ensure payments are made in accordance with loan agreements, carry out debt collection for late payments and the possibility of using local government funds to repay loan repayments whilst Officers are attempting to recover the amount owing. If an owner cannot source loan funding to improve their property in their own right because they fail to meet the loan requirements of a financial institution, then the local government should not entertain such proposals.</p> <p>The City has recently adopted a new Bike and Walk plan, to identify and prioritise footpath and cycling infrastructure across the City. Currently, the Bike and Walk plan is being translated into a ten-year works plan, to guide investment into the future. In accordance with the Bike and Walk plan, Lionel Street is a low priority, and unlikely to be funded in the ten-year period.</p> <p>The City is aware of some of the kerb damage caused by large trucks in the industrial area. Although the damage in the Naval Base area falls within the responsibility of Main Roads, the City is working on a new kerb design for corners, that is more likely to withstand loading from large vehicles cutting the corner.</p>
31	9777	Improved Special Residential	<p>I am writing in response to the invitation to comment on the proposed increase in rate charges for our area.</p> <p>Firstly, attached are copies of rate notices for years 2016 - 2018 revealing annual Increases each year a percentage increase of 50% in 3 years. Is this an obvious Mistake or a gross overvaluation bearing in mind the real estate market value of our Property has fallen by around 20% in the same period.</p> <p>Regarding a further 3.5% increase justification for our area it is apparent Councillors And management are not aware of the lack of commitment to improve many aspects Of the area overdue for improvement or update and I name just a few.</p> <p>Deterioration of poorly made footpaths, (cracking and crumbling), no kerbing, No centre white line in Marri Park Drive (10 bends from Thomas Rd), anti social Behaviour (burnouts regularly at Tavern entrance and along Marri Park drive).</p> <p>Street lighting is non existent other than corners and is a real safety concern to residents.</p> <p>We understand (from a recent meeting with one of your Engineers), there are no funds Allocated for the foreseeable future in our area which raises the question of any justification For increases (maybe a reduction more justified).</p>	<p>Kwinana is the second fastest growing local government in Western Australia. While the City makes every effort possible to lessen the impact of rates on its residents, with growth comes challenges to ensure that the City is ahead of this growth and balancing the increasing requirements for infrastructure, services and demand for quality from the community facilities and services.</p> <p>Although the Consumer Price Index (CPI) is currently sitting around 1.2 per cent, the budget is required to cover not only this increase but utilities increases, reduced government funding; reduced fees and charges income; as well as increases to the cost of materials and contracts.</p> <p>All these factors result in the City being required to fund the shortfall to maintain the same level of service that is currently being provided.</p> <p>The Valuer General has confirmed that if a property does not have services such as, sewerage, water and gas, they receive a reduced GRV valuation. A property that does have these services will have a higher GRV valuation. For example, a property that has the same improvements in a residential zoned area (i.e. around the City Centre) that has access to all the services will have a higher valuation than the same house that does not have these services (such as the properties in a Special Rural/Rural A zoning). The principle of allowing the valuation to determine the rates payable, and not the rate in the dollar, is an approach that provides equity and fairness ensuring that rate categories (such as the residential rate category) will not be subsidising the Improved Special Residential rate category.</p> <p>The City has in the past investigated the possibility of a centre line along Marri Park Drive. Unfortunately, the road does not meet the Main Roads' minimum requirements and cannot be installed.</p>

				<p>The installation of a kerb is not supported due to the rural form, and the consequent effect on drainage. Officers are investigating the installation of bollards, to reinforce the existence of the footpath.</p> <p>The overall condition of the road and pseudo-path is commensurate with the rest of the City, with no intervention planned in the short-term.</p> <p>Burnouts and similar anti-social behaviour falls within the definition of hoon behaviour and is outside of the purview of local government. These concerns should be forwarded to the Police and possibly Liquor Licensing.</p> <p>The limiting of street lighting to intersections is consistent with the rural form of the area and is consistent with the Australian Standards, when considering the volume of traffic and pedestrians. The City has no plans for en-masse installation of Streetlights on Marri Park Drive.</p>
32	18035 18036 18037	Vacant Non Residential	<p>We find that the proposed rates to be discrimination upon ourselves as an industrial landowner.</p> <p>The proposed rates have been generated without any reason for increase. There are no additional services that the Council will be providing to the ratepayers, it is merely a means for the City of Kwinana to generate extra revenue.</p> <p>The proposed increase in rates to the above properties represents a 67.4% increase in the current year's rates. This is excessive and totally unsubstantiated.</p> <p>If there is a shortfall in the City of Kwinana's budget, the increase to fund any shortfall should be spread across all ratepayers. The proposed differential rates are pure discrimination against vacant industrial landowners.</p> <p>Please register our objection towards such changes in rates.</p>	<p>The City has reviewed its rating strategy against the Department of Local Government principles and this has identified that Non Residential Vacant properties are being rated in a more favourable manner than those properties rated Residential Vacant. The City applies a lower rate in the dollar for Non Residential Vacant properties and if the City were to apply the Department of Local Government principles, this would not meet the principle of fairness and equity.</p> <p>The City of Kwinana also reviewed neighbouring local governments to determine whether these local government treated vacant properties differently. It was found that no neighbouring local government rates vacant properties differently based on land use. If the City were to apply the Department of Local Government principles, this would not meet the principle of consistency.</p> <p>The City of Kwinana imposes a higher rate in the dollar on vacant land is to act as a disincentive to persons who are land banking and not actively developing vacant land.</p>
33	8100 8101	Vacant Non Residential	<p>We find that the proposed rates to be discrimination upon ourselves as an industrial landowner.</p> <p>The proposed rates have been generated without any reason for increase. There are no additional services that the Council will be providing to the ratepayers, it is merely a means for the City of Kwinana to generate extra revenue.</p> <p>The proposed increase in rates to the above properties represents a 67.4% increase in the current year's rates. This is excessive and totally unsubstantiated.</p> <p>If there is a shortfall in the City of Kwinana's budget, the increase to fund any shortfall should be spread across all ratepayers. The proposed differential rates are pure discrimination against vacant industrial landowners.</p> <p>Please register our objection towards such changes in rates.</p>	<p>The City has reviewed its rating strategy against the Department of Local Government principles and this has identified that Non Residential Vacant properties are being rated in a more favourable manner than those properties rated Residential Vacant. The City applies a lower rate in the dollar for Non Residential Vacant properties and if the City were to apply the Department of Local Government principles, this would not meet the principle of fairness and equity.</p> <p>The City of Kwinana also reviewed neighbouring local governments to determine whether these local government treated vacant properties differently. It was found that no neighbouring local government rates vacant properties differently based on land use. If the City were to apply the Department of Local Government principles, this would not meet the principle of consistency.</p> <p>The City of Kwinana imposes a higher rate in the dollar on vacant land is to act as a disincentive to persons who are land banking and not actively developing vacant land.</p>

STATEMENT OF OBJECTS AND REASONS FOR DIFFERENTIAL RATE CATEGORIES 2019/2020

In accordance with section 6.36 of the *Local Government Act 1995* and the Council's "Notice of Intention to Levy Differential Rates and Minimum Payments", the following information details the objects and reasons for each of the proposed differential rating categories.

Summary

The following are the proposed Differential General Rates and Minimum Payments for the City of Kwinana for the 2019/2020 financial year, to be effective from 1 July 2019.

GRV Rate Categories	Minimum Payment (\$)	Rate in \$
GRV Improved Residential	1,072	0.08279
GRV Improved Special Residential	1,072	0.07589
GRV Vacant	1,072	0.17249
GRV Improved Commercial and Industrial	1,395	0.09269
UV Rate Categories	Minimum Payment (\$)	Rate in \$
UV General Industry	1,395	0.01821
UV Rural	1,072	0.00523
UV Mining and Industrial	1,395	0.00877

The above rate model is estimated to yield \$39,717,389 in rate revenue based on the information current at 21 May 2019.

What are Rates?

Rates are a tax levied on all rateable properties within the boundaries of the City of Kwinana in accordance with the *Local Government Act 1995*. The overall objective of the proposed rates in the 2019/2020 Budget is to provide for the net funding requirements of the City's services, activities, financing costs and the current and future capital requirements of the City, after taking into account all other forms of revenue. The formulation of a rating system is about achieving a means by which Council can raise sufficient revenue to pay for the services it provides. Throughout Australia, the basis of using property valuations has been found to be the most appropriate means of achieving rating equity; however, the achievement of a wholly equitable rating system for all properties, in all areas, is a difficult task if it is based on

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the property valuations alone. For this reason, there are refinement options made available, such as differential rating, that the City of Kwinana has elected to use. In Western Australia, land is valued by Landgate Valuation Services (Valuer General's Office – a State Government agency) and those valuations are forwarded to each Local Government. Two types of values are calculated - Gross Rental Value (GRV) which generally applies to urban, non-rural land; and Unimproved Value which generally applies to rural land.

Rating Provisions – *Local Government Act 1995*

The *Local Government Act 1995* sets out the basis on which differential general rates may be based as follows:

Section 6.32. Rates and service charges

(1) When adopting the annual budget, a local government –

- 1. in order to make up the budget deficiency, is to impose* a general rate on rateable land within its district, which rate may be imposed either –*
 - (i) uniformly; or*
 - (ii) differentially*

Differential Rates

Section 6.33. Differential general rates

(1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —

- (a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or*
- (b) a purpose for which the land is held or used as determined by the local government; or*
- (c) whether or not the land is vacant land; or*
- (d) any other characteristic or combination of characteristics prescribed.*

(2) Regulations may —

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(a) specify the characteristics under subsection (1) which a local government is to use; or

(b) limit the characteristics under subsection (1) which a local government is permitted to use.

(3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

(4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.

(5) A differential general rate that a local government purported to impose under this Act before the Local Government Amendment Act 2009 section 39(1)(a) came into operation 1 is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.

Minimum Payments

Section 6.35. Minimum Payment

(1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.

(2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.

(3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —

*(a) 50% of the total number of separately rated properties in the district;
or*

(b) 50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.

(4) A minimum payment is not to be imposed on more than the prescribed percentage of —

Administration

(a) the number of separately rated properties in the district; or

(b) the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.

(5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.

(6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —

(a) to land rated on gross rental value; and

(b) to land rated on unimproved value; and

(c) to each differential rating category where a differential general rate is imposed.

Gross Rental Value (GRV)

Council has adopted differential rates in its Gross Rental Valuation area utilising the valuations supplied by the Valuer General (VG) for the following categories:

1. GRV Improved Residential
2. GRV Improved Special Residential
3. GRV Vacant
4. GRV Improved Commercial and Industrial

It is Councils intention to continue to achieve the rate harmonisation process to achieve a simplified rating structure comprising the following GRV rating categories by 2023/2024:

1. Improved Residential
2. Vacant
3. Improved Commercial and Industrial

Continuing to harmonise the GRV rating categories requires the gap to be closed between each of the categories that would be harmonised, during this period, to close the gap, the following additional rates increases/(decreases) will need to apply to reach the proposed rating categories in 2023/2024.

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Rating Category	Gap at 30 June 2019	2019/2020 Additional Impact on Rates
GRV		
Improved Residential	0.00%	0.00%
Improved Special Residential	12.35%	3.09%
Vacant (from Residential)	0.00%	0.00%
Vacant (from Non Residential)	64.91%	64.91%
Improved Commercial and Industrial (from LIC)	0.00%	0.00%
Improved Commercial and Industrial (from GISC)	4.58%	4.58%
Improved Commercial and Industrial (from LSGISC)	1.54%	1.54%
UV		
General Industry	0.00%	0.00%
Mining and Industrial	0.00%	0.00%
Rural	0.00%	0.00%

The rates in the dollar are based on the general valuation as supplied by the Valuer General (VG) in respect of gross rental values (GRV's) effective from 1 July 2017. The Valuer General is required to maintain valuations of all rateable land in Western Australia for rating and taxing purposes. These values are assessed every three years by Landgate Valuers to complete what is known as a General Valuation. Every property is valued at a date set by the Valuer General and this is referred to as the Date of Valuation. Rating valuations are therefore assessed at a snapshot in time reflecting the property market for the local area at the same time. This ensures consistency and fairness in the allocation of rates.

The current GRV has a date of valuation of 1 August 2015. The GRV is determined by collecting rental evidence to determine the fair rental value for each property. The rental value for a house or other GRV property will be influenced by factors such as age, construction, size, car shelters, pools and location. As the GRV is currently assessed every three years, despite possible changes to the rental market, the GRV remains fixed until the next general valuation.

Unimproved Valuation (UV)

Council has adopted the following differential general rating categories for UV properties:

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1. UV General Industry
2. UV Mining and Industrial
3. UV Rural

The Valuer General determines unimproved values annually with a valuation roll provided to local governments. The City has completed rates modelling including the revaluations received in effect from 1 July 2019.

Proposed Differential General Rates and General Minimum Payments

Following are the objects and reasons for each of the differential rating categories and minimum payments for the 2019/2020 financial year.

GRV Improved Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is zoned for the purpose of:

- (a) Residential under Local Planning Scheme No 2 and is not vacant land, excluding land held or used for Commercial purposes; or
- (b) Special Residential under Local Planning Scheme No 2 and is not vacant land; or
- (c) Town Centre Residential under Local Planning Scheme No 3 and is not vacant land; or
- (d) Kwinana Town Centre under Local Planning Scheme No 2 and is held or used for residential purposes or is residential under an approved Local Structure Plan and is not vacant land; or
- (e) Development under Local Planning Scheme No 2 and Residential under an approved Local Structure Plan and is not vacant land; or
- (f) Development under Local Planning Scheme No 2 and Mixed Use under an approved Local Structure Plan and is held or used for residential purposes and is not vacant land.

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

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The reason for this rate is to ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the City. It is also lower than vacant land as the City is endeavouring to encourage landowners to develop vacant land.

The proposed rate in the dollar for this category is 8.279 cents, with a minimum payment of \$1,072. It will be applied to 15,317 of the City's rateable properties and deliver 54.00% of the proposed rate income.

GRV Improved Special Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is:

- (a) zoned for the purpose of:
 - (i) Special Rural under Local Planning Scheme No 2 and is not vacant land; or
 - (ii) Urban or Urban Deferred under the Metropolitan Region Scheme and is not vacant land; or
 - (iii) Rural A under Local Planning Scheme No 2 and is not vacant land; or
 - (iv) Rural Water Resource under Local Planning Scheme No 2 and is not vacant land; or
 - (v) Rural under the Metropolitan Regional Scheme and is not vacant land; or
 - (vi) Development under Local Planning Scheme No 2 and is not vacant land; or
 - (vii) Park, Recreation and Drainage under Local Planning Scheme No 2 and is not vacant land; or
- (b) held or used for residential purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000* and is not vacant land; and
- (c) held or used for residential purposes referred to in paragraphs (a) or (b).

The object of this rate category is to provide a lower differential rate for proposed characteristics under Improved Special Residential a) (i) to (vi) which is consistent with access to and provision of services to residential properties in a rural setting.

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The reason for this rate is to reflect the lower demand on City resources, such as, lower impacts on transport infrastructure, when compared to the other GRV differential rating categories. It is also lower than vacant land as the City is endeavouring to encourage landowners to develop vacant land.

The proposed rate in the dollar for this category is 7.589 cents, with a minimum payment of \$1,072. It will be applied to 828 of the City's rateable properties and deliver 3.77% of the proposed rate income.

GRV Vacant

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is vacant land.

The object of this rate is to promote the development of vacant land within the City's district.

The reason for this rate is to impose a higher differential general rate on vacant land that acts as a disincentive to persons who are land banking and not actively developing vacant land.

The proposed rate in the dollar for this category is 17.249 cents, with a minimum payment of \$1,072. It will be applied to 1,297 of the City's rateable properties and deliver 6.93% of the proposed rate income.

GRV Improved Industrial and Commercial

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is:

(a) zoned for the purpose of:

- (i) Light Industry under Local Planning Scheme No 2; or
- (ii) Commercial under Local Planning Scheme No 2; or
- (iii) Kwinana Town Centre under Local Planning Scheme No 2 and held or used for Light Industrial or Commercial purposes; or
- (iv) Mixed Business under Local Planning Scheme No 2; or
- (v) Special Use under Local Planning Scheme No 2; or
- (vi) General Town Centre under Local Planning Scheme No 3; or

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- (vii) Shopping/Business under Local Planning Scheme No 3; or
- (viii) Market Square under Local Planning Scheme No 3; or
- (ix) Mixed Use under Local Planning Scheme No 2; or
- (x) Residential under Local Planning Scheme No 2 and held or used for Light Industrial or Commercial purposes; or
- (xi) Development under the Local Planning Scheme No 2 and Mixed Use or any other purpose referred to in paragraph (a)(i)-(ix) under an approved Local Structure Plan; or
- (xii) Parks and Recreation under the Metropolitan Regional Scheme; or
- (xiii) General Industry or Service Commercial under Local Planning Scheme No. 2; or
- (xiv) Public purposes under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes; or
- (xv) Park recreation and drainage under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes
- (xvi) Special Rural under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes
- (xvii) Industrial use under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*; or
- (xviii) Railways under the Metropolitan Regional Scheme; or
- (xix) Port installations under the Metropolitan Regional Scheme; or
- (xx) Industrial under the Metropolitan Regional Scheme; or
- (xxi) Rural A under Local Planning Scheme No. 2;

and

(b) is not vacant land.

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The object of this rate category is to apply a higher differential rate so as to raise additional revenue to offset the increased costs associated with service provision to these properties.

The reason for this rate is that a higher differential rate is required to meet the higher level of service costs associated with Commercial and Industrial properties and the localities within which they are situated, including costs of:

- (a) provision and maintenance of transport and streetscape infrastructure including renewal/refurbishment infrastructure, car parking and traffic treatments; and
- (b) the management, administration and delivery of marketing activities aimed at enhancing the economic and social viability, and the general amenity of the Kwinana commercial and industrial areas.

The proposed rate in the dollar for this category is 9.269 cents, with a minimum payment of \$1,395. It will be applied to 545 of the City's rateable properties and deliver 25.34% of the proposed rate income.

UV General Industry

Zoned for the purpose of General Industry under Local Planning Scheme No 2.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to or associated with properties in this category.

The reason for this rate is to meet a significant proportion of the additional costs involved in servicing properties within this rate category, which include but are not limited to major outlays for transport infrastructure maintenance and renewal/refurbishment and significant costs relating to monitoring of land use and environmental impacts.

The proposed rate in the dollar for this category is 1.821 cents, with a minimum payment of \$1,395. It will be applied to 3 of the City's rateable properties and deliver 5.56% of the proposed rate income.

UV Mining and Industrial

This differential rate category imposes a differential general rate on land valued on an unimproved value (UV) basis, which is:

- (a) zoned for the purpose of Rural B under Local Planning Scheme No 2; or

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- (b) held or used for industrial, extractive industry or quarrying purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to properties in this category.

The reason for this rate is the need to offset the higher level of costs associated in servicing these properties, including the costs of transport infrastructure maintenance and renewal/refurbishment, and costs relating to monitoring of land use and environmental impacts.

The proposed rate in the dollar for this category is 0.877 cents, with a minimum payment of \$1,395. It will be applied to 41 of the City's rateable properties and deliver 0.94% of the proposed rate income.

UV Rural

This differential rate category imposes a differential general rate on land valued on an unimproved value (UV) basis which is predominantly used or held for rural pursuits, rural industry or intensive agriculture, and:

- (a) is not zoned for the purpose of General Industry under Local Planning Scheme No 2; or
- (b) is not zoned for the purpose of Rural B under Local Planning Scheme No 2; or
- (c) is not held or used for industrial, extractive industry or quarrying purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*.

The object of this rate category is to impose a differential rate commensurate with the rural use of land, which additionally is to act as the City's benchmark differential UV rate and is considered to be the base rate by which all other UV rated properties are assessed.

The reason for this rate is to ensure that all ratepayers on rural land make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the City.

The proposed rate in the dollar for this category is 0.523 cents, with a minimum payment of \$1,072. It will be applied to 206 of the City's rateable properties and deliver 3.37% of the proposed rate income.

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Minimum Payment

The City proposes to impose following minimum payments for each differential rating category:

GRV Rate Categories	Minimum Payment (\$)
GRV Improved Residential	1,072
GRV Improved Special Residential	1,072
GRV Vacant	1,072
GRV Improved Commercial and Industrial	1,395
UV General Industry	1,395
UV Mining and Industrial	1,395
UV Rural	1,072

The object of the minimum payment is to ensure that all ratepayers make an equitable contribution to rate revenue, to provide for the net funding requirements of the City's services, activities, financing costs, and current and future capital requirements as outlined in the Strategic Community Plan and Corporate Business Plan.

Each minimum payment has increased by 3.5%.

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STATEMENT OF OBJECTS AND REASONS FOR DIFFERENTIAL RATE CATEGORIES 2019/2020

In accordance with section 6.36 of the *Local Government Act 1995* and the Council's "Notice of Intention to Levy Differential Rates and Minimum Payments", the following information details the objects and reasons for each of the proposed differential rating categories.

Summary

The following are the proposed Differential General Rates and Minimum Payments for the City of Kwinana for the 2019/2020 financial year, to be effective from 1 July 2019.

GRV Rate Categories	Minimum Payment (\$)	Rate in \$
GRV Improved Residential	1,067	0.08239
GRV Improved Special Residential	1,067	0.07553
GRV Vacant	1,067	0.17333
GRV Improved Commercial and Industrial	1,388	0.09314
UV Rate Categories	Minimum Payment (\$)	Rate in \$
UV General Industry	1,388	0.01812
UV Rural	1,067	0.00520
UV Mining and Industrial	1,388	0.00872

The above rate model is estimated to yield \$39,639,054 in rate revenue based on the information current at 21 May 2019.

What are Rates?

Rates are a tax levied on all rateable properties within the boundaries of the City of Kwinana in accordance with the *Local Government Act 1995*. The overall objective of the proposed rates in the 2019/2020 Budget is to provide for the net funding requirements of the City's services, activities, financing costs and the current and future capital requirements of the City, after taking into account all other forms of revenue. The formulation of a rating system is about achieving a means by which Council can raise sufficient revenue to pay for the services it provides. Throughout Australia, the basis of using property valuations has been found to be the most appropriate means of achieving rating equity; however, the achievement of a wholly equitable rating system for all properties, in all areas, is a difficult task if it is based on

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- 1. in order to make up the budget deficiency, is to impose* a general rate on rateable land within its district, which rate may be imposed either –*
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Differential Rates

Section 6.33. Differential general rates

(1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —

- (a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or*
- (b) a purpose for which the land is held or used as determined by the local government; or*
- (c) whether or not the land is vacant land; or*
- (d) any other characteristic or combination of characteristics prescribed.*

(2) Regulations may —

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(a) specify the characteristics under subsection (1) which a local government is to use; or

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(3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

(4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.

(5) A differential general rate that a local government purported to impose under this Act before the Local Government Amendment Act 2009 section 39(1)(a) came into operation 1 is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.

Minimum Payments

Section 6.35. Minimum Payment

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(2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.

(3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —

*(a) 50% of the total number of separately rated properties in the district;
or*

(b) 50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.

(4) A minimum payment is not to be imposed on more than the prescribed percentage of —

Administration

(a) the number of separately rated properties in the district; or

(b) the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.

(5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.

(6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —

(a) to land rated on gross rental value; and

(b) to land rated on unimproved value; and

(c) to each differential rating category where a differential general rate is imposed.

Gross Rental Value (GRV)

Council has adopted differential rates in its Gross Rental Valuation area utilising the valuations supplied by the Valuer General (VG) for the following categories:

1. GRV Improved Residential
2. GRV Improved Special Residential
3. GRV Vacant
4. GRV Improved Commercial and Industrial

It is Councils intention to continue to achieve the rate harmonisation process to achieve a simplified rating structure comprising the following GRV rating categories by 2023/2024:

1. Improved Residential
2. Vacant
3. Improved Commercial and Industrial

Continuing to harmonise the GRV rating categories requires the gap to be closed between each of the categories that would be harmonised, during this period, to close the gap, the following additional rates increases/(decreases) will need to apply to reach the proposed rating categories in 2023/2024.

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Rating Category	Gap at 30 June 2019	2019/2020 Additional Impact on Rates
GRV		
Improved Residential	0.00%	0.00%
Improved Special Residential	12.35%	3.09%
Vacant (from Residential)	0.00%	0.00%
Vacant (from Non Residential)	65.22%	65.22%
Improved Commercial and Industrial (from LIC)	0.00%	0.00%
Improved Commercial and Industrial (from GISC)	4.58%	4.58%
Improved Commercial and Industrial (from LSGISC)	1.54%	1.54%
UV		
General Industry	0.00%	0.00%
Mining and Industrial	0.00%	0.00%
Rural	0.00%	0.00%

The rates in the dollar are based on the general valuation as supplied by the Valuer General (VG) in respect of gross rental values (GRV's) effective from 1 July 2017. The Valuer General is required to maintain valuations of all rateable land in Western Australia for rating and taxing purposes. These values are assessed every three years by Landgate Valuers to complete what is known as a General Valuation. Every property is valued at a date set by the Valuer General and this is referred to as the Date of Valuation. Rating valuations are therefore assessed at a snapshot in time reflecting the property market for the local area at the same time. This ensures consistency and fairness in the allocation of rates.

The current GRV has a date of valuation of 1 August 2015. The GRV is determined by collecting rental evidence to determine the fair rental value for each property. The rental value for a house or other GRV property will be influenced by factors such as age, construction, size, car shelters, pools and location. As the GRV is currently assessed every three years, despite possible changes to the rental market, the GRV remains fixed until the next general valuation.

Unimproved Valuation (UV)

Council has adopted the following differential general rating categories for UV properties:

Administration

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Telephone 08 9439 0200 | **Facsimile** 08 9439 0222 | **TTY** 08 9419 7513 | admin@kwinana.wa.gov.au | www.kwinana.wa.gov.au

1. UV General Industry
2. UV Mining and Industrial
3. UV Rural

The Valuer General determines unimproved values annually with a valuation roll provided to local governments. The City has completed rates modelling including the revaluations received in effect from 1 July 2019.

Proposed Differential General Rates and General Minimum Payments

Following are the objects and reasons for each of the differential rating categories and minimum payments for the 2019/2020 financial year.

GRV Improved Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is zoned for the purpose of:

- (a) Residential under Local Planning Scheme No 2 and is not vacant land, excluding land held or used for Commercial purposes; or
- (b) Special Residential under Local Planning Scheme No 2 and is not vacant land; or
- (c) Town Centre Residential under Local Planning Scheme No 3 and is not vacant land; or
- (d) Kwinana Town Centre under Local Planning Scheme No 2 and is held or used for residential purposes or is residential under an approved Local Structure Plan and is not vacant land; or
- (e) Development under Local Planning Scheme No 2 and Residential under an approved Local Structure Plan and is not vacant land; or
- (f) Development under Local Planning Scheme No 2 and Mixed Use under an approved Local Structure Plan and is held or used for residential purposes and is not vacant land.

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

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The reason for this rate is to ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the City. It is also lower than vacant land as the City is endeavouring to encourage landowners to develop vacant land.

The proposed rate in the dollar for this category is 8.239 cents, with a minimum payment of \$1,067. It will be applied to 15,317 of the City's rateable properties and deliver 53.84% of the proposed rate income.

GRV Improved Special Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is:

- (a) zoned for the purpose of:
 - (i) Special Rural under Local Planning Scheme No 2 and is not vacant land; or
 - (ii) Urban or Urban Deferred under the Metropolitan Region Scheme and is not vacant land; or
 - (iii) Rural A under Local Planning Scheme No 2 and is not vacant land; or
 - (iv) Rural Water Resource under Local Planning Scheme No 2 and is not vacant land; or
 - (v) Rural under the Metropolitan Regional Scheme and is not vacant land; or
 - (vi) Development under Local Planning Scheme No 2 and is not vacant land; or
 - (vii) Park, Recreation and Drainage under Local Planning Scheme No 2 and is not vacant land; or
- (b) held or used for residential purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000* and is not vacant land; and
- (c) held or used for residential purposes referred to in paragraphs (a) or (b).

The object of this rate category is to provide a lower differential rate for proposed characteristics under Improved Special Residential a) (i) to (vi) which is consistent with access to and provision of services to residential properties in a rural setting.

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The reason for this rate is to reflect the lower demand on City resources, such as, lower impacts on transport infrastructure, when compared to the other GRV differential rating categories. It is also lower than vacant land as the City is endeavouring to encourage landowners to develop vacant land.

The proposed rate in the dollar for this category is 7.553 cents, with a minimum payment of \$1,067. It will be applied to 828 of the City's rateable properties and deliver 3.76% of the proposed rate income.

GRV Vacant

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is vacant land.

The object of this rate is to promote the development of vacant land within the City's district.

The reason for this rate is to impose a higher differential general rate on vacant land that acts as a disincentive to persons who are land banking and not actively developing vacant land.

The proposed rate in the dollar for this category is 17.333 cents, with a minimum payment of \$1,067. It will be applied to 1,297 of the City's rateable properties and deliver 6.96% of the proposed rate income.

GRV Improved Industrial and Commercial

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is:

(a) zoned for the purpose of:

- (i) Light Industry under Local Planning Scheme No 2; or
- (ii) Commercial under Local Planning Scheme No 2; or
- (iii) Kwinana Town Centre under Local Planning Scheme No 2 and held or used for Light Industrial or Commercial purposes; or
- (iv) Mixed Business under Local Planning Scheme No 2; or
- (v) Special Use under Local Planning Scheme No 2; or
- (vi) General Town Centre under Local Planning Scheme No 3; or

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- (vii) Shopping/Business under Local Planning Scheme No 3; or
- (viii) Market Square under Local Planning Scheme No 3; or
- (ix) Mixed Use under Local Planning Scheme No 2; or
- (x) Residential under Local Planning Scheme No 2 and held or used for Light Industrial or Commercial purposes; or
- (xi) Development under the Local Planning Scheme No 2 and Mixed Use or any other purpose referred to in paragraph (a)(i)-(ix) under an approved Local Structure Plan; or
- (xii) Parks and Recreation under the Metropolitan Regional Scheme; or
- (xiii) General Industry or Service Commercial under Local Planning Scheme No. 2; or
- (xiv) Public purposes under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes; or
- (xv) Park recreation and drainage under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes
- (xvi) Special Rural under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes
- (xvii) Industrial use under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*; or
- (xviii) Railways under the Metropolitan Regional Scheme; or
- (xix) Port installations under the Metropolitan Regional Scheme; or
- (xx) Industrial under the Metropolitan Regional Scheme; or
- (xxi) Rural A under Local Planning Scheme No. 2;

and

(b) is not vacant land.

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The object of this rate category is to apply a higher differential rate so as to raise additional revenue to offset the increased costs associated with service provision to these properties.

The reason for this rate is that a higher differential rate is required to meet the higher level of service costs associated with Commercial and Industrial properties and the localities within which they are situated, including costs of:

- (a) provision and maintenance of transport and streetscape infrastructure including renewal/refurbishment infrastructure, car parking and traffic treatments; and
- (b) the management, administration and delivery of marketing activities aimed at enhancing the economic and social viability, and the general amenity of the Kwinana commercial and industrial areas.

The proposed rate in the dollar for this category is 9.314 cents, with a minimum payment of \$1,388. It will be applied to 573 of the City's rateable properties and deliver 25.61% of the proposed rate income.

UV General Industry

Zoned for the purpose of General Industry under Local Planning Scheme No 2.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to or associated with properties in this category.

The reason for this rate is to meet a significant proportion of the additional costs involved in servicing properties within this rate category, which include but are not limited to major outlays for transport infrastructure maintenance and renewal/refurbishment and significant costs relating to monitoring of land use and environmental impacts.

The proposed rate in the dollar for this category is 1.812 cents, with a minimum payment of \$1,388. It will be applied to 3 of the City's rateable properties and deliver 5.54% of the proposed rate income.

UV Mining and Industrial

This differential rate category imposes a differential general rate on land valued on an unimproved value (UV) basis, which is:

- (a) zoned for the purpose of Rural B under Local Planning Scheme No 2; or

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- (b) held or used for industrial, extractive industry or quarrying purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to properties in this category.

The reason for this rate is the need to offset the higher level of costs associated in servicing these properties, including the costs of transport infrastructure maintenance and renewal/refurbishment, and costs relating to monitoring of land use and environmental impacts.

The proposed rate in the dollar for this category is 0.872 cents, with a minimum payment of \$1,388. It will be applied to 41 of the City's rateable properties and deliver 0.94% of the proposed rate income.

UV Rural

This differential rate category imposes a differential general rate on land valued on an unimproved value (UV) basis which is predominantly used or held for rural pursuits, rural industry or intensive agriculture, and:

- (a) is not zoned for the purpose of General Industry under Local Planning Scheme No 2; or
- (b) is not zoned for the purpose of Rural B under Local Planning Scheme No 2; or
- (c) is not held or used for industrial, extractive industry or quarrying purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*.

The object of this rate category is to impose a differential rate commensurate with the rural use of land, which additionally is to act as the City's benchmark differential UV rate and is considered to be the base rate by which all other UV rated properties are assessed.

The reason for this rate is to ensure that all ratepayers on rural land make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the City.

The proposed rate in the dollar for this category is 0.520 cents, with a minimum payment of \$1,067. It will be applied to 206 of the City's rateable properties and deliver 3.36% of the proposed rate income.

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Minimum Payment

The City proposes to impose following minimum payments for each differential rating category:

GRV Rate Categories	Minimum Payment (\$)
GRV Improved Residential	1,067
GRV Improved Special Residential	1,067
GRV Vacant	1,067
GRV Improved Commercial and Industrial	1,388
UV General Industry	1,388
UV Mining and Industrial	1,388
UV Rural	1,067

The object of the minimum payment is to ensure that all ratepayers make an equitable contribution to rate revenue, to provide for the net funding requirements of the City's services, activities, financing costs, and current and future capital requirements as outlined in the Strategic Community Plan and Corporate Business Plan.

Each minimum payment has increased by 3%.

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STATEMENT OF OBJECTS AND REASONS FOR DIFFERENTIAL RATE CATEGORIES 2019/2020

In accordance with section 6.36 of the *Local Government Act 1995* and the Council's "Notice of Intention to Levy Differential Rates and Minimum Payments", the following information details the objects and reasons for each of the proposed differential rating categories.

Summary

The following are the proposed Differential General Rates and Minimum Payments for the City of Kwinana for the 2019/2020 financial year, to be effective from 1 July 2019.

GRV Rate Categories	Minimum Payment (\$)	Rate in \$
GRV Improved Residential	1,062	0.08199
GRV Improved Special Residential	1,062	0.07518
GRV Vacant	1,062	0.17249
GRV Improved Commercial and Industrial	1,382	0.09269
UV Rate Categories	Minimum Payment (\$)	Rate in \$
UV General Industry	1,382	0.01803
UV Rural	1,062	0.00518
UV Mining and Industrial	1,382	0.00868

The above rate model is estimated to yield \$39,448,794 in rate revenue based on the information current at 21 May 2019.

What are Rates?

Rates are a tax levied on all rateable properties within the boundaries of the City of Kwinana in accordance with the *Local Government Act 1995*. The overall objective of the proposed rates in the 2019/2020 Budget is to provide for the net funding requirements of the City's services, activities, financing costs and the current and future capital requirements of the City, after taking into account all other forms of revenue. The formulation of a rating system is about achieving a means by which Council can raise sufficient revenue to pay for the services it provides. Throughout Australia, the basis of using property valuations has been found to be the most appropriate means of achieving rating equity; however, the achievement of a wholly equitable rating system for all properties, in all areas, is a difficult task if it is based on

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the property valuations alone. For this reason, there are refinement options made available, such as differential rating, that the City of Kwinana has elected to use. In Western Australia, land is valued by Landgate Valuation Services (Valuer General's Office – a State Government agency) and those valuations are forwarded to each Local Government. Two types of values are calculated - Gross Rental Value (GRV) which generally applies to urban, non-rural land; and Unimproved Value which generally applies to rural land.

Rating Provisions – *Local Government Act 1995*

The *Local Government Act 1995* sets out the basis on which differential general rates may be based as follows:

Section 6.32. Rates and service charges

(1) When adopting the annual budget, a local government –

- 1. in order to make up the budget deficiency, is to impose* a general rate on rateable land within its district, which rate may be imposed either –*
 - (i) uniformly; or*
 - (ii) differentially*

Differential Rates

Section 6.33. Differential general rates

(1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —

- (a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or*
- (b) a purpose for which the land is held or used as determined by the local government; or*
- (c) whether or not the land is vacant land; or*
- (d) any other characteristic or combination of characteristics prescribed.*

(2) Regulations may —

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(a) specify the characteristics under subsection (1) which a local government is to use; or

(b) limit the characteristics under subsection (1) which a local government is permitted to use.

(3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

(4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.

(5) A differential general rate that a local government purported to impose under this Act before the Local Government Amendment Act 2009 section 39(1)(a) came into operation 1 is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.

Minimum Payments

Section 6.35. Minimum Payment

(1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.

(2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.

(3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —

*(a) 50% of the total number of separately rated properties in the district;
or*

(b) 50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.

(4) A minimum payment is not to be imposed on more than the prescribed percentage of —

Administration

(a) the number of separately rated properties in the district; or

(b) the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.

(5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.

(6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —

(a) to land rated on gross rental value; and

(b) to land rated on unimproved value; and

(c) to each differential rating category where a differential general rate is imposed.

Gross Rental Value (GRV)

Council has adopted differential rates in its Gross Rental Valuation area utilising the valuations supplied by the Valuer General (VG) for the following categories:

1. GRV Improved Residential
2. GRV Improved Special Residential
3. GRV Vacant
4. GRV Improved Commercial and Industrial

It is Councils intention to continue to achieve the rate harmonisation process to achieve a simplified rating structure comprising the following GRV rating categories by 2023/2024:

1. Improved Residential
2. Vacant
3. Improved Commercial and Industrial

Continuing to harmonise the GRV rating categories requires the gap to be closed between each of the categories that would be harmonised, during this period, to close the gap, the following additional rates increases/(decreases) will need to apply to reach the proposed rating categories in 2023/2024.

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Rating Category	Gap at 30 June 2019	2019/2020 Additional Impact on Rates
GRV		
Improved Residential	0.00%	0.00%
Improved Special Residential	12.35%	3.09%
Vacant (from Residential)	0.00%	0.00%
Vacant (from Non Residential)	64.91%	64.91%
Improved Commercial and Industrial (from LIC)	0.00%	0.00%
Improved Commercial and Industrial (from GISC)	4.58%	4.58%
Improved Commercial and Industrial (from LSGISC)	1.54%	1.54%
UV		
General Industry	0.00%	0.00%
Mining and Industrial	0.00%	0.00%
Rural	0.00%	0.00%

The rates in the dollar are based on the general valuation as supplied by the Valuer General (VG) in respect of gross rental values (GRV's) effective from 1 July 2017. The Valuer General is required to maintain valuations of all rateable land in Western Australia for rating and taxing purposes. These values are assessed every three years by Landgate Valuers to complete what is known as a General Valuation. Every property is valued at a date set by the Valuer General and this is referred to as the Date of Valuation. Rating valuations are therefore assessed at a snapshot in time reflecting the property market for the local area at the same time. This ensures consistency and fairness in the allocation of rates.

The current GRV has a date of valuation of 1 August 2015. The GRV is determined by collecting rental evidence to determine the fair rental value for each property. The rental value for a house or other GRV property will be influenced by factors such as age, construction, size, car shelters, pools and location. As the GRV is currently assessed every three years, despite possible changes to the rental market, the GRV remains fixed until the next general valuation.

Unimproved Valuation (UV)

Council has adopted the following differential general rating categories for UV properties:

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1. UV General Industry
2. UV Mining and Industrial
3. UV Rural

The Valuer General determines unimproved values annually with a valuation roll provided to local governments. The City has completed rates modelling including the revaluations received in effect from 1 July 2019.

Proposed Differential General Rates and General Minimum Payments

Following are the objects and reasons for each of the differential rating categories and minimum payments for the 2019/2020 financial year.

GRV Improved Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is zoned for the purpose of:

- (a) Residential under Local Planning Scheme No 2 and is not vacant land, excluding land held or used for Commercial purposes; or
- (b) Special Residential under Local Planning Scheme No 2 and is not vacant land; or
- (c) Town Centre Residential under Local Planning Scheme No 3 and is not vacant land; or
- (d) Kwinana Town Centre under Local Planning Scheme No 2 and is held or used for residential purposes or is residential under an approved Local Structure Plan and is not vacant land; or
- (e) Development under Local Planning Scheme No 2 and Residential under an approved Local Structure Plan and is not vacant land; or
- (f) Development under Local Planning Scheme No 2 and Mixed Use under an approved Local Structure Plan and is held or used for residential purposes and is not vacant land.

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

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The reason for this rate is to ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the City. It is also lower than vacant land as the City is endeavouring to encourage landowners to develop vacant land.

The proposed rate in the dollar for this category is 8.199 cents, with a minimum payment of \$1,062. It will be applied to 15,317 of the City's rateable properties and deliver 53.84% of the proposed rate income.

GRV Improved Special Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is:

- (a) zoned for the purpose of:
 - (i) Special Rural under Local Planning Scheme No 2 and is not vacant land; or
 - (ii) Urban or Urban Deferred under the Metropolitan Region Scheme and is not vacant land; or
 - (iii) Rural A under Local Planning Scheme No 2 and is not vacant land; or
 - (iv) Rural Water Resource under Local Planning Scheme No 2 and is not vacant land; or
 - (v) Rural under the Metropolitan Regional Scheme and is not vacant land; or
 - (vi) Development under Local Planning Scheme No 2 and is not vacant land; or
 - (vii) Park, Recreation and Drainage under Local Planning Scheme No 2 and is not vacant land; or
- (b) held or used for residential purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000* and is not vacant land; and
- (c) held or used for residential purposes referred to in paragraphs (a) or (b).

The object of this rate category is to provide a lower differential rate for proposed characteristics under Improved Special Residential a) (i) to (vi) which is consistent with access to and provision of services to residential properties in a rural setting.

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The reason for this rate is to reflect the lower demand on City resources, such as, lower impacts on transport infrastructure, when compared to the other GRV differential rating categories. It is also lower than vacant land as the City is endeavouring to encourage landowners to develop vacant land.

The proposed rate in the dollar for this category is 7.518 cents, with a minimum payment of \$1,062. It will be applied to 828 of the City's rateable properties and deliver 3.76% of the proposed rate income.

GRV Vacant

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is vacant land.

The object of this rate is to promote the development of vacant land within the City's district.

The reason for this rate is to impose a higher differential general rate on vacant land that acts as a disincentive to persons who are land banking and not actively developing vacant land.

The proposed rate in the dollar for this category is 17.249 cents, with a minimum payment of \$1,062. It will be applied to 1,297 of the City's rateable properties and deliver 6.96% of the proposed rate income.

GRV Improved Industrial and Commercial

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is:

(a) zoned for the purpose of:

- (i) Light Industry under Local Planning Scheme No 2; or
- (ii) Commercial under Local Planning Scheme No 2; or
- (iii) Kwinana Town Centre under Local Planning Scheme No 2 and held or used for Light Industrial or Commercial purposes; or
- (iv) Mixed Business under Local Planning Scheme No 2; or
- (v) Special Use under Local Planning Scheme No 2; or
- (vi) General Town Centre under Local Planning Scheme No 3; or

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- (vii) Shopping/Business under Local Planning Scheme No 3; or
- (viii) Market Square under Local Planning Scheme No 3; or
- (ix) Mixed Use under Local Planning Scheme No 2; or
- (x) Residential under Local Planning Scheme No 2 and held or used for Light Industrial or Commercial purposes; or
- (xi) Development under the Local Planning Scheme No 2 and Mixed Use or any other purpose referred to in paragraph (a)(i)-(ix) under an approved Local Structure Plan; or
- (xii) Parks and Recreation under the Metropolitan Regional Scheme; or
- (xiii) General Industry or Service Commercial under Local Planning Scheme No. 2; or
- (xiv) Public purposes under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes; or
- (xv) Park recreation and drainage under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes
- (xvi) Special Rural under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes
- (xvii) Industrial use under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*; or
- (xviii) Railways under the Metropolitan Regional Scheme; or
- (xix) Port installations under the Metropolitan Regional Scheme; or
- (xx) Industrial under the Metropolitan Regional Scheme; or
- (xxi) Rural A under Local Planning Scheme No. 2;

and

(b) is not vacant land.

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The object of this rate category is to apply a higher differential rate so as to raise additional revenue to offset the increased costs associated with service provision to these properties.

The reason for this rate is that a higher differential rate is required to meet the higher level of service costs associated with Commercial and Industrial properties and the localities within which they are situated, including costs of:

- (a) provision and maintenance of transport and streetscape infrastructure including renewal/refurbishment infrastructure, car parking and traffic treatments; and
- (b) the management, administration and delivery of marketing activities aimed at enhancing the economic and social viability, and the general amenity of the Kwinana commercial and industrial areas.

The proposed rate in the dollar for this category is 9.269 cents, with a minimum payment of \$1,382. It will be applied to 573 of the City's rateable properties and deliver 25.61% of the proposed rate income.

UV General Industry

Zoned for the purpose of General Industry under Local Planning Scheme No 2.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to or associated with properties in this category.

The reason for this rate is to meet a significant proportion of the additional costs involved in servicing properties within this rate category, which include but are not limited to major outlays for transport infrastructure maintenance and renewal/refurbishment and significant costs relating to monitoring of land use and environmental impacts.

The proposed rate in the dollar for this category is 1.803 cents, with a minimum payment of \$1,382. It will be applied to 3 of the City's rateable properties and deliver 5.54% of the proposed rate income.

UV Mining and Industrial

This differential rate category imposes a differential general rate on land valued on an unimproved value (UV) basis, which is:

- (a) zoned for the purpose of Rural B under Local Planning Scheme No 2; or

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- (b) held or used for industrial, extractive industry or quarrying purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to properties in this category.

The reason for this rate is the need to offset the higher level of costs associated in servicing these properties, including the costs of transport infrastructure maintenance and renewal/refurbishment, and costs relating to monitoring of land use and environmental impacts.

The proposed rate in the dollar for this category is 0.868 cents, with a minimum payment of \$1,382. It will be applied to 41 of the City's rateable properties and deliver 0.94% of the proposed rate income.

UV Rural

This differential rate category imposes a differential general rate on land valued on an unimproved value (UV) basis which is predominantly used or held for rural pursuits, rural industry or intensive agriculture, and:

- (a) is not zoned for the purpose of General Industry under Local Planning Scheme No 2; or
- (b) is not zoned for the purpose of Rural B under Local Planning Scheme No 2; or
- (c) is not held or used for industrial, extractive industry or quarrying purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*.

The object of this rate category is to impose a differential rate commensurate with the rural use of land, which additionally is to act as the City's benchmark differential UV rate and is considered to be the base rate by which all other UV rated properties are assessed.

The reason for this rate is to ensure that all ratepayers on rural land make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the City.

The proposed rate in the dollar for this category is 0.518 cents, with a minimum payment of \$1,062. It will be applied to 206 of the City's rateable properties and deliver 3.36% of the proposed rate income.

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Minimum Payment

The City proposes to impose following minimum payments for each differential rating category:

GRV Rate Categories	Minimum Payment (\$)
GRV Improved Residential	1,062
GRV Improved Special Residential	1,062
GRV Vacant	1,062
GRV Improved Commercial and Industrial	1,382
UV General Industry	1,382
UV Mining and Industrial	1,382
UV Rural	1,062

The object of the minimum payment is to ensure that all ratepayers make an equitable contribution to rate revenue, to provide for the net funding requirements of the City's services, activities, financing costs, and current and future capital requirements as outlined in the Strategic Community Plan and Corporate Business Plan.

Each minimum payment has increased by 2.5%.

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STATEMENT OF OBJECTS AND REASONS FOR DIFFERENTIAL RATE CATEGORIES 2019/2020

In accordance with section 6.36 of the *Local Government Act 1995* and the Council's "Notice of Intention to Levy Differential Rates and Minimum Payments", the following information details the objects and reasons for each of the proposed differential rating categories.

Summary

The following are the proposed Differential General Rates and Minimum Payments for the City of Kwinana for the 2019/2020 financial year, to be effective from 1 July 2019.

GRV Rate Categories	Minimum Payment (\$)	Rate in \$
GRV Improved Residential	1,057	0.08159
GRV Improved Special Residential	1,057	0.07482
GRV Vacant	1,057	0.17165
GRV Improved Commercial and Industrial	1,375	0.09224
UV Rate Categories	Minimum Payment (\$)	Rate in \$
UV General Industry	1,375	0.01794
UV Rural	1,057	0.00515
UV Mining and Industrial	1,375	0.00864

The above rate model is estimated to yield \$39,255,822 in rate revenue based on the information current at 21 May 2019.

What are Rates?

Rates are a tax levied on all rateable properties within the boundaries of the City of Kwinana in accordance with the *Local Government Act 1995*. The overall objective of the proposed rates in the 2019/2020 Budget is to provide for the net funding requirements of the City's services, activities, financing costs and the current and future capital requirements of the City, after taking into account all other forms of revenue. The formulation of a rating system is about achieving a means by which Council can raise sufficient revenue to pay for the services it provides. Throughout Australia, the basis of using property valuations has been found to be the most appropriate means of achieving rating equity; however, the achievement of a wholly equitable rating system for all properties, in all areas, is a difficult task if it is based on

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the property valuations alone. For this reason, there are refinement options made available, such as differential rating, that the City of Kwinana has elected to use. In Western Australia, land is valued by Landgate Valuation Services (Valuer General's Office – a State Government agency) and those valuations are forwarded to each Local Government. Two types of values are calculated - Gross Rental Value (GRV) which generally applies to urban, non-rural land; and Unimproved Value which generally applies to rural land.

Rating Provisions – *Local Government Act 1995*

The *Local Government Act 1995* sets out the basis on which differential general rates may be based as follows:

Section 6.32. Rates and service charges

(1) When adopting the annual budget, a local government –

- 1. in order to make up the budget deficiency, is to impose* a general rate on rateable land within its district, which rate may be imposed either –*
 - (i) uniformly; or*
 - (ii) differentially*

Differential Rates

Section 6.33. Differential general rates

(1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —

- (a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or*
- (b) a purpose for which the land is held or used as determined by the local government; or*
- (c) whether or not the land is vacant land; or*
- (d) any other characteristic or combination of characteristics prescribed.*

(2) Regulations may —

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(a) specify the characteristics under subsection (1) which a local government is to use; or

(b) limit the characteristics under subsection (1) which a local government is permitted to use.

(3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

(4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.

(5) A differential general rate that a local government purported to impose under this Act before the Local Government Amendment Act 2009 section 39(1)(a) came into operation 1 is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.

Minimum Payments

Section 6.35. Minimum Payment

(1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.

(2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.

(3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —

*(a) 50% of the total number of separately rated properties in the district;
or*

(b) 50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.

(4) A minimum payment is not to be imposed on more than the prescribed percentage of —

Administration

(a) the number of separately rated properties in the district; or

(b) the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.

(5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.

(6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —

(a) to land rated on gross rental value; and

(b) to land rated on unimproved value; and

(c) to each differential rating category where a differential general rate is imposed.

Gross Rental Value (GRV)

Council has adopted differential rates in its Gross Rental Valuation area utilising the valuations supplied by the Valuer General (VG) for the following categories:

1. GRV Improved Residential
2. GRV Improved Special Residential
3. GRV Vacant
4. GRV Improved Commercial and Industrial

It is Councils intention to continue to achieve the rate harmonisation process to achieve a simplified rating structure comprising the following GRV rating categories by 2023/2024:

1. Improved Residential
2. Vacant
3. Improved Commercial and Industrial

Continuing to harmonise the GRV rating categories requires the gap to be closed between each of the categories that would be harmonised, during this period, to close the gap, the following additional rates increases/(decreases) will need to apply to reach the proposed rating categories in 2023/2024.

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Rating Category	Gap at 30 June 2019	2019/2020 Additional Impact on Rates
GRV		
Improved Residential	0.00%	0.00%
Improved Special Residential	12.35%	3.09%
Vacant (from Residential)	0.00%	0.00%
Vacant (from Non Residential)	64.59%	64.59%
Improved Commercial and Industrial (from LIC)	0.00%	0.00%
Improved Commercial and Industrial (from GISC)	4.58%	4.58%
Improved Commercial and Industrial (from LSGISC)	1.54%	1.54%
UV		
General Industry	0.00%	0.00%
Mining and Industrial	0.00%	0.00%
Rural	0.00%	0.00%

The rates in the dollar are based on the general valuation as supplied by the Valuer General (VG) in respect of gross rental values (GRV's) effective from 1 July 2017. The Valuer General is required to maintain valuations of all rateable land in Western Australia for rating and taxing purposes. These values are assessed every three years by Landgate Valuers to complete what is known as a General Valuation. Every property is valued at a date set by the Valuer General and this is referred to as the Date of Valuation. Rating valuations are therefore assessed at a snapshot in time reflecting the property market for the local area at the same time. This ensures consistency and fairness in the allocation of rates.

The current GRV has a date of valuation of 1 August 2015. The GRV is determined by collecting rental evidence to determine the fair rental value for each property. The rental value for a house or other GRV property will be influenced by factors such as age, construction, size, car shelters, pools and location. As the GRV is currently assessed every three years, despite possible changes to the rental market, the GRV remains fixed until the next general valuation.

Unimproved Valuation (UV)

Council has adopted the following differential general rating categories for UV properties:

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1. UV General Industry
2. UV Mining and Industrial
3. UV Rural

The Valuer General determines unimproved values annually with a valuation roll provided to local governments. The City has completed rates modelling including the revaluations received in effect from 1 July 2019.

Proposed Differential General Rates and General Minimum Payments

Following are the objects and reasons for each of the differential rating categories and minimum payments for the 2019/2020 financial year.

GRV Improved Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is zoned for the purpose of:

- (a) Residential under Local Planning Scheme No 2 and is not vacant land, excluding land held or used for Commercial purposes; or
- (b) Special Residential under Local Planning Scheme No 2 and is not vacant land; or
- (c) Town Centre Residential under Local Planning Scheme No 3 and is not vacant land; or
- (d) Kwinana Town Centre under Local Planning Scheme No 2 and is held or used for residential purposes or is residential under an approved Local Structure Plan and is not vacant land; or
- (e) Development under Local Planning Scheme No 2 and Residential under an approved Local Structure Plan and is not vacant land; or
- (f) Development under Local Planning Scheme No 2 and Mixed Use under an approved Local Structure Plan and is held or used for residential purposes and is not vacant land.

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

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The reason for this rate is to ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the City. It is also lower than vacant land as the City is endeavouring to encourage landowners to develop vacant land.

The proposed rate in the dollar for this category is 8.159 cents, with a minimum payment of \$1,057. It will be applied to 15,317 of the City's rateable properties and deliver 53.84% of the proposed rate income.

GRV Improved Special Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is:

- (a) zoned for the purpose of:
 - (i) Special Rural under Local Planning Scheme No 2 and is not vacant land; or
 - (ii) Urban or Urban Deferred under the Metropolitan Region Scheme and is not vacant land; or
 - (iii) Rural A under Local Planning Scheme No 2 and is not vacant land; or
 - (iv) Rural Water Resource under Local Planning Scheme No 2 and is not vacant land; or
 - (v) Rural under the Metropolitan Regional Scheme and is not vacant land; or
 - (vi) Development under Local Planning Scheme No 2 and is not vacant land; or
 - (vii) Park, Recreation and Drainage under Local Planning Scheme No 2 and is not vacant land; or
- (b) held or used for residential purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000* and is not vacant land; and
- (c) held or used for residential purposes referred to in paragraphs (a) or (b).

The object of this rate category is to provide a lower differential rate for proposed characteristics under Improved Special Residential a) (i) to (vi) which is consistent with access to and provision of services to residential properties in a rural setting.

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The reason for this rate is to reflect the lower demand on City resources, such as, lower impacts on transport infrastructure, when compared to the other GRV differential rating categories. It is also lower than vacant land as the City is endeavouring to encourage landowners to develop vacant land.

The proposed rate in the dollar for this category is 7.482 cents, with a minimum payment of \$1,057. It will be applied to 828 of the City's rateable properties and deliver 3.76% of the proposed rate income.

GRV Vacant

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is vacant land.

The object of this rate is to promote the development of vacant land within the City's district.

The reason for this rate is to impose a higher differential general rate on vacant land that acts as a disincentive to persons who are land banking and not actively developing vacant land.

The proposed rate in the dollar for this category is 17.165 cents, with a minimum payment of \$1,057. It will be applied to 1,297 of the City's rateable properties and deliver 6.96% of the proposed rate income.

GRV Improved Industrial and Commercial

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is:

(a) zoned for the purpose of:

- (i) Light Industry under Local Planning Scheme No 2; or
- (ii) Commercial under Local Planning Scheme No 2; or
- (iii) Kwinana Town Centre under Local Planning Scheme No 2 and held or used for Light Industrial or Commercial purposes; or
- (iv) Mixed Business under Local Planning Scheme No 2; or
- (v) Special Use under Local Planning Scheme No 2; or
- (vi) General Town Centre under Local Planning Scheme No 3; or

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- (vii) Shopping/Business under Local Planning Scheme No 3; or
- (viii) Market Square under Local Planning Scheme No 3; or
- (ix) Mixed Use under Local Planning Scheme No 2; or
- (x) Residential under Local Planning Scheme No 2 and held or used for Light Industrial or Commercial purposes; or
- (xi) Development under the Local Planning Scheme No 2 and Mixed Use or any other purpose referred to in paragraph (a)(i)-(ix) under an approved Local Structure Plan; or
- (xii) Parks and Recreation under the Metropolitan Regional Scheme; or
- (xiii) General Industry or Service Commercial under Local Planning Scheme No. 2; or
- (xiv) Public purposes under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes; or
- (xv) Park recreation and drainage under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes
- (xvi) Special Rural under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes
- (xvii) Industrial use under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*; or
- (xviii) Railways under the Metropolitan Regional Scheme; or
- (xix) Port installations under the Metropolitan Regional Scheme; or
- (xx) Industrial under the Metropolitan Regional Scheme; or
- (xxi) Rural A under Local Planning Scheme No. 2;

and

(b) is not vacant land.

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The object of this rate category is to apply a higher differential rate so as to raise additional revenue to offset the increased costs associated with service provision to these properties.

The reason for this rate is that a higher differential rate is required to meet the higher level of service costs associated with Commercial and Industrial properties and the localities within which they are situated, including costs of:

- (a) provision and maintenance of transport and streetscape infrastructure including renewal/refurbishment infrastructure, car parking and traffic treatments; and
- (b) the management, administration and delivery of marketing activities aimed at enhancing the economic and social viability, and the general amenity of the Kwinana commercial and industrial areas.

The proposed rate in the dollar for this category is 9.224 cents, with a minimum payment of \$1,375. It will be applied to 573 of the City's rateable properties and deliver 25.61% of the proposed rate income.

UV General Industry

Zoned for the purpose of General Industry under Local Planning Scheme No 2.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to or associated with properties in this category.

The reason for this rate is to meet a significant proportion of the additional costs involved in servicing properties within this rate category, which include but are not limited to major outlays for transport infrastructure maintenance and renewal/refurbishment and significant costs relating to monitoring of land use and environmental impacts.

The proposed rate in the dollar for this category is 1.794 cents, with a minimum payment of \$1,375. It will be applied to 3 of the City's rateable properties and deliver 5.54% of the proposed rate income.

UV Mining and Industrial

This differential rate category imposes a differential general rate on land valued on an unimproved value (UV) basis, which is:

- (a) zoned for the purpose of Rural B under Local Planning Scheme No 2; or

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- (b) held or used for industrial, extractive industry or quarrying purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to properties in this category.

The reason for this rate is the need to offset the higher level of costs associated in servicing these properties, including the costs of transport infrastructure maintenance and renewal/refurbishment, and costs relating to monitoring of land use and environmental impacts.

The proposed rate in the dollar for this category is 0.864 cents, with a minimum payment of \$1,375. It will be applied to 41 of the City's rateable properties and deliver 0.94% of the proposed rate income.

UV Rural

This differential rate category imposes a differential general rate on land valued on an unimproved value (UV) basis which is predominantly used or held for rural pursuits, rural industry or intensive agriculture, and:

- (a) is not zoned for the purpose of General Industry under Local Planning Scheme No 2; or
- (b) is not zoned for the purpose of Rural B under Local Planning Scheme No 2; or
- (c) is not held or used for industrial, extractive industry or quarrying purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*.

The object of this rate category is to impose a differential rate commensurate with the rural use of land, which additionally is to act as the City's benchmark differential UV rate and is considered to be the base rate by which all other UV rated properties are assessed.

The reason for this rate is to ensure that all ratepayers on rural land make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the City.

The proposed rate in the dollar for this category is 0.515 cents, with a minimum payment of \$1,057. It will be applied to 206 of the City's rateable properties and deliver 3.36% of the proposed rate income.

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Minimum Payment

The City proposes to impose following minimum payments for each differential rating category:

GRV Rate Categories	Minimum Payment (\$)
GRV Improved Residential	1,057
GRV Improved Special Residential	1,057
GRV Vacant	1,057
GRV Improved Commercial and Industrial	1,375
UV General Industry	1,375
UV Mining and Industrial	1,375
UV Rural	1,057

The object of the minimum payment is to ensure that all ratepayers make an equitable contribution to rate revenue, to provide for the net funding requirements of the City's services, activities, financing costs, and current and future capital requirements as outlined in the Strategic Community Plan and Corporate Business Plan.

Each minimum payment has increased by 2%.

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In accordance with section 6.36 of the *Local Government Act 1995* and the Council's "Notice of Intention to Levy Differential Rates and Minimum Payments", the following information details the objects and reasons for each of the proposed differential rating categories.

Summary

The following are the proposed Differential General Rates and Minimum Payments for the City of Kwinana for the 2019/2020 financial year, to be effective from 1 July 2019.

GRV Rate Categories	Minimum Payment (\$)	Rate in \$
GRV Improved Residential	1,062	0.08199
GRV Improved Special Residential	1,062	0.07518
GRV Vacant Residential	1,062	0.17249
GRV Vacant Non Residential	1,062	0.13824
GRV Improved Commercial and Industrial	1,382	0.09269
UV Rate Categories	Minimum Payment (\$)	Rate in \$
UV General Industry	1,382	0.01803
UV Rural	1,062	0.00518
UV Mining and Industrial	1,382	0.00868

The above rate model is estimated to yield \$39,349,610 in rate revenue based on the information current at 21 May 2019.

What are Rates?

Rates are a tax levied on all rateable properties within the boundaries of the City of Kwinana in accordance with the *Local Government Act 1995*. The overall objective of the proposed rates in the 2019/2020 Budget is to provide for the net funding requirements of the City's services, activities, financing costs and the current and future capital requirements of the City, after taking into account all other forms of revenue. The formulation of a rating system is about achieving a means by which Council can raise sufficient revenue to pay for the services it provides. Throughout Australia, the basis of using property valuations has been found to be the most appropriate means of achieving rating equity; however, the achievement of a wholly

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equitable rating system for all properties, in all areas, is a difficult task if it is based on the property valuations alone. For this reason, there are refinement options made available, such as differential rating, that the City of Kwinana has elected to use. In Western Australia, land is valued by Landgate Valuation Services (Valuer General's Office – a State Government agency) and those valuations are forwarded to each Local Government. Two types of values are calculated - Gross Rental Value (GRV) which generally applies to urban, non-rural land; and Unimproved Value which generally applies to rural land.

Rating Provisions – *Local Government Act 1995*

The *Local Government Act 1995* sets out the basis on which differential general rates may be based as follows:

Section 6.32. Rates and service charges

(1) When adopting the annual budget, a local government –

1. in order to make up the budget deficiency, is to impose a general rate on rateable land within its district, which rate may be imposed either –*

- (i) uniformly; or*
- (ii) differentially*

Differential Rates

Section 6.33. Differential general rates

(1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —

(a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or

(b) a purpose for which the land is held or used as determined by the local government; or

(c) whether or not the land is vacant land; or

(d) any other characteristic or combination of characteristics prescribed.

(2) Regulations may —

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(a) specify the characteristics under subsection (1) which a local government is to use; or

(b) limit the characteristics under subsection (1) which a local government is permitted to use.

(3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

(4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.

(5) A differential general rate that a local government purported to impose under this Act before the Local Government Amendment Act 2009 section 39(1)(a) came into operation 1 is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.

Minimum Payments

Section 6.35. Minimum Payment

(1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.

(2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.

(3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —

(a) 50% of the total number of separately rated properties in the district; or

(b) 50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.

(4) A minimum payment is not to be imposed on more than the prescribed percentage of —

Administration

(a) the number of separately rated properties in the district; or

(b) the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.

(5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.

(6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —

(a) to land rated on gross rental value; and

(b) to land rated on unimproved value; and

(c) to each differential rating category where a differential general rate is imposed.

Gross Rental Value (GRV)

Council has adopted differential rates in its Gross Rental Valuation area utilising the valuations supplied by the Valuer General (VG) for the following categories:

1. GRV Improved Residential
2. GRV Improved Special Residential
3. GRV Vacant Residential
4. GRV Vacant Non Residential
5. GRV Improved Commercial and Industrial

It is Councils intention to continue to achieve the rate harmonisation process to achieve a simplified rating structure comprising the following GRV rating categories by 2023/2024:

1. Improved Residential
2. Vacant
3. Improved Commercial and Industrial

Continuing to harmonise the GRV rating categories requires the gap to be closed between each of the categories that would be harmonised, during this period, to close

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the gap, the following additional rates increases/(decreases) will need to apply to reach the proposed rating categories in 2023/2024.

Rating Category	Gap at 30 June 2019	2019/2020 Additional Impact on Rates
GRV		
Improved Residential	0.00%	0.00%
Improved Special Residential	12.35%	3.09%
Vacant (from Residential)	0.00%	0.00%
Vacant (from Non Residential)	63.32%	31.66%
Improved Commercial and Industrial (from LIC)	0.00%	0.00%
Improved Commercial and Industrial (from GISC)	4.58%	4.58%
Improved Commercial and Industrial (from LSGISC)	1.54%	1.54%
UV		
General Industry	0.00%	0.00%
Mining and Industrial	0.00%	0.00%
Rural	0.00%	0.00%

The rates in the dollar are based on the general valuation as supplied by the Valuer General (VG) in respect of gross rental values (GRV's) effective from 1 July 2017. The Valuer General is required to maintain valuations of all rateable land in Western Australia for rating and taxing purposes. These values are assessed every three years by Landgate Valuers to complete what is known as a General Valuation. Every property is valued at a date set by the Valuer General and this is referred to as the Date of Valuation. Rating valuations are therefore assessed at a snapshot in time reflecting the property market for the local area at the same time. This ensures consistency and fairness in the allocation of rates.

The current GRV has a date of valuation of 1 August 2015. The GRV is determined by collecting rental evidence to determine the fair rental value for each property. The rental value for a house or other GRV property will be influenced by factors such as age, construction, size, car shelters, pools and location. As the GRV is currently assessed every three years, despite possible changes to the rental market, the GRV remains fixed until the next general valuation.

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Unimproved Valuation (UV)

Council has adopted the following differential general rating categories for UV properties:

1. UV General Industry
2. UV Mining and Industrial
3. UV Rural

The Valuer General determines unimproved values annually with a valuation roll provided to local governments. The City has completed rates modelling including the revaluations received in effect from 1 July 2019.

Proposed Differential General Rates and General Minimum Payments

Following are the objects and reasons for each of the differential rating categories and minimum payments for the 2019/2020 financial year.

GRV Improved Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is zoned for the purpose of:

- (a) Residential under Local Planning Scheme No 2 and is not vacant land, excluding land held or used for Commercial purposes; or
- (b) Special Residential under Local Planning Scheme No 2 and is not vacant land; or
- (c) Town Centre Residential under Local Planning Scheme No 3 and is not vacant land; or
- (d) Kwinana Town Centre under Local Planning Scheme No 2 and is held or used for residential purposes or is residential under an approved Local Structure Plan and is not vacant land; or
- (e) Development under Local Planning Scheme No 2 and Residential under an approved Local Structure Plan and is not vacant land; or
- (f) Development under Local Planning Scheme No 2 and Mixed Use under an approved Local Structure Plan and is held or used for residential purposes and is not vacant land.

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The object of this rate is to apply a base differential general rate to land zoned and used for residential purposes and to act as the City's benchmark differential rate 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 and provision of works, services and facilities throughout the City. It is also lower than vacant land as the City is endeavouring to encourage landowners to develop vacant land.

The proposed rate in the dollar for this category is 8.199 cents, with a minimum payment of \$1,062. It will be applied to 15,317 of the City's rateable properties and deliver 53.98% of the proposed rate income.

GRV Improved Special Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is:

(a) zoned for the purpose of:

- (i) Special Rural under Local Planning Scheme No 2 and is not vacant land; or
- (ii) Urban or Urban Deferred under the Metropolitan Region Scheme and is not vacant land; or
- (iii) Rural A under Local Planning Scheme No 2 and is not vacant land; or
- (iv) Rural Water Resource under Local Planning Scheme No 2 and is not vacant land; or
- (v) Rural under the Metropolitan Regional Scheme and is not vacant land; or
- (vi) Development under Local Planning Scheme No 2 and is not vacant land; or
- (vii) Park, Recreation and Drainage under Local Planning Scheme No 2 and is not vacant land; or

(b) held or used for residential purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000* and is not vacant land; and

(c) held or used for residential purposes referred to in paragraphs (a) or (b).

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The object of this rate category is to provide a lower differential rate for proposed characteristics under Improved Special Residential a) (i) to (vi) which is consistent with access to and provision of services to residential properties in a rural setting.

The reason for this rate is to reflect the lower demand on City resources, such as, lower impacts on transport infrastructure, when compared to the other GRV differential rating categories. It is also lower than vacant land as the City is endeavouring to encourage landowners to develop vacant land.

The proposed rate in the dollar for this category is 7.518 cents, with a minimum payment of \$1,062. It will be applied to 828 of the City's rateable properties and deliver 3.77% of the proposed rate income.

GRV Vacant Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is vacant land and is zoned for residential uses.

The object of this rate is to promote the development of vacant land within the City's district.

The reason for this rate is to impose a higher differential general rate on vacant land that acts as a disincentive to persons who are land banking and not actively developing vacant residential land.

The proposed rate in the dollar for this category is 17.249 cents, with a minimum payment of \$1,062. It will be applied to 1,251 of the City's rateable properties and deliver 5.70% of the proposed rate income.

GRV Vacant – Non Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is vacant land and is zoned for any other purposes/uses other than residential.

The object of this rate is to promote the development of vacant land within the City's district.

The reason for this rate is to impose a higher differential general rate on vacant land that acts as a disincentive to persons who are land banking and not actively developing vacant land.

The proposed rate in the dollar for this category is 13.824 cents, with a minimum payment of \$1,062. It will be applied to 46 of the City's rateable properties and deliver 1.03% of the proposed rate income.

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GRV Improved Industrial and Commercial

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is:

(a) zoned for the purpose of:

- (i) Light Industry under Local Planning Scheme No 2; or
- (ii) Commercial under Local Planning Scheme No 2; or
- (iii) Kwinana Town Centre under Local Planning Scheme No 2 and held or used for Light Industrial or Commercial purposes; or
- (iv) Mixed Business under Local Planning Scheme No 2; or
- (v) Special Use under Local Planning Scheme No 2; or
- (vi) General Town Centre under Local Planning Scheme No 3; or
- (vii) Shopping/Business under Local Planning Scheme No 3; or
- (viii) Market Square under Local Planning Scheme No 3; or
- (ix) Mixed Use under Local Planning Scheme No 2; or
- (x) Residential under Local Planning Scheme No 2 and held or used for Light Industrial or Commercial purposes; or
- (xi) Development under the Local Planning Scheme No 2 and Mixed Use or any other purpose referred to in paragraph (a)(i)-(ix) under an approved Local Structure Plan; or
- (xii) Parks and Recreation under the Metropolitan Regional Scheme; or
- (xiii) General Industry or Service Commercial under Local Planning Scheme No. 2; or
- (xiv) Public purposes under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes; or
- (xv) Park recreation and drainage under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes

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- (xvi) Special Rural under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes
- (xvii) Industrial use under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*; or
- (xviii) Railways under the Metropolitan Regional Scheme; or
- (xix) Port installations under the Metropolitan Regional Scheme; or
- (xx) Industrial under the Metropolitan Regional Scheme; or
- (xxi) Rural A under Local Planning Scheme No. 2;

and

(b) is not vacant land.

The object of this rate category is to apply a higher differential rate so as to raise additional revenue to offset the increased costs associated with service provision to these properties.

The reason for this rate is that a higher differential rate is required to meet the higher level of service costs associated with Commercial and Industrial properties and the localities within which they are situated, including costs of:

- (a) provision and maintenance of transport and streetscape infrastructure including renewal/refurbishment infrastructure, car parking and traffic treatments; and
- (b) the management, administration and delivery of marketing activities aimed at enhancing the economic and social viability, and the general amenity of the Kwinana commercial and industrial areas.

The proposed rate in the dollar for this category is 9.269 cents, with a minimum payment of \$1,382. It will be applied to 573 of the City's rateable properties and deliver 25.67% of the proposed rate income.

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UV General Industry

Zoned for the purpose of General Industry under Local Planning Scheme No 2.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to or associated with properties in this category.

The reason for this rate is to meet a significant proportion of the additional costs involved in servicing properties within this rate category, which include but are not limited to major outlays for transport infrastructure maintenance and renewal/refurbishment and significant costs relating to monitoring of land use and environmental impacts.

The proposed rate in the dollar for this category is 1.803 cents, with a minimum payment of \$1,382. It will be applied to 3 of the City's rateable properties and deliver 5.55% of the proposed rate income.

UV Mining and Industrial

This differential rate category imposes a differential general rate on land valued on an unimproved value (UV) basis, which is:

- (a) zoned for the purpose of Rural B under Local Planning Scheme No 2; or
- (b) held or used for industrial, extractive industry or quarrying purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to properties in this category.

The reason for this rate is the need to offset the higher level of costs associated in servicing these properties, including the costs of transport infrastructure maintenance and renewal/refurbishment, and costs relating to monitoring of land use and environmental impacts.

The proposed rate in the dollar for this category is 0.868 cents, with a minimum payment of \$1,382. It will be applied to 41 of the City's rateable properties and deliver 0.94% of the proposed rate income.

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UV Rural

This differential rate category imposes a differential general rate on land valued on an unimproved value (UV) basis which is predominantly used or held for rural pursuits, rural industry or intensive agriculture, and:

- (a) is not zoned for the purpose of General Industry under Local Planning Scheme No 2; or
- (b) is not zoned for the purpose of Rural B under Local Planning Scheme No 2; or
- (c) is not held or used for industrial, extractive industry or quarrying purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*.

The object of this rate category is to impose a differential rate commensurate with the rural use of land, which additionally is to act as the City's benchmark differential UV rate and is considered to be the base rate by which all other UV rated properties are assessed.

The reason for this rate is to ensure that all ratepayers on rural land make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the City.

The proposed rate in the dollar for this category is 0.518 cents, with a minimum payment of \$1,062. It will be applied to 206 of the City's rateable properties and deliver 3.37% of the proposed rate income.

Minimum Payment

The City proposes to impose following minimum payments for each differential rating category:

GRV Rate Categories	Minimum Payment (\$)
GRV Improved Residential	1,062
GRV Improved Special Residential	1,062
GRV Vacant Residential	1,062
GRV Vacant Non Residential	1,062
GRV Improved Commercial and Industrial	1,382
UV General Industry	1,382
UV Mining and Industrial	1,382
UV Rural	1,062

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The object of the minimum payment is to ensure that all ratepayers make an equitable contribution to rate revenue, to provide for the net funding requirements of the City's services, activities, financing costs, and current and future capital requirements as outlined in the Strategic Community Plan and Corporate Business Plan.

Each minimum payment has increased by 2.5%.

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STATEMENT OF OBJECTS AND REASONS FOR DIFFERENTIAL RATE CATEGORIES 2019/2020

In accordance with section 6.36 of the *Local Government Act 1995* and the Council's "Notice of Intention to Levy Differential Rates and Minimum Payments", the following information details the objects and reasons for each of the proposed differential rating categories.

Summary

The following are the proposed Differential General Rates and Minimum Payments for the City of Kwinana for the 2019/2020 financial year, to be effective from 1 July 2019.

GRV Rate Categories	Minimum Payment (\$)	Rate in \$
GRV Improved Residential	1,062	0.08199
GRV Improved Special Residential	1,062	0.07518
GRV Vacant Residential	1,062	0.17249
GRV Vacant Non Residential	1,062	0.12193
GRV Improved Commercial and Industrial	1,382	0.09269
UV Rate Categories	Minimum Payment (\$)	Rate in \$
UV General Industry	1,382	0.01803
UV Rural	1,062	0.00518
UV Mining and Industrial	1,382	0.00868

The above rate model is estimated to yield \$39,302,378 in rate revenue based on the information current at 21 May 2019.

What are Rates?

Rates are a tax levied on all rateable properties within the boundaries of the City of Kwinana in accordance with the *Local Government Act 1995*. The overall objective of the proposed rates in the 2019/2020 Budget is to provide for the net funding requirements of the City's services, activities, financing costs and the current and future capital requirements of the City, after taking into account all other forms of revenue. The formulation of a rating system is about achieving a means by which Council can raise sufficient revenue to pay for the services it provides. Throughout Australia, the basis of using property valuations has been found to be the most appropriate means of achieving rating equity; however, the achievement of a wholly

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equitable rating system for all properties, in all areas, is a difficult task if it is based on the property valuations alone. For this reason, there are refinement options made available, such as differential rating, that the City of Kwinana has elected to use. In Western Australia, land is valued by Landgate Valuation Services (Valuer General's Office – a State Government agency) and those valuations are forwarded to each Local Government. Two types of values are calculated - Gross Rental Value (GRV) which generally applies to urban, non-rural land; and Unimproved Value which generally applies to rural land.

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The *Local Government Act 1995* sets out the basis on which differential general rates may be based as follows:

Section 6.32. Rates and service charges

(1) When adopting the annual budget, a local government –

1. in order to make up the budget deficiency, is to impose a general rate on rateable land within its district, which rate may be imposed either –*

- (i) uniformly; or*
- (ii) differentially*

Differential Rates

Section 6.33. Differential general rates

(1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —

(a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or

(b) a purpose for which the land is held or used as determined by the local government; or

(c) whether or not the land is vacant land; or

(d) any other characteristic or combination of characteristics prescribed.

(2) Regulations may —

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(a) specify the characteristics under subsection (1) which a local government is to use; or

(b) limit the characteristics under subsection (1) which a local government is permitted to use.

(3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

(4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.

(5) A differential general rate that a local government purported to impose under this Act before the Local Government Amendment Act 2009 section 39(1)(a) came into operation 1 is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.

Minimum Payments

Section 6.35. Minimum Payment

(1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.

(2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.

(3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —

(a) 50% of the total number of separately rated properties in the district; or

(b) 50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.

(4) A minimum payment is not to be imposed on more than the prescribed percentage of —

Administration

(a) the number of separately rated properties in the district; or

(b) the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.

(5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.

(6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —

(a) to land rated on gross rental value; and

(b) to land rated on unimproved value; and

(c) to each differential rating category where a differential general rate is imposed.

Gross Rental Value (GRV)

Council has adopted differential rates in its Gross Rental Valuation area utilising the valuations supplied by the Valuer General (VG) for the following categories:

1. GRV Improved Residential
2. GRV Improved Special Residential
3. GRV Vacant Residential
4. GRV Vacant Non Residential
5. GRV Improved Commercial and Industrial

It is Councils intention to continue to achieve the rate harmonisation process to achieve a simplified rating structure comprising the following GRV rating categories by 2023/2024:

1. Improved Residential
2. Vacant
3. Improved Commercial and Industrial

Continuing to harmonise the GRV rating categories requires the gap to be closed between each of the categories that would be harmonised, during this period, to close

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the gap, the following additional rates increases/(decreases) will need to apply to reach the proposed rating categories in 2023/2024.

Rating Category	Gap at 30 June 2019	2019/2020 Additional Impact on Rates
GRV		
Improved Residential	0.00%	0.00%
Improved Special Residential	12.35%	3.09%
Vacant (from Residential)	0.00%	0.00%
Vacant (from Non Residential)	63.32%	15.83%
Improved Commercial and Industrial (from LIC)	0.00%	0.00%
Improved Commercial and Industrial (from GISC)	4.58%	4.58%
Improved Commercial and Industrial (from LSGISC)	1.54%	1.54%
UV		
General Industry	0.00%	0.00%
Mining and Industrial	0.00%	0.00%
Rural	0.00%	0.00%

The rates in the dollar are based on the general valuation as supplied by the Valuer General (VG) in respect of gross rental values (GRV's) effective from 1 July 2017. The Valuer General is required to maintain valuations of all rateable land in Western Australia for rating and taxing purposes. These values are assessed every three years by Landgate Valuers to complete what is known as a General Valuation. Every property is valued at a date set by the Valuer General and this is referred to as the Date of Valuation. Rating valuations are therefore assessed at a snapshot in time reflecting the property market for the local area at the same time. This ensures consistency and fairness in the allocation of rates.

The current GRV has a date of valuation of 1 August 2015. The GRV is determined by collecting rental evidence to determine the fair rental value for each property. The rental value for a house or other GRV property will be influenced by factors such as age, construction, size, car shelters, pools and location. As the GRV is currently assessed every three years, despite possible changes to the rental market, the GRV remains fixed until the next general valuation.

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Unimproved Valuation (UV)

Council has adopted the following differential general rating categories for UV properties:

1. UV General Industry
2. UV Mining and Industrial
3. UV Rural

The Valuer General determines unimproved values annually with a valuation roll provided to local governments. The City has completed rates modelling including the revaluations received in effect from 1 July 2019.

Proposed Differential General Rates and General Minimum Payments

Following are the objects and reasons for each of the differential rating categories and minimum payments for the 2019/2020 financial year.

GRV Improved Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is zoned for the purpose of:

- (a) Residential under Local Planning Scheme No 2 and is not vacant land, excluding land held or used for Commercial purposes; or
- (b) Special Residential under Local Planning Scheme No 2 and is not vacant land; or
- (c) Town Centre Residential under Local Planning Scheme No 3 and is not vacant land; or
- (d) Kwinana Town Centre under Local Planning Scheme No 2 and is held or used for residential purposes or is residential under an approved Local Structure Plan and is not vacant land; or
- (e) Development under Local Planning Scheme No 2 and Residential under an approved Local Structure Plan and is not vacant land; or
- (f) Development under Local Planning Scheme No 2 and Mixed Use under an approved Local Structure Plan and is held or used for residential purposes and is not vacant land.

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The object of this rate is to apply a base differential general rate to land zoned and used for residential purposes and to act as the City's benchmark differential rate 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 and provision of works, services and facilities throughout the City. It is also lower than vacant land as the City is endeavouring to encourage landowners to develop vacant land.

The proposed rate in the dollar for this category is 8.199 cents, with a minimum payment of \$1,062. It will be applied to 15,317 of the City's rateable properties and deliver 54.04% of the proposed rate income.

GRV Improved Special Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is:

(a) zoned for the purpose of:

- (i) Special Rural under Local Planning Scheme No 2 and is not vacant land; or
- (ii) Urban or Urban Deferred under the Metropolitan Region Scheme and is not vacant land; or
- (iii) Rural A under Local Planning Scheme No 2 and is not vacant land; or
- (iv) Rural Water Resource under Local Planning Scheme No 2 and is not vacant land; or
- (v) Rural under the Metropolitan Regional Scheme and is not vacant land; or
- (vi) Development under Local Planning Scheme No 2 and is not vacant land; or
- (vii) Park, Recreation and Drainage under Local Planning Scheme No 2 and is not vacant land; or

(b) held or used for residential purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000* and is not vacant land; and

(c) held or used for residential purposes referred to in paragraphs (a) or (b).

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The object of this rate category is to provide a lower differential rate for proposed characteristics under Improved Special Residential a) (i) to (vi) which is consistent with access to and provision of services to residential properties in a rural setting.

The reason for this rate is to reflect the lower demand on City resources, such as, lower impacts on transport infrastructure, when compared to the other GRV differential rating categories. It is also lower than vacant land as the City is endeavouring to encourage landowners to develop vacant land.

The proposed rate in the dollar for this category is 7.518 cents, with a minimum payment of \$1,062. It will be applied to 828 of the City's rateable properties and deliver 3.77% of the proposed rate income.

GRV Vacant Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is vacant land and is zoned for residential uses.

The object of this rate is to promote the development of vacant land within the City's district.

The reason for this rate is to impose a higher differential general rate on vacant land that acts as a disincentive to persons who are land banking and not actively developing vacant residential land.

The proposed rate in the dollar for this category is 17.249 cents, with a minimum payment of \$1,062. It will be applied to 1,251 of the City's rateable properties and deliver 5.71% of the proposed rate income.

GRV Vacant – Non Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is vacant land and is zoned for any other purposes/uses other than residential.

The object of this rate is to promote the development of vacant land within the City's district.

The reason for this rate is to impose a higher differential general rate on vacant land that acts as a disincentive to persons who are land banking and not actively developing vacant land.

The proposed rate in the dollar for this category is 12.193 cents, with a minimum payment of \$1,062. It will be applied to 46 of the City's rateable properties and deliver 0.91% of the proposed rate income.

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GRV Improved Industrial and Commercial

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is:

(a) zoned for the purpose of:

- (i) Light Industry under Local Planning Scheme No 2; or
- (ii) Commercial under Local Planning Scheme No 2; or
- (iii) Kwinana Town Centre under Local Planning Scheme No 2 and held or used for Light Industrial or Commercial purposes; or
- (iv) Mixed Business under Local Planning Scheme No 2; or
- (v) Special Use under Local Planning Scheme No 2; or
- (vi) General Town Centre under Local Planning Scheme No 3; or
- (vii) Shopping/Business under Local Planning Scheme No 3; or
- (viii) Market Square under Local Planning Scheme No 3; or
- (ix) Mixed Use under Local Planning Scheme No 2; or
- (x) Residential under Local Planning Scheme No 2 and held or used for Light Industrial or Commercial purposes; or
- (xi) Development under the Local Planning Scheme No 2 and Mixed Use or any other purpose referred to in paragraph (a)(i)-(ix) under an approved Local Structure Plan; or
- (xii) Parks and Recreation under the Metropolitan Regional Scheme; or
- (xiii) General Industry or Service Commercial under Local Planning Scheme No. 2; or
- (xiv) Public purposes under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes; or
- (xv) Park recreation and drainage under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes

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- (xvi) Special Rural under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes
- (xvii) Industrial use under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*; or
- (xviii) Railways under the Metropolitan Regional Scheme; or
- (xix) Port installations under the Metropolitan Regional Scheme; or
- (xx) Industrial under the Metropolitan Regional Scheme; or
- (xxi) Rural A under Local Planning Scheme No. 2;

and

(b) is not vacant land.

The object of this rate category is to apply a higher differential rate so as to raise additional revenue to offset the increased costs associated with service provision to these properties.

The reason for this rate is that a higher differential rate is required to meet the higher level of service costs associated with Commercial and Industrial properties and the localities within which they are situated, including costs of:

- (a) provision and maintenance of transport and streetscape infrastructure including renewal/refurbishment infrastructure, car parking and traffic treatments; and
- (b) the management, administration and delivery of marketing activities aimed at enhancing the economic and social viability, and the general amenity of the Kwinana commercial and industrial areas.

The proposed rate in the dollar for this category is 9.269 cents, with a minimum payment of \$1,382. It will be applied to 573 of the City's rateable properties and deliver 25.70% of the proposed rate income.

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UV General Industry

Zoned for the purpose of General Industry under Local Planning Scheme No 2.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to or associated with properties in this category.

The reason for this rate is to meet a significant proportion of the additional costs involved in servicing properties within this rate category, which include but are not limited to major outlays for transport infrastructure maintenance and renewal/refurbishment and significant costs relating to monitoring of land use and environmental impacts.

The proposed rate in the dollar for this category is 1.803 cents, with a minimum payment of \$1,382. It will be applied to 3 of the City's rateable properties and deliver 5.56% of the proposed rate income.

UV Mining and Industrial

This differential rate category imposes a differential general rate on land valued on an unimproved value (UV) basis, which is:

- (a) zoned for the purpose of Rural B under Local Planning Scheme No 2; or
- (b) held or used for industrial, extractive industry or quarrying purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to properties in this category.

The reason for this rate is the need to offset the higher level of costs associated in servicing these properties, including the costs of transport infrastructure maintenance and renewal/refurbishment, and costs relating to monitoring of land use and environmental impacts.

The proposed rate in the dollar for this category is 0.868 cents, with a minimum payment of \$1,382. It will be applied to 41 of the City's rateable properties and deliver 0.94% of the proposed rate income.

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UV Rural

This differential rate category imposes a differential general rate on land valued on an unimproved value (UV) basis which is predominantly used or held for rural pursuits, rural industry or intensive agriculture, and:

- (a) is not zoned for the purpose of General Industry under Local Planning Scheme No 2; or
- (b) is not zoned for the purpose of Rural B under Local Planning Scheme No 2; or
- (c) is not held or used for industrial, extractive industry or quarrying purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*.

The object of this rate category is to impose a differential rate commensurate with the rural use of land, which additionally is to act as the City's benchmark differential UV rate and is considered to be the base rate by which all other UV rated properties are assessed.

The reason for this rate is to ensure that all ratepayers on rural land make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the City.

The proposed rate in the dollar for this category is 0.518 cents, with a minimum payment of \$1,062. It will be applied to 206 of the City's rateable properties and deliver 3.37% of the proposed rate income.

Minimum Payment

The City proposes to impose following minimum payments for each differential rating category:

GRV Rate Categories	Minimum Payment (\$)
GRV Improved Residential	1,062
GRV Improved Special Residential	1,062
GRV Vacant Residential	1,062
GRV Vacant Non Residential	1,062
GRV Improved Commercial and Industrial	1,382
UV General Industry	1,382
UV Mining and Industrial	1,382
UV Rural	1,062

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The object of the minimum payment is to ensure that all ratepayers make an equitable contribution to rate revenue, to provide for the net funding requirements of the City's services, activities, financing costs, and current and future capital requirements as outlined in the Strategic Community Plan and Corporate Business Plan.

Each minimum payment has increased by 2.5%.

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STATEMENT OF OBJECTS AND REASONS FOR DIFFERENTIAL RATE CATEGORIES 2019/2020

In accordance with section 6.36 of the *Local Government Act 1995* and the Council's "Notice of Intention to Levy Differential Rates and Minimum Payments", the following information details the objects and reasons for each of the proposed differential rating categories.

Summary

The following are the proposed Differential General Rates and Minimum Payments for the City of Kwinana for the 2019/2020 financial year, to be effective from 1 July 2019.

GRV Rate Categories	Minimum Payment (\$)	Rate in \$
GRV Improved Residential	1,057	0.08159
GRV Improved Special Residential	1,057	0.07482
GRV Vacant Residential	1,057	0.17165
GRV Vacant Non Residential	1,057	0.13772
GRV Improved Commercial and Industrial	1,375	0.09224
UV Rate Categories	Minimum Payment (\$)	Rate in \$
UV General Industry	1,375	0.01794
UV Rural	1,057	0.00515
UV Mining and Industrial	1,375	0.00864

The above rate model is estimated to yield \$39,157,565 in rate revenue based on the information current at 21 May 2019.

What are Rates?

Rates are a tax levied on all rateable properties within the boundaries of the City of Kwinana in accordance with the *Local Government Act 1995*. The overall objective of the proposed rates in the 2019/2020 Budget is to provide for the net funding requirements of the City's services, activities, financing costs and the current and future capital requirements of the City, after taking into account all other forms of revenue. The formulation of a rating system is about achieving a means by which Council can raise sufficient revenue to pay for the services it provides. Throughout Australia, the basis of using property valuations has been found to be the most appropriate means of achieving rating equity; however, the achievement of a wholly

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equitable rating system for all properties, in all areas, is a difficult task if it is based on the property valuations alone. For this reason, there are refinement options made available, such as differential rating, that the City of Kwinana has elected to use. In Western Australia, land is valued by Landgate Valuation Services (Valuer General's Office – a State Government agency) and those valuations are forwarded to each Local Government. Two types of values are calculated - Gross Rental Value (GRV) which generally applies to urban, non-rural land; and Unimproved Value which generally applies to rural land.

Rating Provisions – *Local Government Act 1995*

The *Local Government Act 1995* sets out the basis on which differential general rates may be based as follows:

Section 6.32. Rates and service charges

(1) When adopting the annual budget, a local government –

1. in order to make up the budget deficiency, is to impose a general rate on rateable land within its district, which rate may be imposed either –*

- (i) uniformly; or*
- (ii) differentially*

Differential Rates

Section 6.33. Differential general rates

(1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —

(a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or

(b) a purpose for which the land is held or used as determined by the local government; or

(c) whether or not the land is vacant land; or

(d) any other characteristic or combination of characteristics prescribed.

(2) Regulations may —

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(a) specify the characteristics under subsection (1) which a local government is to use; or

(b) limit the characteristics under subsection (1) which a local government is permitted to use.

(3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

(4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.

(5) A differential general rate that a local government purported to impose under this Act before the Local Government Amendment Act 2009 section 39(1)(a) came into operation 1 is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.

Minimum Payments

Section 6.35. Minimum Payment

(1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.

(2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.

(3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —

(a) 50% of the total number of separately rated properties in the district; or

(b) 50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.

(4) A minimum payment is not to be imposed on more than the prescribed percentage of —

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(a) the number of separately rated properties in the district; or

(b) the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.

(5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.

(6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —

(a) to land rated on gross rental value; and

(b) to land rated on unimproved value; and

(c) to each differential rating category where a differential general rate is imposed.

Gross Rental Value (GRV)

Council has adopted differential rates in its Gross Rental Valuation area utilising the valuations supplied by the Valuer General (VG) for the following categories:

1. GRV Improved Residential
2. GRV Improved Special Residential
3. GRV Vacant Residential
4. GRV Vacant Non Residential
5. GRV Improved Commercial and Industrial

It is Councils intention to continue to achieve the rate harmonisation process to achieve a simplified rating structure comprising the following GRV rating categories by 2023/2024:

1. Improved Residential
2. Vacant
3. Improved Commercial and Industrial

Continuing to harmonise the GRV rating categories requires the gap to be closed between each of the categories that would be harmonised, during this period, to close

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the gap, the following additional rates increases/(decreases) will need to apply to reach the proposed rating categories in 2023/2024.

Rating Category	Gap at 30 June 2019	2019/2020 Additional Impact on Rates
GRV		
Improved Residential	0.00%	0.00%
Improved Special Residential	12.35%	3.09%
Vacant (from Residential)	0.00%	0.00%
Vacant (from Non Residential)	64.91%	31.66%
Improved Commercial and Industrial (from LIC)	0.00%	0.00%
Improved Commercial and Industrial (from GISC)	4.58%	4.58%
Improved Commercial and Industrial (from LSGISC)	1.54%	1.54%
UV		
General Industry	0.00%	0.00%
Mining and Industrial	0.00%	0.00%
Rural	0.00%	0.00%

The rates in the dollar are based on the general valuation as supplied by the Valuer General (VG) in respect of gross rental values (GRV's) effective from 1 July 2017. The Valuer General is required to maintain valuations of all rateable land in Western Australia for rating and taxing purposes. These values are assessed every three years by Landgate Valuers to complete what is known as a General Valuation. Every property is valued at a date set by the Valuer General and this is referred to as the Date of Valuation. Rating valuations are therefore assessed at a snapshot in time reflecting the property market for the local area at the same time. This ensures consistency and fairness in the allocation of rates.

The current GRV has a date of valuation of 1 August 2015. The GRV is determined by collecting rental evidence to determine the fair rental value for each property. The rental value for a house or other GRV property will be influenced by factors such as age, construction, size, car shelters, pools and location. As the GRV is currently assessed every three years, despite possible changes to the rental market, the GRV remains fixed until the next general valuation.

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Unimproved Valuation (UV)

Council has adopted the following differential general rating categories for UV properties:

1. UV General Industry
2. UV Mining and Industrial
3. UV Rural

The Valuer General determines unimproved values annually with a valuation roll provided to local governments. The City has completed rates modelling including the revaluations received in effect from 1 July 2019.

Proposed Differential General Rates and General Minimum Payments

Following are the objects and reasons for each of the differential rating categories and minimum payments for the 2019/2020 financial year.

GRV Improved Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is zoned for the purpose of:

- (a) Residential under Local Planning Scheme No 2 and is not vacant land, excluding land held or used for Commercial purposes; or
- (b) Special Residential under Local Planning Scheme No 2 and is not vacant land; or
- (c) Town Centre Residential under Local Planning Scheme No 3 and is not vacant land; or
- (d) Kwinana Town Centre under Local Planning Scheme No 2 and is held or used for residential purposes or is residential under an approved Local Structure Plan and is not vacant land; or
- (e) Development under Local Planning Scheme No 2 and Residential under an approved Local Structure Plan and is not vacant land; or
- (f) Development under Local Planning Scheme No 2 and Mixed Use under an approved Local Structure Plan and is held or used for residential purposes and is not vacant land.

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The object of this rate is to apply a base differential general rate to land zoned and used for residential purposes and to act as the City's benchmark differential rate 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 and provision of works, services and facilities throughout the City. It is also lower than vacant land as the City is endeavouring to encourage landowners to develop vacant land.

The proposed rate in the dollar for this category is 8.159 cents, with a minimum payment of \$1,057. It will be applied to 15,317 of the City's rateable properties and deliver 53.98% of the proposed rate income.

GRV Improved Special Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is:

(a) zoned for the purpose of:

- (i) Special Rural under Local Planning Scheme No 2 and is not vacant land; or
- (ii) Urban or Urban Deferred under the Metropolitan Region Scheme and is not vacant land; or
- (iii) Rural A under Local Planning Scheme No 2 and is not vacant land; or
- (iv) Rural Water Resource under Local Planning Scheme No 2 and is not vacant land; or
- (v) Rural under the Metropolitan Regional Scheme and is not vacant land; or
- (vi) Development under Local Planning Scheme No 2 and is not vacant land; or
- (vii) Park, Recreation and Drainage under Local Planning Scheme No 2 and is not vacant land; or

(b) held or used for residential purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000* and is not vacant land; and

(c) held or used for residential purposes referred to in paragraphs (a) or (b).

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The object of this rate category is to provide a lower differential rate for proposed characteristics under Improved Special Residential a) (i) to (vi) which is consistent with access to and provision of services to residential properties in a rural setting.

The reason for this rate is to reflect the lower demand on City resources, such as, lower impacts on transport infrastructure, when compared to the other GRV differential rating categories. It is also lower than vacant land as the City is endeavouring to encourage landowners to develop vacant land.

The proposed rate in the dollar for this category is 7.482 cents, with a minimum payment of \$1,057. It will be applied to 828 of the City's rateable properties and deliver 3.77% of the proposed rate income.

GRV Vacant Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is vacant land and is zoned for residential uses.

The object of this rate is to promote the development of vacant land within the City's district.

The reason for this rate is to impose a higher differential general rate on vacant land that acts as a disincentive to persons who are land banking and not actively developing vacant residential land.

The proposed rate in the dollar for this category is 17.165 cents, with a minimum payment of \$1,057. It will be applied to 1,251 of the City's rateable properties and deliver 5.70% of the proposed rate income.

GRV Vacant – Non Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is vacant land and is zoned for any other purposes/uses other than residential.

The object of this rate is to promote the development of vacant land within the City's district.

The reason for this rate is to impose a higher differential general rate on vacant land that acts as a disincentive to persons who are land banking and not actively developing vacant land.

The proposed rate in the dollar for this category is 13.772 cents, with a minimum payment of \$1,057. It will be applied to 46 of the City's rateable properties and deliver 1.03% of the proposed rate income.

Administration

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GRV Improved Industrial and Commercial

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is:

(a) zoned for the purpose of:

- (i) Light Industry under Local Planning Scheme No 2; or
- (ii) Commercial under Local Planning Scheme No 2; or
- (iii) Kwinana Town Centre under Local Planning Scheme No 2 and held or used for Light Industrial or Commercial purposes; or
- (iv) Mixed Business under Local Planning Scheme No 2; or
- (v) Special Use under Local Planning Scheme No 2; or
- (vi) General Town Centre under Local Planning Scheme No 3; or
- (vii) Shopping/Business under Local Planning Scheme No 3; or
- (viii) Market Square under Local Planning Scheme No 3; or
- (ix) Mixed Use under Local Planning Scheme No 2; or
- (x) Residential under Local Planning Scheme No 2 and held or used for Light Industrial or Commercial purposes; or
- (xi) Development under the Local Planning Scheme No 2 and Mixed Use or any other purpose referred to in paragraph (a)(i)-(ix) under an approved Local Structure Plan; or
- (xii) Parks and Recreation under the Metropolitan Regional Scheme; or
- (xiii) General Industry or Service Commercial under Local Planning Scheme No. 2; or
- (xiv) Public purposes under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes; or
- (xv) Park recreation and drainage under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes

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- (xvi) Special Rural under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes
- (xvii) Industrial use under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*; or
- (xviii) Railways under the Metropolitan Regional Scheme; or
- (xix) Port installations under the Metropolitan Regional Scheme; or
- (xx) Industrial under the Metropolitan Regional Scheme; or
- (xxi) Rural A under Local Planning Scheme No. 2;

and

(b) is not vacant land.

The object of this rate category is to apply a higher differential rate so as to raise additional revenue to offset the increased costs associated with service provision to these properties.

The reason for this rate is that a higher differential rate is required to meet the higher level of service costs associated with Commercial and Industrial properties and the localities within which they are situated, including costs of:

- (a) provision and maintenance of transport and streetscape infrastructure including renewal/refurbishment infrastructure, car parking and traffic treatments; and
- (b) the management, administration and delivery of marketing activities aimed at enhancing the economic and social viability, and the general amenity of the Kwinana commercial and industrial areas.

The proposed rate in the dollar for this category is 9.224 cents, with a minimum payment of \$1,375. It will be applied to 573 of the City's rateable properties and deliver 25.67% of the proposed rate income.

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UV General Industry

Zoned for the purpose of General Industry under Local Planning Scheme No 2.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to or associated with properties in this category.

The reason for this rate is to meet a significant proportion of the additional costs involved in servicing properties within this rate category, which include but are not limited to major outlays for transport infrastructure maintenance and renewal/refurbishment and significant costs relating to monitoring of land use and environmental impacts.

The proposed rate in the dollar for this category is 1.794 cents, with a minimum payment of \$1,375. It will be applied to 3 of the City's rateable properties and deliver 5.55% of the proposed rate income.

UV Mining and Industrial

This differential rate category imposes a differential general rate on land valued on an unimproved value (UV) basis, which is:

- (a) zoned for the purpose of Rural B under Local Planning Scheme No 2; or
- (b) held or used for industrial, extractive industry or quarrying purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to properties in this category.

The reason for this rate is the need to offset the higher level of costs associated in servicing these properties, including the costs of transport infrastructure maintenance and renewal/refurbishment, and costs relating to monitoring of land use and environmental impacts.

The proposed rate in the dollar for this category is 0.864 cents, with a minimum payment of \$1,375. It will be applied to 41 of the City's rateable properties and deliver 0.94% of the proposed rate income.

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UV Rural

This differential rate category imposes a differential general rate on land valued on an unimproved value (UV) basis which is predominantly used or held for rural pursuits, rural industry or intensive agriculture, and:

- (a) is not zoned for the purpose of General Industry under Local Planning Scheme No 2; or
- (b) is not zoned for the purpose of Rural B under Local Planning Scheme No 2; or
- (c) is not held or used for industrial, extractive industry or quarrying purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*.

The object of this rate category is to impose a differential rate commensurate with the rural use of land, which additionally is to act as the City's benchmark differential UV rate and is considered to be the base rate by which all other UV rated properties are assessed.

The reason for this rate is to ensure that all ratepayers on rural land make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the City.

The proposed rate in the dollar for this category is 0.515 cents, with a minimum payment of \$1,057. It will be applied to 206 of the City's rateable properties and deliver 3.37% of the proposed rate income.

Minimum Payment

The City proposes to impose following minimum payments for each differential rating category:

GRV Rate Categories	Minimum Payment (\$)
GRV Improved Residential	1,057
GRV Improved Special Residential	1,057
GRV Vacant Residential	1,057
GRV Vacant Non Residential	1,057
GRV Improved Commercial and Industrial	1,375
UV General Industry	1,375
UV Mining and Industrial	1,375
UV Rural	1,057

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The object of the minimum payment is to ensure that all ratepayers make an equitable contribution to rate revenue, to provide for the net funding requirements of the City's services, activities, financing costs, and current and future capital requirements as outlined in the Strategic Community Plan and Corporate Business Plan.

Each minimum payment has increased by 2%.

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9 Councillor Reports

9.1 Deputy Mayor Peter Feasey

Deputy Mayor Peter Feasey reported that he had attended the Kwinana Senior Citizens Annual General Meeting (AGM) and announced that Mrs Pat Gamage, after many, many years of service retired, and he wished her well. The Deputy Mayor also reported that a number of people were awarded life membership also.

9.2 Councillor Wendy Cooper

Councillor Wendy Cooper reported that she had attended the City of Kwinana Volunteer Appreciation Event and that it had been a delightful event. Councillor Cooper passed on her thanks to the City Officers for preparing the event.

9.3 Councillor Sandra Lee

Councillor Sandra Lee reported that she had attended the City of Kwinana Volunteer Appreciation Event and passed on her congratulations to the people who volunteer for our community as they all do such a great job.

9.4 Councillor Sheila Mills

Councillor Sheila Mills reported that she had attended the City of Kwinana Volunteer Appreciation Event and that it had been a very pleasant morning.

9.5 Councillor Matthew Rowse

Councillor Matthew Rowse reported that he had attended the 2019 Future Local Government National Summit held in Melbourne. Councillor Rowse stated that the purpose of the summit was to listen to case studies of communities being supported by their Councils and the need for Local Governments to let go of some of the power and give it back to the people. The true objective of local government is to enable communities to determine their own preferred futures. More attention needs to be given to local governments role in the context of local governance, with Councillors as stewards of empowered communities. Councils are the elephant in the community, the 'glue' that supports community life on a daily basis, and makes the system work at the local level. Local governments manage the most complex service business on earth on a shoestring and we do amazing and innovative things. However, a new Localism approach is emerging in Australia, there is a fundamental importance of place and place-based governance, we need to demonstrate our relevance and forge partnerships at a neighbourhood scale, and put people and place first and give more power back to the people. Councillor Rowse added that he took away from the meeting, many helpful examples on how this can be achieved and the belief that Councillors should be more involved in community engagement and take a more hands on role in helping the community achieve what they want. Councillor Rowse advised that the "three r's" of local government are no longer rates, roads and rubbish they are relevance, resources and respect.

10 Mayoral Announcements (without discussion)

Nil

11 Matters Behind Closed Doors

Nil

12 Meeting Closure

The Mayor declared the meeting closed at 6:16pm.