



**STATEMENT OF OBJECTS OF AND REASONS  
FOR PROPOSED CITY RATES AND MINIMUM  
PAYMENTS FOR 2020-21**

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## Proposed Differential Rates and Minimum Payments for 2020-21

Section 6.36 of the *Local Government Act 1995* (the Act) requires Council to give local public notice of its intention to impose Differential Rates and Minimum Payments, inviting submissions from electors and ratepayers.

The City publishes the required public notice in *The Geraldton Guardian*, *The Mid West Times*, and on its website (City Budget 2020-21), and exhibits the notice at its Civic Centre offices in Cathedral Avenue, Geraldton, and at its Mullewa District Administration Office, and at the Geraldton Library located in Marine Terrace.

This document describes the *objects of and reasons for each proposed differential rate and minimum payment*, required to be made available for inspection by electors and ratepayers per section 6.36(3)(c) of the Act. The document is made available on the City website, and hardcopies of the public notice and this document are made available at the sites noted above.

The City Budget will not be finalised nor adopted until *after* consideration by Council of any elector and ratepayer submissions, pursuant to Section 6.36(4) of the Act. The Act empowers Council to adopt differential rates or minimum payments *different* from those published in the public notice. In addition, the Local Government (Financial Management) Regulations 1996 require that if a Council does adopt any differential rates or minimum payments that *are* different from those set out in the public notice, then its adopted Budget must include a statement providing reasons for adopting any different rates or minimums from those set out in its public notice.

## Council Considerations

In its deliberations, prior to formally adopting the budget and imposing rates and minimum payments, Council will consider any submissions received and, as part of its due diligence processes, may also consider any new information on any budget-related matters not available to it at the time of giving public notice of intention to impose proposed rates and minimum payments.

Usually when reviewing the City's revenue requirements, the following principles underpin what the City's current forward financial planning is primarily concentrated around achieving and maintaining:

- Continual positive movements and achievements of all financial and sustainability ratio benchmarks within a realistic and acceptable timeframe;
- Continue to budget each year for a net operating surplus from ordinary activities; and
- Generate enough revenue to renew assets when required to maintain capacity of performance and associated levels of services. The new LTFP will continue to set annual renewal expenditure at levels that manage asset renewal demand profiles.

Considerations for the 2020-21 budget are unique due to the State Government declaring a State of Emergency for Western Australia and Local Governments have a vital role to play in both the response and recovery of the pandemic crisis. This involves both dealing with health and social impacts within the community, as well as responding to the economic

consequences brought on by the crisis. Due to unprecedented economic impacts caused by the Coronavirus (COVID-19) crisis the financial principles that underpin the City's budgetary outlook, will require revision to adapt to these impacts.

In these unprecedented times, community leaders at all levels are being looked upon to provide financial relief to those impacted within their communities by the associated economic downturn from the COVID-19 pandemic.

### **Ratepayer Right to Object to Land Valuation:**

The Valuation of Land Act 1978 makes provision for ratepayers to object to the valuation of their property. Advice from Landgate as to the process is as follows:

Should a ratepayer have a valuation query which the City cannot answer, if would be of assistance to Landgate if City staff could encourage the ratepayer to discuss the matter with them by telephone prior to lodging a formal objection. Landgate customer service team contact number – (08) 9273 7373.

Valuation of properties under the Valuation of Land Act 1978 is the responsibility of the State's Valuer-General, and is undertaken by Landgate at intervals determined by the Valuer-General. For rating purposes, the Local Government Act mandates that Councils must use the valuations provided by the Valuer-General. Importantly however, ratepayers need to understand that neither the conduct nor the timing of property valuations are the responsibilities of Local Governments. Landgate does valuations at arms-length from Councils for the Valuer-General. Hence, City staff cannot provide information or advice relating to the valuation of any particular property and as such, ratepayers with valuation queries are referred to Landgate.

### **PROPOSED DIFFERENTIAL RATES FOR 2020-21**

Local public notice was first given on 6 May 2020, publishing the City's intent to impose the listed schedule of proposed rates and minimum payments for 2020-21, and inviting submissions from Electors and Ratepayers by 5:00pm on 28 May 2020. Submissions may be:

- *mailed to the City at PO Box 101, Geraldton WA 6531; or*
- *submitted by email to: [CityBudget2020-21@cgg.wa.gov.au](mailto:CityBudget2020-21@cgg.wa.gov.au)*

The following details the tables included in the public notice.

**Table 1: Current Differential General Rates & Minimum Payments (2019-20)**

<b>Differential Rate Types</b>	<b>Rate-in-the-dollar (Cents)</b>	<b>Minimum Payments \$</b>
CGG Residential	14.8529	\$1,010
CGG Non-Residential	12.2934	\$1,010
CGG UV	0.7775	\$1,010

**Table 2: Proposed Differential General Rates & Minimum Payments (2020-21)**

<b>Differential Rate Types</b>	<b>Rate-in-the-dollar (Cents)</b>	<b>Minimum Payments \$</b>
CGG Residential	14.8529	\$1,010
CGG Non-Residential	12.2934	\$1,010
CGG UV	0.7775	\$1,010

**Note:** At the close of the submission period the City had received no submissions from Electors or Ratepayers

### **Budget Rates Modelling (2020-21):**

The proposed rates model is based on the following:

In response to concerns raised by COVID-19 the City prepared its 2020-21 budget based on a zero rates increase. It is also proposed to maintain minimum payments at the same level of \$1,010.

As the situation developed, the City continued with the formulation of response and recovery strategies and those with financial impacts are included in the draft 2020-21 budget for Council consideration.

Based on final endorsement by Council, consideration is being given to the following:

- Introducing a discount on rates paid in full by the due date. If a property has overdue amounts relating to previous years rates and charges, those arrears will need to be paid in full by the due date along with 2020-21 rates and charges for a ratepayer to be eligible for the discount on the 2020-21 rates (note: no discount applied to any overdue amount);
- Removing instalment and penalty interest on rates; and
- Removing various fees and charges on rates, including instalment charges.

A rate discount will not apply to those properties who are on minimum payments of \$1,010. Some properties may also only receive a partial discount due to this minimum payment threshold.

## **Statement of Objects & Reasons for Differential Rates:**

### **CGG Residential**

This category will include any GRV rated property in that part of the City district that is used for residential purposes.

This rating category reflects the level of rating required to raise the necessary revenue for Council to operate efficiently and provide the diverse range of services and programs and associated infrastructure/facilities required for developed residential and urban areas of the designated parts of the City.

How does that affect me?

Residential Properties:

- There are no proposed adjustment to GRV RIDs which means that property's rateable value as at 1 July 2019 that have not been subject to any revaluation during the 2019-20 financial year will pay in dollar terms no more in 2020-21 than they did in 2019-20.

### **CGG Non Residential**

This category includes any GRV property in that part of the City district that is used for non-residential purposes other than rural purposes.

The general objects and reasons for this differential rate on non-residential properties is to raise the necessary revenue on an equitable basis for Council to operate efficiently and

provide the diverse range of services and programs and associated infrastructure/facilities required for commercial and industrial areas.

Non-Residential Properties:

- In dollar terms the impact will be the same as GRV Residential Properties as long as there has been no change to the property valuation from 1 July 2019.

## CGG UV

This category includes all UV rated property in that part of the City district that are used primarily for rural, farming and mining purposes.

This rating category reflects the level of rating required to raise the necessary revenue for Council to operate efficiently and provide a diverse range of services and programs for rural areas including infrastructure to this designated part of the City district.

- In dollar terms the impact will be the same as GRV Rated Properties as long as there has been no change to the property valuation from 1 July 2019.
- UV properties are subject to revaluations annually, so there will be properties that will have a change to their valuation from 1 July 2020, which will result in a proportion of properties paying either more or less than what they paid in 2019-20 even though the City has applied no increase. An overall UV revaluation increase of 0.7% however, valuation movements were not consistent across localities, with a range of increases/decreases primarily between -10% to +10%.

In line with the rate in the dollar freeze, it is also proposed to maintain minimum payments at the same level of \$1,010 that were applied in 2019-20. This figure for minimums has remained unchanged since 2014-15 except for Ex Mullewa District GRV & UV properties which were increased in 2016-17 to align and amalgamate per Governor's Order with Ex City of Geraldton-Greenough properties.

Ross McKim  
**Chief Executive Officer**