



# STATEMENT OF RATING OBJECTS AND REASONS

FOR THE 2024/25 FINANCIAL YEAR

In accordance with Section 6.36 of the *Local Government Act 1995* and the Notice of the Council's intention to Levy Differential Rates for the 2024/25 Financial Year on certain properties within the Shire, the Shire is required to publish its Objects and Reasons for implementing differential rates.

## **Overall Objective**

The overall objective of the proposed rates and charges in the 2024/25 budget is to provide for the net funding requirement of Council's operational and capital activities after taking into account all other forms of revenue.

Property valuations are provided by the Valuer General of WA for two types of values; Gross Rental Value (GRV) which generally applies for urban areas; and Unimproved Value (UV) which generally applies for rural land.

GRV's for all properties have been revalued by Landgate effective 1 July 2024.

GRV's for all properties are revalued by Landgate as part of a five-year cycle of revaluations, six yearly after the previous valuation with the next valuation scheduled for 1 July 2030. For properties on UV, the values are set annually. Interim valuations are issued for properties where changes have occurred such as subdivisions, construction, additions etc.

These valuations are used as the basis for the calculation of rates each year.

## **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) and 6.33 of the *Local Government Act 1995* States:

### 6.32 Rates and service charges

- (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 —
    - (i) uniformly; or
    - (ii) differentially;And
  - (b) may impose\* on rateable land within its district —
    - (i) a specified area rate; or
    - (ii) a minimum payment;And
  - (c) may impose\* a service charge on land within its district

\**Absolute majority required*

### 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 or improvement scheme in force under the *Planning and Development Act 2005*; or
  - (b) a purpose for which the land is held or used as determined by the local government; or
  - (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.
- (3) In imposing a differential general rate, a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.
- (4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.
- (5) A differential general rate that a local government purported to impose under this Act before the *Local Government Amendment Act 2009* section 39(1)(a) came into operation<sup>1</sup> is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.

### 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% of the total number of separately rated properties in the district; or
  - (b) 50% 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.
- (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; and
  - (b) to land rated on unimproved value; and
  - (c) to each differential rating category where a differential general rate is imposed.

### 6.37 Specified area rates

- (1) A local government may impose a specified area rate on rateable land within a portion of its district for the purpose of meeting the cost of the provision by it of a specific work, service or facility if the local government considers that the ratepayers or residents within that area —
  - (a) have benefited or will benefit from; or
  - (b) have access to or will have access to; or
  - (c) have contributed or will contribute to the need for, that work, service or facility.

- (2) A local government is required to —
  - (a) use the money from a specified area rate for the purpose for which the rate is imposed in the financial year in which the rate is imposed; or
  - (b) to place it in a reserve account established under section 6.11 for that purpose.
- (3) Where money has been placed in a reserve account under subsection (2)(b), the local government is not to —
  - (a) change the purpose of the reserve account; or
  - (b) use the money in the reserve account for a purpose other than the service for which the specified area rate was imposed,
 and section 6.11(2), (3) and (4) do not apply to such a reserve account.
- (4) A local government may only use the money raised from a specified area rate —
  - (a) to meet the cost of providing the specific work, service or facility for which the rate was imposed; or
  - (b) to repay money borrowed for anything referred to in paragraph (a) and interest on that money.
- (5) If a local government receives more money than it requires from a specified area rate on any land or if the money received from the rate is no longer required for the work, service or facility the local government —
  - (a) may, and if so requested by the owner of the land is required to, make a refund to that owner which is proportionate to the contributions received by the local government; or
  - (b) is required to allow a credit of an amount proportionate to the contribution received by the local government in relation to the land on which the rate was imposed against future liabilities for rates or service charges in respect of that land.

### **2024/25 Rates Schedule**

The Shire of Exmouth proposes to impose differential general rates based on the following categories for 2024/25 financial year:

<b>Rate Category</b>	<b>Rate in Dollar (\$)</b>	<b>Minimum Payment (\$)</b>
GRV General	0.0958	1160
GRV Marina Developed	0.1294	1160
GRV Holiday Homes	0.1328	1160
GRV Vacant Land	0.1915	910
UV Mining	0.2037	300
UV Rural	0.1020	910

The proposed 2024/25 differential rating categories, rate in the dollar amount and minimum payment amount continue to provide fairness and equity by ensuring that all properties pay a consistent minimum payment. These funds continue to deliver our community expectations and needs as outlined in our Strategic Community Plan and Corporate Business Plan.

### **Marina Specified Area Rate**

Included in the 2024/25 Differential Rating proposal is a Specified Area Rate to be applied to properties zoned Marina that have canal frontage in the Exmouth Marina Precinct. As in previous years, these funds are used for environmental monitoring costs, periodic dredging, clearing and maintenance of the canal waterways.

Specified Area Rate	Basis of Valuation	Rate in \$	Minimum Payment
Marina Specified Area	GRV Marina Developed	0.0170	N/A

## OBJECTS AND REASONS FOR PROPOSED DIFFERENTIAL AND MINIMUM RATES

Following are the objects and reasons for each of the differential rates for properties zoned and whether the land is vacant in accordance with Shire of Exmouth Town Planning Scheme No.4:

### GROSS RENTAL VALUE

#### **GRV General**

This rating category consists of properties zoned as:

- Residential
- Urban Development
- Commercial
- Tourism
- Light Industry
- Service Commercial
- General Industry
- Industrial Development
- Rural Residential

The proposed rate in \$ is 0.0958 of GRV Value. Rates provided by this category, including minimum rates at \$1,160 are approximately 65% of the total rate requirements of Council. Revenue derived from this category assists funding to operate efficiently the service levels expected by the community as outlined in our Strategic Community Plan and Corporate Business Plan. The rate for this category is to be the base rate by which all other GRV rated properties are assessed. It excludes all vacant land, Holiday Homes and properties developed in the Marina as these categories have a higher demand on Shire resources.

#### **GRV Marina Developed**

This rating category consists of developed properties zoned as:

- Marina

The proposed rate in \$ is 0.1294 of GRV Value. Rates provided by this category, including minimum rates at \$1,160 are approximately 13% of the total rate requirements of Council. The object of the rate for this category is to reflect the additional revenue required to fund the costs associated with the higher level of maintenance provided to these properties including maintaining the seawall to the north of the marina, maintain public jetties, canal footbridge, beach stabilisation, landscaping, road sweeping, and maintenance of street furniture, canal drainage and footbridge lighting. Also responsible for boat ramps and associated with cost within the area and maintenance of water way adjoining public open space.

#### **GRV Holiday Homes**

This rating category consists of residential properties that have received Town Planning approval to operate as short term holiday accommodation.

The proposed rate in \$ is 0.1328 of GRV Value. Rates provided by this category, including minimum rates at \$1,160 are approximately 9% of the total rate requirements of Council. This category is rated higher than the GRV General Rate to assist with contribution to tourism, marketing and related projects throughout the district. Additionally, it includes the development of tourist related services and infrastructure.

### **GRV Vacant Land**

This rating category consists of all vacant land within Shire boundaries.

The proposed rate in \$ is 0.1915 of GRV Value. Rates provided by this category, including minimum rates at \$910 are approximately 11% of the total rate requirements of Council. The object of the rate for this category is to reflect the additional revenue required to fund the costs associated with the higher level of service provided to properties in this category, including but not limited to firebreaks maintenance, upgrade and renewal of the street network, roadside sweeping, CBD car parking, landscaping, dust control management, drainage, footbridge lighting, street furniture and other amenities.

### **UV Mining**

This rating category consists of properties used for mining, exploration or prospecting purposes.

The proposed rate in \$ is 0.2037 of UV Value. Rates provided by this category, including minimum rates at \$300 are approximately 1% of the total rate requirements of Council. The object of the rate for this category is to raise revenue to fund additional costs to Council including, but not limited to frequent heavy vehicle use over extensive lengths of Shire roads throughout the year.

### **UV Rural**

This rating category consists of properties zoned Rural.

The proposed rate in \$ is 0.1020 of UV Value. Rates provided by this category, including minimum rates at \$910 are approximately 1% of the total rate requirements of Council. This rate is required to meet our community expectations and needs in our Strategic Community and Corporate Business Plans. The object of the rate for this category is to be the base rate by which all other UV rated properties are assessed. The reason is these properties are large extensive parcels of land with little commercial activity.

## **SPECIFIED AREA RATE**

### **GRV Specified Area Rate**

This Specified Area Rate applies to properties zoned Marina that have canal frontage in the Exmouth Marina Precinct.

The proposed rate in \$ is 0.0170 of GRV Value. Specified Rates within this category have no minimum set. The proceeds of these funds are applied in full on environmental monitoring and maintenance of the canal waterway, dredging and entrance channel navigation including both onshore & offshore, cost of clearing the sand traps, maintaining the main breakwaters including all breakwaters and groynes surrounding and protecting the outer harbour and other preservation works in accordance with the Exmouth Marina Village Agreement between the Minister for Transport, Landcorp & Shire of Exmouth.

## **SUBMISSIONS**

All submissions are required to be made in writing to the Chief Executive Officer with respect to the proposed differential general rates, minimum payments and specified area rate within 21 days of the date of the notice of intent. Submissions must be received by the Shire of Exmouth no later than 4pm Thursday 6 June 2024. Submissions may be:

- Mailed to PO Box 21, Exmouth WA 6707
- By email to: [info@exmouth.wa.gov.au](mailto:info@exmouth.wa.gov.au)

BEN LEWIS  
CHIEF EXECUTIVE OFFICER