

Objectives and Reasons for Proposed Differential Rates and Minimum Payments for the 2017-2018 Financial Year

In accordance with Section 6.36 of the Local Government Act 1995, the Shire of Cue is required to publish its Objects and Reasons for implementing Differential Rates.

Overall Objective

The purpose of the levying of rates is to meet Council's budget requirements in each financial year in order to deliver services and community infrastructure. Property valuations provided by the Valuer General are used as the basis for the calculation of rates each year. Section 6.33 of the Local Government Act 1995 provides the ability to differentially rate properties based on zoning and/or land use as determined by the Shire of Cue. The application of differential rating maintains equity in the rating of properties across the Shire, enabling the Council to provide facilities, infrastructure and services to the entire community and visitors.

Gross Rental Value (GRV)

The Local Government Act 1995 determines that properties of a Non-Rural purpose be rated using the Gross Rental Valuation (GRV) as the basis for the calculation of annual rates. The Valuer General determines the GRV for all properties within the Shire of Cue every three years and assigns a GRV. The current valuation is effective from 1 August 2014. Interim valuations are provided monthly to Council by the Valuer General for properties where changes have occurred (i.e. subdivisions or strata title of property, amalgamations, building constructions, demolition, additions and/or property rezoning). In such instances Council recalculates the rates for the affected properties and issues interim rates notices.

GRV – General

Consists of properties located within the townsite boundaries with a predominant residential use and all other GRV rated properties that do fit into the other GRV categories.

This rate is considered by Council to be the GRV general rate by which all other GRV rated properties are assessed.

GRV – Commercial

Properties used for Commercial, Town Centre or Industrial purposes and open to the public and passing trade on a regular basis (more than 100 days a year). The rate reflects a differentiation from the GRV General rate to encourage property owners to develop commercial enterprise and stimulate economic activity in the town centre and industrial area.

Rather than apply a discounted differential rate, the rate applied will be the same rate in the dollar as the GRV General rate category and a discount provided in accordance with section 6.46 of the local government act. The discounted rate will be twenty percent of rates levied for the category. This will result in the same level of rates as currently applies, however the discount will only apply if the rates are paid in full by the due date. This discount is not available to properties that are minimum rated, zoned residential, home based businesses or businesses that do not offer an open shopfront to the public on the property.

This strategy has the benefit of ensuring commercial property owners pay their rates by the due date to take advantage of the discount, ensures they are aware that their rates are discounted substantially as Council is very supportive of local business and that the generous discount is not applied to those commercial property owners with outstanding rate arrears.

GRV – Vacant

Consists of vacant properties located within the townsite boundaries excepting land zoned as Tourist, Commercial & Industrial.

GRV – Mining and Transient Workforce Facilities

Properties used for high density Minesite accommodation exclusive of Lodging Houses. The rate reflects the cost of servicing a high density development that places a significant amount of financial pressure on Council to provide services such as road maintenance, parking control, heavy vehicle movements, litter control, rubbish site maintenance, airport infrastructure and maintenance and other amenities.

Unimproved Value (UV)

Properties that are predominantly of a rural purpose are assigned an Unimproved Value that is supplied and updated by the Valuer General on an annual basis.

UV - Pastoral

Consists of properties that are outside of the townsite that have a commercial use inclusive of:

- Pastoral leases or Pastoral use;

This category is rated to reflect the infrastructure maintenance costs to Council. It is acknowledged that the pastoral industry has a diminished capacity to pay, that the pastoralists carry out road maintenance with their own machinery and the pastoral leases are very large parcels of land that attract a relatively high valuation. It is noted that rate levies paid by commercial operators are generally tax deductible.

UV – Mining

Consists of properties that are used for mining, exploration or prospecting purposes. This category is rated higher than other UV categories to reflect the higher road infrastructure maintenance costs to Council as a result of frequent heavy vehicle use over extensive lengths of shire roads throughout the year. It is noted that rates paid by mining operators are generally tax deductible.

Minimum Rates

The setting of minimum rates within rating categories is an important method of ensuring that all properties contribute an equitable rate amount. A minimum rate of \$451.00 has been set for all rate categories.