



**STATEMENT OF OBJECTS OF AND REASONS
FOR PROPOSED CITY RATES AND MINIMUM
PAYMENTS FOR 2019-20**

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Proposed Differential Rates and Minimum Payments for 2019-20

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 2019-20), and exhibits the notice at its Civic Centre offices on Cathedral Avenue, Geraldton, at its Mullewa District Administration Office, and at the Geraldton Library located on 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.

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.

Other considerations may include for example, Council consideration of any updated advice on inflation forecasts for 2019-20, any changes to forecast changes to costs of State Government utilities including electricity tariffs, street lighting, water or sewerage, or any changes related to any of the local government recurrent grants or any other Federal or State funds forecast to be received – or any other relevant matters. Council will also consider the impact of new UV valuations, which will take effect from the 1 July 2019.

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 - 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 2019-20

Local public notice will be first given on 3 May 2019, publishing the City's intent to impose the listed schedule of proposed rates and minimum payments for 2019-20, and inviting submissions from Electors and Ratepayers by 5:00pm on 24 May 2019. Submissions may be:

- *mailed to the City at PO Box 101, Geraldton WA 6531; or*
- *submitted by email to: CityBudget2019-20@cgg.wa.gov.au*

The following details the tables included in the public notice.

Table 1: Current Differential General Rates & Minimum Payments (2018-19)

Differential Rate Types	Rate-in-the-dollar (Cents)	Minimum Payments \$
CGG Residential	14.6334	\$1,010
CGG Non-Residential	12.1117	\$1,010
CGG UV	0.7660	\$1,010

Table 2: Proposed Differential General Rates & Minimum Payments (2019-20)

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

Budget Rates Modelling (2019-20):

The proposed rates model is based on the following:

A change to the key principle of the existing Long Term Financial Plan 2018-2028 that applies a 2.5% (plus growth) increase in aggregate rate revenue per annum. The new draft LTFP 2019-2029 proposes in year one (1) to adjust the 'rate-in-the-dollar' of each of the differential rating categories by 1.5%. This proposed adjustment would mean a 1% reduction on the proposed annual increase of 2.5% which is applied in the City's current and adopted LTFP. This proposed decrease also factors in a decline in growth in the City's rate base.

The proposed model of differential general rates and minimum payments gives consideration to both delivering infrastructure and services to the community in a financially sustainable and affordable manner.

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 the designated parts of the City.

How does that affect me?

Residential Properties:

- This proposed adjustment to GRV RIDs means that property's rateable value as at 1 July 2018 that have not been subject to any revaluation during the 2018-19 financial year will pay in dollar terms 1.5% more in 2019-20 than they did in 2018-19.

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 2018.

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 July 1 2018.
- UV properties are subject to revaluations annually so they may have a change to their valuation from 1 July 2019. On average there is not normally any significant movement in UV valuations from one financial year to another.

It is also proposed to maintain minimum payments at the same level of \$1,010 that were applied in 2018-19. 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

5 April 2019