



# Budget 2018/19



## Supplementary Rates Notice Information

### Supplementary Rates Notice Information

Council has received a number of enquiries since the issue of rates notices for 2018-19 relating to new land valuations that took effect from the 1<sup>st</sup> July 2018, and the Rates-in-the-Dollar (RID) set for each differential rating category. To assist ratepayers, the following information is provided on the determination of rates for 2018-19 and the effects of the new land valuation for each rating category.

Council Minutes of 26<sup>th</sup> June 2018 and the Statement of Objects and Reason for Proposed Rates for the City of Greater Geraldton's Budget 2018-19 advised as follows:

<b>DIFFERENTIAL GENERAL RATES 2018-19</b>	<b>2018-19 Originally Advertised RID</b>	<b>2018-19 Adopted RID</b>
<i>CGG Residential</i>	12.3181c	14.6334c
<i>CGG Non-Residential</i>	11.7787c	12.1117c
<i>CGG UV</i>	0.7751c	0.7660c

Originally proposed RID's as publicly advertised from 2 May 2018 were based on previous Gross Rental Valuation (GRV) land valuations from 2015. Subsequent to the public notice and availability of the proposed Statement of Objects & Reasons 2018-19, the City received new GRV, and Unimproved Value (UV) land valuations from Landgate on behalf of the State Valuer-General.

The State Valuer-General (not the Council) has statutory responsibility for determination of land values. GRV revaluations are undertaken every three (3) years, UV revaluations undertaken annually.

Determination of the Rates payable on a property is calculated by multiplying the land Valuation by the Rate-in-the-Dollar. (GRV x RID) = Rates Payable or (UV x RID) = Rates Payable for rural

The originally advertised proposed rates-in-the-dollar were based on a target for overall rates revenue increase of **3.5%**. Subsequent to advertising proposed rates, Council *reduced that target to just 2.3%* having regard to local economic conditions.

To achieve the revised rates revenue target for 2018-19, in response to a general downward movement in GRV valuations, Council adjusted the Rates-in-the Dollar to be applied to each of the differential rating categories. The table below summarises the movement by rating categories between the rates collected in 2017-18 and the rates determined for 2018-19.

<b>Rating Category</b>	<b>Overall Rates Forecast 2017-18</b>	<b>Overall Proposed Rates 2018-19</b>	<b>Rates Revenue Increase</b>	<b>Increase: Adopted Budget</b>
<i>Residential</i>	\$31,324,047	\$31,984,047	\$660,000	2.1%
<i>Non-Residential</i>	\$10,517,283	\$10,809,029	\$291,746	2.8%
<i>UV - Rural</i>	\$3,036,813	\$3,111,114	\$74,301	2.5%
<b>Total</b>	<b>\$44,878,143</b>	<b>\$45,904,190</b>	<b>\$1,026,047</b>	<b>+2.3%</b>

It is not the percentage change in rate-in-the-dollar that measures the change in rates revenue; rather, it is the *percentage change in the calculated value of Rates revenue*, which comes from multiplying land valuation by RID.

**The final adopted 2018-19 Budget targets an overall rates revenue increase of just +2.3%**

**CGG Residential Differential General Rate:**

This category includes any GRV rated property in the City district that is used for residential purposes.

*2018-19 will see a 2.1% increase in aggregate rates revenue from residential properties compared to residential rates levied in 2017-18.*

*For residential properties that had a GRV revaluation decrease greater than 18% - you will pay around the same or less in 2018-19 than you did 2017-18. About 41% of all residential properties will pay no increase or pay less in rates in 2018-19 than in 2017-18. Minimum payments remained the same at \$1,010.*

*All residential rated properties have the same rate-in-the-dollar applied, so those properties that had either a decrease GRV that was less than 18% or had an increase in GRV valuations, will be subject to increases on their rates levied in 2018-19 compared to 2017-18. The level of their rate increases is determined by the level of decrease or increase in their GRV valuations.*

**CGG Non-Residential Differential General Rate:**

This category includes any GRV property used for non-residential purposes other than rural purposes.

*2018-19 will see a 2.8% increase in aggregate rates revenue from non-residential properties compared to rates levied in 2017-18.*

*For non-residential properties which had a GRV revaluation decrease greater than 5.8% - you will pay around the same or less in 2018-19 than you did 2017-18. About 67% of all non-residential properties will pay no increase or pay less in rates in 2018-19 than they did in 2017-18. Minimum payments remain the same at \$1,010.*

*Non-residential properties which had either a decrease GRV that was less than 5.8% or had increase on their GRV valuations, will be subject to increases on their rates levied in 2018-19 compared to 2017-18. The level of their rate increases is determined by the level of decrease or increase on their GRV valuations.*

**Unimproved Value UV properties:**

This category includes all UV rated property used primarily for rural, farming and mining purposes.

*The overall new valuations for UV properties to be applied in 2018-19 has marginally changed by 0.17% compared to 2017-18 valuations.*

*There are 'pockets' of localities where increases or movements on individual properties have been above this average with the highest being around 11%.*

GRV revaluations are undertaken by Landgate every 3 years. A major issue confronts Councils in revaluation years when significant variations between previous and new valuations occur that are not consistent across suburbs/localities. It becomes impossible to get an evenly spread increase in rates applied across all properties. Councils cannot apply different RID's for different valuation movements within a differential rating category. Differing average valuation movements across different localities have resulted in one locality paying on average 13% less in rates in 2018-19 compared to 2017-18 with another locality paying on average 19% more, because of GRV revaluations. Ratepayers have 60 days from date of issue of rates notices to object via Landgate to the State Valuer General on their GRV revaluation. Contact details: General Enquiries – 08 9273 7373 Email – [vs@landgate.wa.gov.au](mailto:vs@landgate.wa.gov.au) Website - <https://www0.landgate.wa.gov.au> or <https://www0.landgate.wa.gov.au/for-individuals/land-values/lodging-an-objection>

For further information relating to City rates and Budget please visit our website at:  
<http://www.cgg.wa.gov.au/your-council/council/city-budget-2018-19.aspx>