



**STATEMENT OF OBJECTS OF AND REASONS
FOR PROPOSED CITY RATES AND MINIMUM
PAYMENTS FOR 2021-22**

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Proposed Differential Rates and Minimum Payments for 2021-22

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*, on its website (City Budget 2021-22) and social media, and exhibits the notice at its Civic Centre offices in Cathedral Avenue, Geraldton, 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 will be 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 the forward financial planning process:

- Continual positive movements and/or achievement of all financial and sustainability ratio benchmarks within a realistic and acceptable timeframe;
- Aim or work towards in each financial year within our Long Term Financial Plan (LTFP) to realise 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.

As the City begins recovering from the financial impacts (short and longer term) incurred due to the pandemic crisis this represents new challenges that Council will need to consider as part of their 2021-22 budget deliberations.

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, it 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 2021-22

Local public notice was first given on 5 May 2021, publishing the City's intent to impose the listed schedule of proposed rates and minimum payments for 2021-22, and inviting submissions from Electors and Ratepayers by 5:00pm on 27 May 2021. Submissions may be:

- mailed to the City at PO Box 101, Geraldton WA 6531; or
- submitted by email to: CityBudget2021-22@cgg.wa.gov.au

The following details the tables included in the public notice.

Table 1: Current Differential General Rates & Minimum Payments (2020-21)

Differential Rate Types	Rate-in-the-dollar (Cents)	Minimum Payments \$
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 (2021-22)

Differential Rate Types	Rate-in-the-dollar (Cents)	Minimum Payments \$
CGG Residential	15.1128	\$1,027
CGG Non-Residential	12.5085	\$1,027
CGG UV	0.7911	\$1,027

Budget Rates Modelling (2021-22):

The proposed rates model in 2021-22 forms part of a response and recovery strategy to bring the City's budget over an appropriate timeframe back from an operating deficit to surplus position. This model is based on the following:

- 1.75% increase in the rate-in-the-dollar for all differential rating categories along with the same percentage increase being applied to minimum payments;

- Discontinue with a discount on rates paid in full by the due date that was introduced in 2020-21 as part of the COVID-19 rates relief initiatives.

Note:

The proposed rating adjustment represents the initial intent by Council and can be changed during the budget process.

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 these designated parts of the City.

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.

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 these designated parts of the City district.

Note: Due to the annual UV Valuation Roll being received after notice was given and that the valuation roll incorporated an overall increase of 3.36%, the RID for CGG UV will be amended in the 2021-22 Budget from the advertised figure of 0.7911 to 0.7654 cents in the dollar. This amendment in the RID is based on a rates model that increases revenue by around 1.75% in each rating category compared to 2020-21.

Ross McKim
Chief Executive Officer