

Rate Type	Min Rate	Num of Props	% of Asst	Rateable Value \$	2014/15 Budgeted \$
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Rate in dollar 13/14	Difference %	Rate in dollar 14/15	Num of Props	% of Asst	Rateable Value \$	2014/15 Budgeted \$	2014/15 Total \$	2013/14 Comparative \$
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**Differential General Rate**

Gross Rental Valuations

GRV - Residential	\$1,200	67	2%	974,674	80,400	0.0807	6.00%	0.08549	4,316	98%	115,749,664	9,895,439	9,975,839	9,411,335
GRV - Residential - Vacant	\$1,200	133	31%	793,530	159,600	0.1475	6.00%	0.15635	292	69%	4,183,400	654,075	813,675	767,449
GRV - Commercial/Industrial	\$1,200	12	2%	122,060	14,400	0.0937	6.04%	0.09940	571	98%	52,075,935	5,176,348	5,190,748	4,895,170
Economic Development Officer							1.28%	0.00120				62,491	62,491	0
GRV - Tourism	\$1,200	437	49%	2,309,268	524,400	0.1179	6.02%	0.12500	453	51%	18,365,830	2,295,729	2,820,129	2,659,615

Unimproved Valuations

UV - Mining (min was \$782)	\$1,200	35	49%	102,339	42,000	0.1329	5.96%	0.14080	37	51%	1,017,695	143,291	185,291	174,815
UV - Rural	\$1,200	0	0%	0	0	0.0051	5.93%	0.00545	7	100%	3,375,000	18,394	18,394	17,364
UV - Rural (conc now 24% (0.001308))	\$1,200	2	5%	299,000	2,400	0.0051	5.93%	0.00545	35	95%	45,685,000	189,227	191,627	237,311
UV - Rural (conc now 13.5% (0.000730))	\$1,200	0	0%	0	0	0.0051	5.93%	0.00545	82	100%	33,296,000	157,157	157,157	171,308
UV - Rural (conc now 5.5% (0.000300))	\$1,200	2	22%	200,000	2,400	0.0051	5.93%	0.00545	7	78%	3,465,000	17,845	20,245	20,089
UV - Commercial	\$1,200	5	15%	36,200	6,000	0.0237	5.99%	0.02515	29	85%	8,152,808	205,043	211,043	199,113
<b>Totals</b>		<b>693</b>	<b>11%</b>	<b>4,837,071</b>	<b>831,600</b>		<b>5.97%</b>		<b>5,829</b>	<b>89%</b>	<b>285,366,332</b>	<b>18,815,039</b>	<b>19,646,639</b>	<b>18,553,571</b>

**Actual Yield 13/14** 18,272,482



## **Objectives and Reasons for Proposed Differential Rates and Minimum Payments for the 2014/2015 Financial Year**

In accordance with Section 6.36 of the Local Government Act 1995, the Shire of Broome 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 Broome. 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 Broome every three years and assigns a GRV. The current valuation is effective from 1 July 2012. 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 – Residential**

This rating category consists of properties located within the townsite boundaries which have a predominantly residential use. The object of the rate for this category is to be the base rate by which all other GRV rated properties are assessed. The reason is that the

other GRV rating categories have a higher demand on Shire resources and vacant land is encouraged to be developed.

## **GRV – Residential Vacant**

This rating category consists of vacant properties located within the townsite boundaries, excepting land zoned as Tourist, Commercial or Industrial.

The object of the rate for this category is to encourage land owners to develop residential vacant land and to reflect the different method used for the valuation of vacant residential land as compared to the GRV-Residential rate category. The reason is that excessive vacant land leaves subdivisions appearing barren and unsightly, to the detriment of the aesthetics of the area. The rate in the dollar for this category is 83% higher than the GRV –Residential base rate.

## **GRV – Commercial**

This rating category consists of properties used for Commercial, Town Centre or Industrial purposes and non residential vacant land, excluding properties with a tourism use. The object of the rate for this category is to raise additional revenue to fund the costs associated with the higher level of service provided to properties in this category. The reason is that the Shire incurs higher costs to service these areas including carparking, landscaping and other amenities. In addition, extra costs are also associated with tourism and economic development activities that have a benefit to these ratepayers. The rate in the dollar for this category is 18% higher than the GRV – Residential base rate.

## **GRV – Tourism**

This rating category consists of properties with a tourism use within the townsite. The object of the rate for this category is to raise additional revenue to fund the costs associated with the higher reliance on shire resources and the higher level of service provided to properties in this category. The reason this category is rated higher than the base rate for GRV is to fund costs associated with the heavier use of infrastructure and other Council assets and services in addition to contribution to tourism promotion activities. The rate in the dollar for this category is 46% higher than the GRV – Residential base rate.

## **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. The rate in the dollar set for the UV-Rural category forms the basis for calculating all other UV differential rates

### **UV - Rural (The base rate for Unimproved Value)**

This rating category consists of properties that are exclusively for rural use. 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 that the other UV rating categories have a higher demand on Shire resources.

## **UV - Commercial Rural**

This rating category consists of properties that are outside of the townsite that have a commercial use inclusive of:

- Pearling Leases;
- Pastoral leases or Pastoral use;
- Caravan Parks; and
- Short Stay Accommodation

The object of the rate for this category is to raise additional revenue to fund the additional cost impacts attributed to the servicing of these properties. The reason is that the Shire incurs higher costs in infrastructure maintenance as a result of extra vehicle movements on the shire's road network due to the activities associated with these properties.

## **UV – Mining**

This rating category consists of properties that are used for mining, exploration or prospecting purposes. The object of the rate for this category is to raise additional revenue to fund the additional cost impacts to the Shire. The reason this category is rated higher than UV-Commercial is 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.

## **Minimum Payments**

The setting of minimum payments within rating categories is an important method of ensuring that all properties contribute an equitable rate amount. A minimum payment of \$1,200 has been set for all rate categories.