



**Shire of Derby /
West Kimberley**

**Statement of Objects and
Reasons for Differential
Rates And Minimum
Payments For The Year
Ending 30 June 2021**

In accordance with section 6.36 of the *Local Government Act 1995*, the Shire of Derby/West Kimberley 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 Derby/West Kimberley. 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.

Council has considered when setting the 20/21 Annual Rates, the Key Values contained within the Rating Policy Differential Rates (s6.33) March 2016 released by the Department of Local Government and Communities, being:

-) Objectivity
-) Fairness and Equity
-) Consistency
-) Transparency and Administrative Efficiency

2020/21 Budget Proposal

The following are the proposed Differential General Rates and Minimum Payments for the Shire of Derby/West Kimberley for the 2020/21 Financial Year.

Description	Rate in Dollar (expressed as cents in \$)	Minimum Payment
GRV General Rate	\$0.125746	\$1027
UV Mining	\$0.120746	\$630
UV Rural	\$0.060373	\$1027

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 Derby/West Kimberley every five years and assigns a GRV. The most recent general revaluation was completed during 2015/2016 and is effective from 1 July 2016. 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.

All GRV properties within the Shire of Derby/West Kimberley are categorised as follows:

-) GRV General Rate – are all properties that have an improved value and are for non-rural purpose.

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 Shire of Derby/West Kimberley UV properties are categorised as follows;

-) UV Mining – consists of properties that used for mining/gas, exploration or prospecting purposes; and
-) UV Rural – are all properties that are for rural purposes that are not used for mining/gas, exploration or prospecting purposes.

Minimum Rates

The setting of Minimum Rates within rating categories is an important method of ensuring that all properties contribute an equitable rate amount and are set by taking into account the level of service to be supplied to each area.

A Minimum Rate has been set as follows;

GRV	\$1027
UV Rural	\$1027
Mining	\$ 630

Council currently does not impose Specified Area Rates.

Proposed Differential Rates

Following are the objects and reasons for each of the differential rates:

Description	Characteristics	Objects	Reasons
GRV General Rate	Properties with Gross Rental Value as the basis of Valuation	This rate is to contribute to the service desired by the community. All GRV properties within the Shire have the same Rate in the dollar applied. The Shire imposes a consistent minimum rates across the rating categories excluding UV Mining, ensuring all properties contribute an equitable rate amount to non-exclusive services.	This is the base rate by which all GRV rated properties are assessed. The Minimum Rate recognizes that all ratepayers have an equal opportunity to enjoy the facilities and services provided by Council, regardless of the value of their property.
UV Mining	Consists of properties that are used for mining/gas, exploration or prospecting purposes.	This category is rated higher than UV Rural to reflect the higher costs to Council as a result of these activities. A lesser minimum is applied to UV Mining properties.	The higher rate mining properties pay is to ensure they adequately contribute to the cost of Shire services as they are heavy users of the Shire's infrastructure, and contribute to its deterioration at a far higher level than other properties. A lesser minimum has been applied to mining properties to ensure compliance with statutory limits.
UV Rural	Consists of properties valued on an Unimproved Valuation basis which are not classified as UV Mining.	The rate is base rate for UV properties and is set to achieve an equitable contribution to the cost of services desired by the community. The Shire imposes a consistent minimum rates across the rating categories excluding UV Mining, ensuring all properties contribute an equitable rate amount to non-exclusive services.	This is considered the base rate above which all other UV rated properties are assessed. The rate is proposed in order to levy a rate aligned with the impact on the Shire of servicing these properties i.e. heavy haulage vehicle movements, environmental health and strategic planning. These properties also have access to all other services and facilities provided by the Shire. The minimum rate recognizes that all ratepayers have an equal opportunity to enjoy the facilities and services provided by Council, regardless of the value of their property.

Submissions

Submissions are invited from any Elector or Ratepayer with respect to the proposed differential general rates and minimum rates within 21 days of the date of notice of intent. All submissions in writing must be received by the Shire of Derby/West Kimberley no later than close of business on Friday 24 July 2020.

Submissions are to be addressed to the Chief Executive Officer, Shire of Derby/West Kimberley PO Box 94, Derby WA 6728 or via email sdwk@sdwk.wa.gov.au.

Amanda O'Halloran
Chief Executive Officer