



**STATEMENT OF OBJECTS OF AND REASONS
FOR PROPOSED CITY RATES AND MINIMUM
PAYMENTS FOR 2017-18**

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Proposed Differential Rates and Minimum Payments for 2017-18

Section 6.36 of the *Local Government Act 1995* 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 2017-18), 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 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.

This may include for example, Council consideration of any updated advice on inflation forecasts for 2017-18, 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. Changes may also result from due diligence assessment of minimum payments, associated with a final proposed rating model, to ensure compliance with section 6.35 of the Act. In addition, Council consideration is to be given to lawfully available mechanisms that smooth the impact of significant spikes in rates payable because of new property valuations.

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 your staff cannot answer, it would be of assistance to us if your staff could encourage the ratepayer to discuss the matter with us by telephone or e-mail prior to lodging a formal objection.

For enquires regarding the valuation roll or any other valuation related issues, the following contact list is provided for your assistance.

- Jovanka Vicentic (Senior Valuation Information Officer) 92739466
- Sam Scuderi (District Valuer) 92739448
- Phil Edwards (Chief Valuer-Country) 92739454

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 2017-18

Local public notice was first given on 26th May 2017 of intent to impose these proposed rates and minimum payments, inviting submissions from Electors and Ratepayers by 5:00pm on 16th June 2017. Submissions may be:

- *mailed to the City at PO Box 101, Geraldton WA 6531; or*
- *submitted by email to: CityBudget2017-18@cgg.wa.gov.au*

The following tables detail the current 2016-17 and the proposed 2017-18 differential rates-in-the-dollar and minimum payments:

Table 1: Current Differential General Rates & Minimum Payments (2016-17)

Differential Rate Types	Rate-in-the-dollar (Cents)	Minimum Payments \$
CGG Residential (Includes GRV Residential Ex-Mullewa Shire District)	11.4991	\$1,010
CGG Non-Residential (Includes GRV Non-Residential Ex-Mullewa Shire District)	10.9956	\$1,010
CGG UV (Ex Geraldton Rural Mining & Farming General and Ex Mullewa Rural Mining & Agriculture)	0.7236	\$1,010

Table 2: Proposed Differential General Rates & Minimum Payments (2017-18)

Differential Rate Types	Rate-in-the-dollar (Cents)	Minimum Payments \$
CGG Residential (Includes GRV Residential Ex-Mullewa Shire District)	11.9016	\$1,010
CGG Non-Residential (Includes GRV Non-Residential Ex-Mullewa Shire District)	11.3804	\$1,010
CGG UV (Ex Geraldton Rural Mining & Farming General and Ex Mullewa Rural Mining & Agriculture)	0.7489	\$1,010

Rates Modelling (2017-18):

The proposed rates model is based on the following:

- Key principle of the existing of the Long Term Financial Plan of a 3.5% (plus growth) increase in aggregate rate revenue 2017-18. Current rates modelling is based on equitable adjustment to the three rating categories proposed RID's.
- No further concession to be applied to residential properties.
- Minimum payments to remain unchanged from 2016-17.

Statement of Objects & Reasons for Differential Rates:

CGG Residential

This category will include any GRV rated property in that part of the City district (including that part of the City previously being GRV Ex Mullewa Shire 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 part of the City.

How does that affect me?

Residential Properties:

- For residential properties who did not receive a concession in 2016-17 and the amount rates you paid this year was \$2,000, the proposed increase by Council would see you pay \$2,070 in 2017-18 a 3.50% increase. Minimum payments will remain the same at \$1,010 and unless you have built a new house or made improvements to your property in 2016-17 that resulted in a revaluation of the property you will pay the same minimum payment in 2017-18.

CGG Non Residential

This category includes any GRV property in that part of the City district (including that part of the City previously being GRV Ex Mullewa Shire 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 on an equitable basis raise the necessary revenue for Council to operate efficiently and provide the diverse range of services and programs and associated infrastructure/facilities required for commercial and industrial areas.

- For non-residential properties, the affect will be the same, as explained under residential properties.

CGG UV

This category includes all UV rated property in that 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.

- As the proposed increase is based on an equitable adjustment across all rating categories, the effect on UV properties will be the same as explained under residential properties.

Concessions

In response to residential properties revaluations that were applied in 2015-16 that resulted in large spikes to property valuations in certain areas within Geraldton, Council (a first in WA) developed and introduced a concessional system to residential ratepayers in 2015-16 to help smooth the impact of property revaluations. The concession applied in 2015-16 was equivalent to two thirds of the rates increase directly attributed to any valuation increase. In 2016-17, the concession equivalent was one third of the rate increase as attributed to the valuation increase in 2015-16. In 2017-18, no further concessions are to be applied.

Ken Diehm
Chief Executive Officer

26th May 2017