



SHIRE OF SHARK BAY
2023/2024 DIFFERENTIAL RATES
STATEMENT OF OBJECTS AND REASONS

Objects and Reasons for Implementing a Differential Rate

In accordance with Section 6.36 of the **Local Government Act 1995** and the Council's "Notice of Intention to Impose Differential Rates", the following Information details the objectives and reasons for those proposals.

What are Rates?

The raising of rates is the primary source of revenue of all Councils throughout Australia. The purpose of levying rates is to meet Council's proposed budget requirements each year in a manner that is fair and equitable to the ratepayers of the community.

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

Two types of values are calculated:

- Gross Rental Value (GRV); and
- Unimproved Value (UV)

To calculate the rates to be charged, Council multiplies a rate in the dollar by the supplied value. The rate in the dollar is determined by the level of revenue the Council wishes to raise and is dependent on its proposed budget.

Apart from the need to ensure sufficient revenue to meet its expenditure needs, Council must be mindful of the impact and affordability of rates to the community.

The following are the estimated Differential Rates and Minimum Payments for the Shire of Shark Bay for the 2023/2024 financial year.

Rating Category	Minimum Rate	Rate in the Dollar (cents)
GRV – Residential	\$866	10.2239
GRV – Commercial	\$866	10.5067
GRV – Industrial/Residential	\$866	11.3138
GRV – Vacant	\$866	10.2239
GRV – Rural Commercial	\$866	10.6260

GRV - Industrial/Residential Vacant	\$541	10.2239
GRV – Rural Resort	\$866	11.2162
UV General	\$659	14.5499
UV Pastoral	\$910	9.9645
UV Mining	\$910	19.8451
UV Exploration	\$910	19.0811

Differential Rating

Local Government, under section 6.33 of the Local Government Act 1995, have the power to implement differential rating in order to take into account certain characteristics of the rateable land.

These characteristics include:

- ❖ The purpose for which the land is zoned under the town planning scheme in force.
- ❖ The predominant use for which the land is held or used as determined by the local government.
- ❖ whether or not the land is vacant land; or
- ❖ any other characteristic or combination of characteristics prescribed.

Differential rates may be applied according to any, or a combination of the above characteristics. However, local governments are constrained in the range of differential rates that they may impose. That is, a local government may not impose a differential rate which is more than twice the lowest differential rate applied by that local government unless approval from the Minister is sought.

GRV - Residential

This category is applied to all properties with a land use that does not fall within any of the other categories in GRV. The rate reflects the level of rating required to raise revenue for the Council to operate efficiently and provide the diverse range of services and programs required for developed residential areas.

GRV – Vacant

This category is applied to residential land that has not been developed.

GRV - Industrial /Residential

This category is applied to all properties with an industrial land use which has the capacity for a caretaker's residence and is located in the industrial estate. The rate reflects the level of infrastructure required to maintain an industrial area and the ability of commercial property owners to utilise taxation benefits.

GRV – Industrial/Residential Vacant

This category is applied to all properties with an industrial land use which has not been developed. The rate reflects the level of infrastructure required to maintain an industrial area and the ability of commercial property owners to utilise taxation benefits.

GRV - Commercial

This category is applied to properties with a commercial land use and reflects the level of services to commercial operators and the ability of commercial property owners to utilise taxation benefits.

GRV Rural Commercial

This category is applied to properties of a commercial nature which are located outside of the town centre. The rate reflects the level of infrastructure and services provided to these properties and the ability of commercial property owners to utilise taxation benefits.

GRV – Resort

This category is applied to properties of a commercial nature which are established with the purpose of providing accommodation and activities to the tourism market. The rate reflects the level of infrastructure and services provided to these properties and the ability of commercial property owners to utilise taxation benefits.

UV – General

This category is applied to all properties which do not fall into one of the other UV categories and includes all unimproved land. The rate reflects a contribution towards built infrastructure and recognises that this infrastructure is used by all property owners.

UV - Pastoral

This category is applied to the pastoral properties and reflects the contribution required by pastoral properties for the facilities that are available to them in the Shire.

UV - Mining

This category applies to mining tenement leases and reflects the contribution required by mining to the maintenance of the Shire's assets and services to the extent that the mining operations use these assets.

UV Exploration

This category applies to mining exploration and applies until the exploration moves to the establishment of mining activities. This rate reflects the contribution to the maintenance of the Shire' assets and services.

GRV Minimum

The GRV minimum is considered to be the minimum contribution for basic infrastructure and services.

UV Minimum

The UV minimum is considered to be the minimum contribution for basic infrastructure and services.

Submissions are invited from any Elector or Ratepayer with respect to the proposed differential rate within 21 days of the date of the notice of intention.

All submissions in writing should be forwarded to the Shire of Shark Bay no later than 4.00pm on 12 June 2023.

Dale Chapman
Chief Executive Officer