



## OBJECTIVES AND REASONS FOR PROPOSED DIFFERENTIAL RATES FOR THE YEAR ENDING 30 JUNE 2016

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

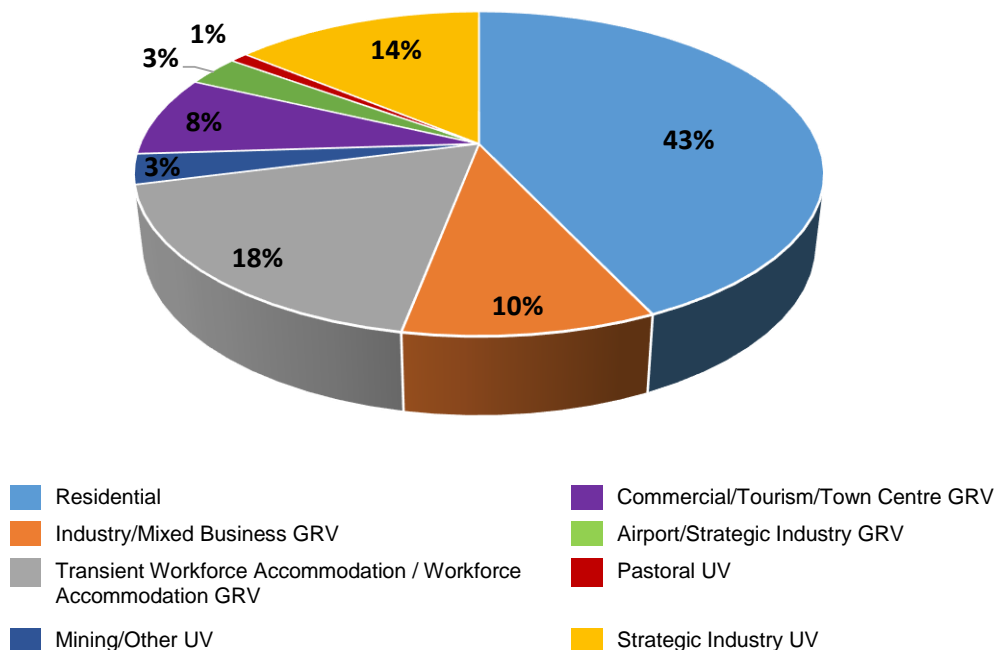
### OVERALL OBJECTIVE

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 City of Karratha. The application of differential rating maintains equity in the rating of properties across the City.

Table 1 represents the total 2015/16 rates to be levied by land use / zoning.

**Table 1: Indicative Percentage Rates Contribution by Land Use / Zoning**



The 2015/16 Rating Year sees the latest general revaluation effective 1 July 2015, with valuations assessed as at August 2014 by the Valuer-General's office.

The overall trend has seen sizeable but disparate reductions in residential, commercial and pastoral lease properties. Correspondingly the Rate in the Dollar applied to the valuations to determine property rates has been increased to reflect Council's objective of raising a total of \$42.2 million in rates.

## GROSS RENTAL VALUE PROPERTIES (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 City of Karratha every three years and assigns a GRV. The last general revaluation was 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.

The rate in the dollar set for the residential category forms the basis for calculating all other GRV differential rates. Table 2 below summarises the 2015/16 minimum payments and rates in the dollar for GRV:

**Table 2: Proposed differential rates for 2015/16 financial year (GRV)**

Differential Rates 2015/16		
Category	Minimum Payment	Proposed Rate in \$
<b>Gross Rental Value</b>		
Residential	\$1,500	0.066070
Commercial / Tourism / Town Centre	\$1,500	0.077202
Industry / Mixed Business	\$1,500	0.057421
Airport / GRV (Strategic Industry)	\$1,500	0.132140
Transient Workforce Accommodation / Workforce Accommodation	\$1,500	0.253352

**Residential** – means any land:

- that is predominantly used for residential purposes;
- or
- which is vacant of any construction, and is zoned as residential under the City's Planning Scheme; and

**Commercial / Tourism / Town Centre** – means any land:

- that is predominately used for either:
  - commercial purposes;
  - tourism purposes;
  - a combination of commercial and tourism purposes;
- or
- that does not have the characteristics of any other GRV differential rate category.

**Industry / Mixed Business**

- that is predominately used for either:
  - industrial purposes;
  - a combination of industrial and commercial purposes.

**Airport / Strategic Industry** – means any land:

- which is located within Karratha Airport (Reserve #30948);
- or
- that is predominately used for the purpose of resource processing.

The rate in the dollar for Airport / Strategic Industry is proposed to be two times (x2) the Residential rate category which equates to two point three (x2.3) the lowest GRV rate in the dollar being Industry / Mixed Business.

**Transient Workforce Accommodation / Workforce Accommodation** – means any land:

- that is predominately used for the purpose of workforce accommodation;  
**or**
- that is predominately used for the purpose of transient workforce accommodation;  
**or**
- that has been zoned as Transient Workforce.

The rate in the dollar for the Transient Workforce Accommodation category is proposed to be three point eight three times (x3.83) the Residential rate category which equates to four point four eight (x4.48) the lowest GRV rate in the dollar being Industry / Mixed Business.

Rating Objective: This differential rate maintains the relativity comparative to residential rates and provides an average rate per accommodation unit of less than Council's proposed minimum payment.

### **UNIMPROVED VALUE PROPERTIES (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 'Pastoral' category forms the basis for calculating all other UV differential rates. Table 3 below summarises the 2015/16 minimum payments and rates in the dollar for Unimproved Values:

**Table 3: Proposed differential rates for 2015/16 financial year (UV)**

Differential Rates 2015/16		
Category	Minimum Payment	Proposed Rate in \$
<b>Unimproved Value</b>		
UV (Pastoral):	\$1,500	0.155806
UV (Mining/Other)	\$1,500	0.146707
UV (Strategic Industry)	\$1,500	0.171387

**Pastoral– means any land:**

- that currently has a pastoral lease granted;  
**and**
- that is used predominantly for the purpose of grazing (including agistment), dairying, pig-farming, poultry farming, fish farming, tree farming, bee-keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind or for any combination of these activities;

**Mining/Other – means any land:**

- that a mining, exploration or prospecting lease and/or license has been granted;  
**or**
- that does not have the characteristics of any other UV differential rate category.

**Strategic Industry – means any land:**

- that is predominately used for industrial purposes;  
**or**
- that is predominately used for the purpose of resource processing;  
**or**
- that is predominately used for the purpose of supporting a transient workforce.