



# Statement of Rating Objectives and Reasons for the 2021 / 2022 Rating Year

In accordance with section 6.36 of the *Local Government Act 1995* and the Council's "Notice of Intention to Levy Differential Rates and Minimum Payments", the following information details the objects and reasons for those proposals.

## Executive Summary

The following are the proposed Differential General Rates and Minimum Payments for the Shire of Serpentine Jarrahdale for the 2021/2022 financial year, to be effective from 1 July 2021.

Rate Category	Rate in Dollar (Expressed as cents in \$)	Minimum Payment
GRV Residential	0.103321	\$1,276
GRV Commercial / Industrial	0.117763	\$1,434
GRV Vacant	0.189295	\$972
UV General	0.004135	\$1,383
UV – Rural Residential	0.004342	\$1,750
UV - Commercial / Industrial	0.006203	\$1,750
UV Intensive Farmland	0.008270	\$1,750

The above rate model will yield \$25,060,988 in rate revenue.

## What are Rates?

Rates are a tax levied on all rateable properties within the boundaries of the Shire of Serpentine Jarrahdale Municipality in accordance with the *Local Government Act 1995*.

The overall objective of the proposed rates in the 2021/2022 Budget is to provide for the net funding requirements of the Shire's services, activities, financing costs and the current and future capital requirements of the Shire, after taking into account all other forms of revenue.

In Western Australia, land is valued by Landgate Valuation Services (Valuer General's Office - a State Government agency) and those valuations are forwarded to each Local Government.

Two types of values are calculated - Gross Rental Value (GRV) which applies to non-rural land; and Unimproved Value (UV) which generally applies to rural land.

## Local Government Act 1995 - Rating Provisions

The *Local Government Act 1995* sets out the basis on which differential general rates may be based as follows:

Section 6.32 (1) of the *Local Government Act 1995* states:

- (1) When adopting the annual budget, a local government –
  - a. in order to make up the budget deficiency, is to impose\* a general rate on rateable land within its district, which rate may be imposed either –

## Contact Us

### Enquiries

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### In Person

Shire of Serpentine Jarrahdale

6 Paterson Street, Mundijong WA 6123

Open Monday to Friday 8.30am-5pm (closed public holidays)



[www.sjshire.wa.gov.au](http://www.sjshire.wa.gov.au)



Continued

## Statement of Rating Objectives and Reasons for the 2020 / 2021 Rating Year

- i. uniformly; or
- ii. differentially.

### Differential Rates

#### 6.33. Differential general rates

- (1) A local government may impose differential general rates according to any, or a combination, of the following characteristics –
  - a. the purpose for which the land is zoned, whether or not under a local planning scheme in force under the *Planning and Development Act 2005*;
  - b. a purpose for which the land is held or used as determined by the local government;
  - c. whether or not the land is vacant land; or
  - d. any other characteristic or combination of characteristics prescribed.
- (2) Regulations may –
  - a. specify the characteristics under subsection (1) which a local government is to use; or
  - b. limit the characteristics under subsection (1) which a local government is permitted to use.

### Minimum Payment

#### 6.35. Minimum payment

- (1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.
- (2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.
- (3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than –
  - a. 50 per cent of the total number of separately rated properties in the district; or
  - b. 50 per cent of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.
- (4) A minimum payment is not to be imposed on more than the prescribed percentage of -
  - a. the number of separately rated properties in the district; or
  - b. the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.



Continued

## Statement of Rating Objectives and Reasons for the 2020 / 2021 Rating Year

- (5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.
- (6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —
- a. to land rated on gross rental value;
  - b. to land rated on unimproved value; and
  - c. to each differential rating category where a differential general rate is imposed.

### Proposed Differential General Rates and Minimum Payment Categories

#### GRV Residential

**Object:** This category covers all improved non-rural properties used for residential purpose.

**Reason:** The Shire's rating strategy is to achieve rate revenue that meets the shortfall from other revenue sources and allows for the delivery of services and the creation of infrastructure. The Shire desires to levy rates that are more equitable across different types of properties and thus has implemented differential rates.

Proposed Rate in \$: 0.103321

Minimum Payment: \$1,276

#### GRV Vacant

**Object:** This category covers all non-rural vacant properties.

**Reason:** Council has adopted a deliberate policy objective to discourage property owners from land banking.

Proposed Rate in \$: 0.189295

Minimum Payment: \$972

#### GRV Commercial / Industrial

**Object:** This category covers all improved non-rural properties that are not vacant and are used for a purpose other than residential.

**Reason:** The Shire's rating strategy is to achieve rate revenue that meets the shortfall from other revenue sources and allows for the delivery of services and the creation of infrastructure. The Shire desires to levy rates that are more equitable across different types of properties and thus has implemented differential rates.



Continued

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Proposed Rate in \$: 0.117763

Minimum Payment: \$1,434

### UV General

**Object:** This category covers all rural properties not covered by another rating category.

**Reason:** The Shire's rating strategy is to achieve rate revenue that meets the shortfall from other revenue sources and allows for the delivery of services and the creation of infrastructure. The Shire desires to levy rates that are more equitable across different types of properties and thus has implemented differential rates.

Proposed Rate in \$: 0.004135

Minimum Payment: \$1,383

### UV Rural Residential

**Object:** This category covers all rural properties between 4,000sqm and 50,000sqm whose predominant use is Residential.

**Reason:** The Shire's rating strategy is to achieve rate revenue that meets the shortfall from other revenue sources and allows for the delivery of services and the creation of infrastructure. The Shire desires to levy rates that are more equitable across different types of properties and thus has implemented differential rates.

Proposed Rate in \$: 0.004342

Minimum Payment: \$1,750

### UV Commercial/Industrial

**Object:** This category covers all rural properties used predominantly for commercial/industrial purpose, excluding those used for intensive agriculture.

**Reason:** The Shire's rating strategy is to achieve rate revenue that meets the shortfall from other revenue sources and allows for the delivery of services and the creation of infrastructure. The Shire desires to levy rates that are more equitable across different types of properties and thus has implemented differential rates.

Proposed Rate in \$: 0.006203

Minimum Payment: \$1,750



Continued

## Statement of Rating Objectives and Reasons for the 2020 / 2021 Rating Year

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### UV Intensive Farming

**Object:** This category covers all rural properties used for intensive agriculture (e.g. poultry farms and feed lots).

**Reason:** The Shire's rating strategy is to achieve rate revenue that meets the shortfall from other revenue sources and allows for the delivery of services and the creation of infrastructure. The Shire desires to levy rates that are more equitable across different types of properties and thus has implemented differential rates.

Proposed Rate in \$: 0.008270

Minimum Payment: \$1,750



Continued

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### Submissions

Submissions are invited from any elector or ratepayer with respect to the proposed rates, and any related matter, within a minimum 21 days of the date of this notice.

Submissions can be made via the Shire's website at [www.yoursaysj.sjshire.wa.gov.au/ratingstrategy](http://www.yoursaysj.sjshire.wa.gov.au/ratingstrategy).

Alternatively, address your submission to:

Chief Executive Officer  
Shire of Serpentine Jarrahdale  
Differential Rate Submission  
6 Paterson Street  
MUNDIJONG WA 6123

All submissions should be received no later than 5.00pm on 16 July 2021 and will be presented to Council for formal consideration.

**P MARTIN**  
**CHIEF EXECUTIVE OFFICER**