



SPECIAL COUNCIL MEETING

09 July 2019

Attachment Booklet – SCM July 2019

ATTACHMENT: 1
Statement of Objects and Reasons 2019/20

Shire of Irwin

Statement of Objects and Reasons

innovation
accountability
integrity
respect

Including Objects and Reasons for the Current Rating Structure

This Statement is published by the Shire of Irwin in accordance with Section 6.36 of the Local Government Act 1995 to advise the public of its objectives and reasons for implementing differential rates.

The purpose of levying of rates is to meet Council's budgetary requirements in each financial year in order to deliver services, facilities and community infrastructure. Property valuations provided by the Valuer General are used as the basis for the calculation of rates each year. Section 6.36 of the Local Government Act provides the ability to differentially rate properties based on zoning and/or land use as determined by the Shire of Irwin. The application of differential rating maintains equity in the rating of properties across the Shire, enabling the Council to provide facilities, services and infrastructure to the entire community and visitors to the area.

Gross Rental Values (GRV)

The Local Government Act 1995 provides 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 with a non-rural purpose within the Shire of Irwin approximately every four years and provides a GRV Roll. The current valuation is effective from 1 July 2019. Interim valuations are provided regularly to Council by the Valuer General for properties where changes have occurred during the year (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 rate notices.

GRV – Uniform Rate

All land within the Shire used for non-rural purposes (GRV) is rated using a uniform GRV Rate. The uniform rate is calculated and adopted after the consideration of many factors such as current economic conditions, increases to land valuations as assessed by the Valuer General's Office, the infrastructure and service improvement proposals contained in the Budget, as well as other factors. It is considered that for this financial year the valuations imposed by the Valuer General provides the capacity for the additional rate contributions that may be required from different zoning/land use and therefore the need for a differential rate is not deemed necessary.

Unimproved Values (UV)

The Local Government Act 1995, provides that properties predominantly used for a rural purpose are assigned an Unimproved Value as supplied and reviewed by the Valuer General on an annual basis. The unimproved value of land refers to the market value of the land in its natural state without improvements such as buildings, fences, dams etc.

The rate in the dollar set for the UV-Rural category forms the basis for calculating all other UV differential rates. Interim valuations are provided regularly to Council by the Valuer General for properties where changes have occurred during the year (i.e. subdivisions of property, amalgamations, and/or property rezoning). In such instances Council recalculates the rates for the affected properties and issues interim rate notices.

UV Differential Rate - Rural

All land in the Shire used for rural purposes are classified into Policy Areas based on their zoning in the Shire of Irwin Local Planning Scheme No 5, as set out below. All land within these zoning areas are rated using the same differential rate.

- Policy Area A Crown Conservation Crown Land: To preserve and protect the major areas of Reservations and Vacant Land within this policy area in its natural state.
- Policy Area B Urban: Set aside for Townsite expansion or impacted on by buffers and mining leases.
- Policy Area C General Farming Zone: General Broadacre farming, not suitable for subdivision, designed to consolidate and preserve existing agricultural practices.
- Policy Area D Rural Smallholdings Zone: Hobby farming suitable for subdivision into rural/small holdings to a minimum of 15 ha.
- Policy Area E General Farming Zone: Coastal management area for future development of tourist projects and possible subdivision into rural smallholdings to a minimum lot size of 15ha.
- Policy Area F Special Residential Zone: Properties zoned as Special Residential with provision for subdivision of small 1 to 2 ha lifestyle lots.
- Policy Area G Rural Small Holdings Zone: Hobby farming suitable for subdivision into rural/small holdings to a minimum of 20 ha.

Objects and Reasons for UV Rural Differential Rate

To distinguish land zoned Policy Area A-G from land used for Mining, Prospecting and Exploration in recognition of the variation in land use intensity and the impact on the Shire's road infrastructure network and other services.

UV Differential Rate - Mining

The Local Government Act provides for rural use properties used for mining, exploration or prospecting purposes to be assigned an Unimproved Value supplied and reviewed by the Valuer General. It refers to all land for which a mining tenement has been issued by the Department of Mines and Petroleum (DMP), and valued as such by the Valuer General's Office.

The valuation determined by the Valuer General for mining tenements is calculated by multiplying the following factors.

- Rental cost of the tenement type (mining lease, prospecting lease, exploration license, petroleum producing licence etc.);
- UV basis as determined by the DMP, and
- Tenement/license area

The valuation of mining tenements is provided annually, interim valuations are provided regularly to Council by the Valuer General for properties when changes to the tenement rental is amended or the tenement is surrendered. In such instances Council recalculates the rates for the affected tenements and issues interim rate notices.

Objects and Reasons for UV Mining Differential Rate

Land used for Mining is rated higher than the UV-Rural differential rate to improve fairness and equity outcomes by:

- Ensuring mining rates payable are no less than the average rates payable, per property, in

Policy Area C (General Farming), in part to;

- compensate for the different valuation method and comparatively lower valuation level;
- to recognise the often short term tenure of mining projects in the region; and
- to maintain comparability with other commercial operations in the rural sector.
- Applying a percentage premium above the average rates payable, per property, in Policy Area C (General Farming), at a level determined by the Council, to reflect the following:
 - the impact of higher road infrastructure maintenance costs to Council as a result of frequent vehicle use over extensive lengths of roads throughout the year;
 - capacity of property owners to pass on the rates charge as a business cost;
 - additional emergency service arrangements that have to be put in place;
 - the monitoring of environmental impacts of clearing, noise, dust and smell;
 - planning, building and health assessment cost; and
 - additional costs of amenities and services provided to cater for the employees of the mining operations, such as recreation, parking and law, order and public safety.

Minimum Payments

The setting of general minimum payment level within all rating categories is an important method of ensuring all properties contribute an equitable rate amount to non-exclusive services.

Objections & Appeals

Objections to valuations must be lodged with the Valuer General's Office within 60 days after issue of the rates notice. Rates are still required to be paid if an objection is lodged with a refund paid if the objection is successful. Forms are available from the Shire Office or on the Shire's web site.

Under the provisions of the Local Government Act 1995, a property owner is able to lodge an objection to the rates imposed by a Council on the following grounds:

- There is an error on the rate assessment, either in respect to the owners or property details;
- or
- The characteristics of the land differ from that used in the differential rating system. The objection is to be received within 60 days of the issue of the rate notice.

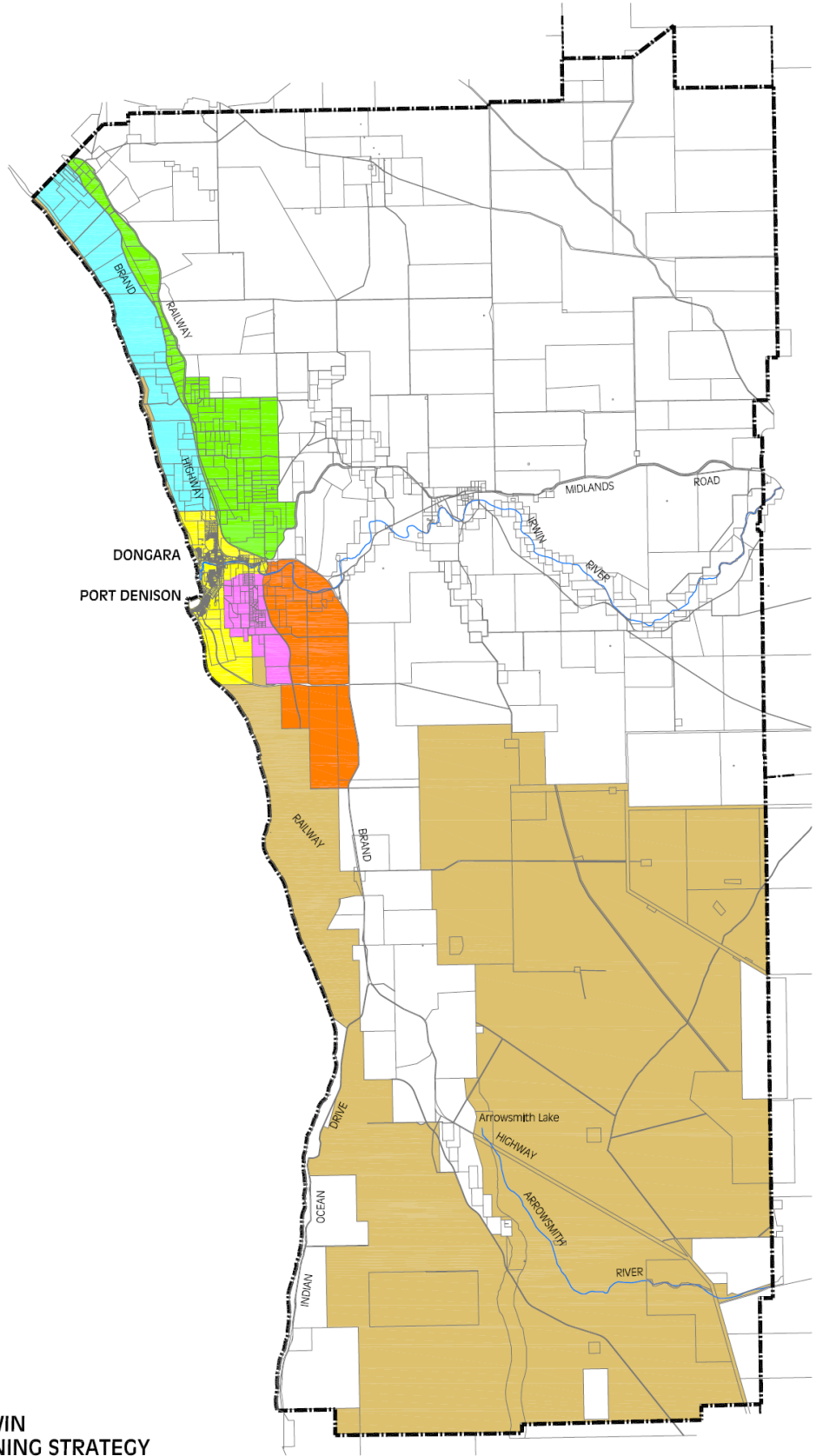
Please contact Shire Staff if you would like to discuss this matter further.

Pensioner's Discount

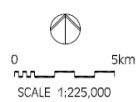
Eligible Pensioners are entitled to receive a discount on their rates. Council shall determine the nature and extent of entitlement from details as at 1 July, in relation to ownership and occupation. Also a pro-rata rebate amount will be paid if a person becomes the holder of an eligible card type during the financial year which is effective from the date of registration. A deferral arrangement is also possible.

If the circumstances of a Pensioner, who is already claiming the rebate, have changed during the previous year, they will need to update their details (i.e. card number, etc.) with Council.

Please contact Shire Staff if you believe you may be eligible for the rebate.



- POLICY AREAS**
- POLICY AREA 'A'
 - POLICY AREA 'B'
 - POLICY AREA 'C'
 - POLICY AREA 'D'
 - POLICY AREA 'E'
 - POLICY AREA 'F'
 - POLICY AREA 'G'



MAP 3B

**SHIRE OF IRWIN
LOCAL PLANNING STRATEGY
EXISTING POLICY AREAS**

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MAP 3B