

Special Council Meeting

8 June 2020

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

Special Council Meeting

Request for Ministerial Approval to levy Differential Rates 2020/2021

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Present:

MAYOR CAROL ADAMS, OAM
DEPUTY MAYOR PETER FEASEY
CR W COOPER
CR M KEARNEY
CR S LEE
CR M ROWSE
CR D WOOD
CR S WOOD

MR W JACK	-	Chief Executive Officer
MR D ELKINS	-	Director City Infrastructure / Acting Director City Business
MRS B POWELL	-	Director City Engagement
MRS M COOKE	-	Director City Regulation
MRS M BELL	-	Director City Legal
MRS S HOBBS	-	Manager Finance
MRS V LAURITSEN	-	Coordinator Finance
MS A MCKENZIE	-	Council Administration Officer

Members of the Press 0
Members of the Public 0

1 Opening and announcement of visitors

Presiding Member declared the meeting open at 5:30pm and welcomed Councillors and City Officers in attendance.

2 Acknowledgement of country

Presiding Member read the Acknowledgement of country

"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 and we pay our respects to their Elders past and present."

3 Dedication

Councillor Matthew Rowse read the dedication

"May we, the Elected Members of the City of Kwinana, have the wisdom to consider all matters before us with due consideration, integrity and respect for the Council Chamber.

May the decisions made be in good faith and always in the best interest of the greater Kwinana community that we serve."

4 Attendance, apologies, Leave(s) of absence (previously approved)

Apologies

Nil

Leave(s) of Absence (previously approved):

Nil

5 Public Question Time

Nil

6 Receiving of petitions, presentations and deputations:

6.1 Petitions:

Nil

6.2 Presentations:

Nil

6.3 Deputations:

Nil

7 Declarations of Interest (financial, proximity, impartiality – both real and perceived) by Members and City Officers

Nil

8 Requests for leave of absence

Nil

9 Reports

9.1 Consideration of Advertised Differential Rates Submissions and Request for Ministerial Approval of 2020/2021 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 authorise a request to the Minister for Local Government, Sport and Cultural Industries (Minister) to approve the proposed differential rates prior to the adoption of the rates through the budget process.

At the Ordinary Council Meeting on 22 April 2020, Council endorsed to advertise the Statement of Objects and Reasons and proposed differential rates and minimum payments for the 2020/2021 financial year, in accordance with the *Local Government Act 1995*. The advertisement, that was placed in the West Australian newspaper on 9 May 2020 and the Sound Telegraph newspaper on 13 May 2020, called for public submissions until close of business on 30 May 2020.

Copies of the public notice and Statement of Objects and Reasons were made available for public inspection at the City's Administration Building and on the City's website. Landowners within the General Industry (UV) rate category were also written to regarding the proposed differential rate for their properties. At the expiration of the statutory advertising period, no submissions had been received.

OFFICER RECOMMENDATION:

That Council:

1. Request the Chief Executive Officer to proceed with the budget preparation based on the Statement of Objects and Reasons contained in Attachment A.
2. Authorise the Chief Executive Officer to proceed with the application for Ministerial Approval of the adopted differential rates for:
 - a. GRV Vacant number of properties on minimum payment; and
 - b. UV General Industry rate in the dollar.

DISCUSSION:

The purpose of levying rates is to meet the City's budget requirements led by its objectives, strategies and activities, as detailed in its various plans, in order to deliver services and community infrastructure each financial year. Rates income is a significant part of the City's revenue needed to meet these strategic objectives.

9.1 CONSIDERATION OF ADVERTISED DIFFERENTIAL RATES SUBMISSIONS AND REQUEST FOR MINISTERIAL APPROVAL OF 2020/2021 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS

Although the City has a Long Term Financial Plan, detailing financial commitments over the next 20 years, due to the COVID-19 pandemic, it has been necessary to refocus the City's budget on recovery of the community. A particular initiative of the Council has been a desire to achieve a 0% rates yield and a freezing, to the extent possible, a freeze on fees and charges. The desire to achieve a 0% change in the rates yield, also included a desire to "park" the rates harmonisation process, so that each rate category would deliver the same rates yield as the 2019/2020 financial year (plus the addition of interim, recognising property improvements, or the change of property from one rates category, to another).

To achieve the desire of a 0% change to the rates yield, at the Ordinary Council Meeting on 22 April 2020, Council resolved to advertise the Statement of Objects and Reasons, proposed differential rates and minimum payments for 2020/2021. The City of Kwinana's 2020/2021 advertised proposed differential rates are provided in Table 1 and 2 below, with the rates income model shown at Table 3.

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

GRV 2020/2021 Rate Categories	2020/2021 Minimum Payment (\$)	2020/2021 Rate in Dollar (\$)	Average Increase from 2019/2020
Improved Residential	\$1,062	0.09665	\$0 (0%)
Improved Special Residential	\$1,062	0.08801	\$0 (0%)
Improved Commercial & Industrial	\$1,382	0.09641	\$0 (0%)
Vacant Non-Residential	\$1,062	0.13116	\$0 (0%)
Vacant Residential	\$1,062	0.17346	\$0 (0%)

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

UV Rate Categories	2019/20 Minimum Payment (\$)	2019/20 Rate in Dollar (\$)	Average Increase from 2018/2019
General Industry	\$1,382	0.01803	\$0 (0%)
Rural	\$1,062	0.00520	\$0 (0%)
Mining & Industrial	\$1,382	0.00868	\$0 (0%)

The proposed advertised differential rates took into account the revaluation of both GRV and UV rated properties. The average variation in valuations across residential, industrial and commercial properties provided by Landgate Valuation Services is a 15% decrease.

Advertising of the proposed differential rates for 2020/2021 took place within The West Australian newspaper on 9 May 2020 and the Sound Telegraph newspaper on 13 May 2020, and the public notice was available on the City's website. Landowners within the General Industry 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 30 May 2020 (not less than 21 days). No submissions were received.

9.1 CONSIDERATION OF ADVERTISED DIFFERENTIAL RATES SUBMISSIONS AND REQUEST FOR MINISTERIAL APPROVAL OF 2020/2021 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS

Table 3 – Rates model based on 0% increase in rates yield.

2020/2021 Proposed Rates	20/21 Proposed Rate in Dollar	20/21 Minimum Rate	No. of Properties	20/21 Rateable Value	20/21 Proposed Rates \$
Minimum					
GRV Rated					
Improved Commercial & Industrial	0.09641	\$1,382	59	542,737	\$81,538
Improved Residential	0.09665	\$1,062	2,470	24,228,012	\$2,623,140
Improved Special Residential	0.08801	\$1,062	7	79,040	\$7,434
Vacant Non-Residential	0.13116	\$1,062	3	4,320	\$3,186
Vacant Residential	0.17346	\$1,062	908	4,233,720	\$964,296
			3,447	29,087,829	\$3,679,594
UV Rated					
Mining & Industrial	0.00868	\$1,382	15	188,050	\$20,730
Rural	0.00520	\$1,062	62	8,862,600	\$65,844
			77	9,050,650	\$86,574
Minimum Total			3,524	38,138,479	\$3,766,168
Non-Minimum					
GRV Rated					
Improved Commercial & Industrial	0.09641	\$1,382	485	104,411,988	\$10,066,360
Improved Residential	0.09665	\$1,062	13,125	195,779,304	\$18,922,077
Improved Special Residential	0.08801	\$1,062	823	16,764,588	\$1,475,452
Vacant Non-Residential	0.13116	\$1,062	38	2,755,750	\$361,444
Vacant Residential	0.17346	\$1,062	347	7,065,590	\$1,225,597
			14,818	326,777,220	\$32,050,930
UV Rated					
General Industry	0.01803	\$1,382	3	121,200,000	\$2,185,236
Mining & Industrial	0.00868	\$1,382	25	39,960,000	\$346,853
Rural	0.00520	\$1,062	138	208,530,000	\$1,084,356
			166	369,690,000	\$3,616,445
Non-Minimum Total			14,984	696,467,220	\$35,667,375
Grand Total			18,508	734,605,699	\$39,433,543

The Statement of Objects and Reasons is contained within Attachment A.

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:

1. UV General Industry rate in the dollar is more than twice the value of the lowest UV rating category, Rural.
2. The number of properties on minimum payment within the Vacant rating category is more than 50% for that rating category.

It is recommended that Council resolve to request the Chief Executive Officer to proceed with preparing a draft budget, on the basis of the advertised differential rates, and to make the required application to the Minister.

9.1 CONSIDERATION OF ADVERTISED DIFFERENTIAL RATES SUBMISSIONS AND REQUEST FOR MINISTERIAL APPROVAL OF 2020/2021 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS

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.*

Section 6.33 modified (differential general rates)

- (1) *In this clause –*
Relevant rate, of a local government, means a proposed differential general rate of the local government that under section 6.33(3) cannot be imposed without the approval of the Minister.
- (2) *Section 6.33(3) is modified as set out in this clause in relation to a relevant rate of a local government if –*
 - a. *As a consequence of the COVID-19 pandemic, the local government resolves (whether before or after commencement day) that no proposed differential general rate of the local government will exceed the corresponding differential general rate that was imposed by the local government in the 2019/20 financial year; and*
 - b. *The local government obtained the Minister's approval under section 6.33(3) to impose in the 2019/20 financial year a differential general rate corresponding to the relevant rate.*
- (3) *The local government is not required to obtain the approval of the Minister under section 6.33(3) to impose the relevant rate.*

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.*

9.1 CONSIDERATION OF ADVERTISED DIFFERENTIAL RATES SUBMISSIONS AND REQUEST FOR MINISTERIAL APPROVAL OF 2020/2021 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS

Section 6.35 modified (minimum payment)

- (1) In this clause –
Relevant minimum payment, of a local government, means a proposed minimum payment of the local government that under section 6.35(5) cannot be imposed without the approval of the Minister.
- (2) Section 6.35(5) is modified as set out in this clause in relation to a relevant minimum payment of a local government if –
 - a. As a consequence of the COVID-19 pandemic, the local government resolves (whether before or after commencement day) that –
 - i. No proposed differential general rate of the local government will exceed the corresponding differential general rate that was imposed by the local government in the 2019/20 financial year; and
 - ii. No proposed minimum payment of the local government will exceed the corresponding minimum payment that was imposed by the local government in the 2019/20 financial year;
 - and
 - b. The local government obtained the Minister's approval under section 6.35(5) to impose in the 2019/20 financial year a minimum payment corresponding to the relevant minimum payment.
- (3) The local government is not required to obtain the approval of the Minister under section 6.35(5) to impose relevant minimum payment.

FINANCIAL/BUDGET IMPLICATIONS:

The rate revenue of \$39,433,543 directly impacts the funds available to deliver services and programs in the 2020/2021 budget.

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

9.1 CONSIDERATION OF ADVERTISED DIFFERENTIAL RATES SUBMISSIONS AND REQUEST FOR MINISTERIAL APPROVAL OF 2020/2021 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS

COMMUNITY ENGAGEMENT:

The proposed rates were advertised by local public notice in The West Australian newspaper on 9 May 2020 and in the Sound Telegraph newspaper on 13 May 2020, detailing each rate in the dollar and minimum payment. A submission period of 21 days was provided. Submissions closed at 5pm, 30 May 2020. No submissions were received.

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.
- Landowners within the General Industry (UV) 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 2020/2021 rates and this would impact the City's cashflow for the 2020/2021 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

9.1 CONSIDERATION OF ADVERTISED DIFFERENTIAL RATES SUBMISSIONS AND REQUEST FOR MINISTERIAL APPROVAL OF 2020/2021 PROPOSED DIFFERENTIAL RATES AND MINIMUM PAYMENTS

COUNCIL DECISION

175

MOVED CR W COOPER

SECONDED CR M KEARNEY

That Council:

- 1. Request the Chief Executive Officer to proceed with the budget preparation based on the Statement of Objects and Reasons contained in Attachment A.**
- 2. Authorise the Chief Executive Officer to proceed with the application for Ministerial Approval of the adopted differential rates for:**
 - a. GRV Vacant number of properties on minimum payment; and**
 - b. UV General Industry rate in the dollar.**

**CARRIED
8/0**

STATEMENT OF OBJECTS AND REASONS FOR DIFFERENTIAL RATE CATEGORIES 2020/2021

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 2020/2021 financial year, to be effective from 1 July 2020.

GRV Rate Categories	Minimum Payment (\$)	Rate in \$
GRV Improved Residential	1,062	0.09665
GRV Improved Special Residential	1,062	0.08801
GRV Vacant Residential	1,062	0.17346
GRV Vacant Non Residential	1,062	0.13116
GRV Improved Commercial and Industrial	1,382	0.09641
UV Rate Categories	Minimum Payment (\$)	Rate in \$
UV General Industry	1,382	0.01803
UV Rural	1,062	0.00520
UV Mining and Industrial	1,382	0.00868

The above rate model is estimated to yield \$39,433,543 in rate revenue based on the information current at 29 May 2020.

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 2020/2021 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 Council's 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

Due to the impact of Covid-19 virus on the community, it is proposed to defer harmonisation for the 2020/2021 financial year.

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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 2020. 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 2018. 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:

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 2020.

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 2020/2021 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

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- (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.

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 9.665 cents, with a minimum payment of \$1,062. It will be applied to 15,595 of the City's rateable properties and deliver 54.64% 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

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- (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.

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 8.801 cents, with a minimum payment of \$1,062. It will be applied to 830 of the City's rateable properties and deliver 3.76% 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 17.346 cents, with a minimum payment of \$1,062. It will be applied to 1,255 of the City's rateable properties and deliver 5.55% of the proposed rate income.

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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 13.116 cents, with a minimum payment of \$1,062. It will be applied to 41 of the City's rateable properties and deliver 0.92% 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
- (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

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- (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.

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:

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- (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 9.641 cents, with a minimum payment of \$1,382. It will be applied to 544 of the City's rateable properties and deliver 25.73% 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
- (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.

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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 40 of the City's rateable properties and deliver 0.93% 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 0.52 cents, with a minimum payment of \$1,062. It will be applied to 200 of the City's rateable properties and deliver 2.92% 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 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

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 0%.

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10 Reports of Elected Members

Nil

11 Mayoral Announcements

Nil

12 Confidential items

Nil

13 Close of meeting

The Mayor declared the meeting closed at 5:34pm.