



## **Statement of Objectives and Reasons for Proposed Differential Rates and Minimum Payments 2019/2020 Financial Year**

### **Overall Objective**

The application of differential rating maintains the equity in the rating of properties across the Shire, with those utilizing more of the shires scarce resources paying more therefore enabling the Council to provide facilities, infrastructure and services to the entire community and visitors.

### **Gross Rental Value (GRV)**

The *Local Government Act 1995* section 6.28(2) determines that properties of a non-rural purpose be rated using the Gross Rental Valuation (GRV). The Valuer General determines the GRV for all properties within the Shire of Sandstone every three years. The current valuation is effective from 1 July 2016 and is unchanged for the 2019-2020 year.

### **Differential General Rate**

#### **GRV – Townsites**

This rating category applies to properties located within the town site boundaries that are used for singular and multi-dwellings and are zoned Residential/Townsite under the Town Planning Scheme. This category is considered by Council to be the base rate by which all other GRV rated properties are assessed.

The rate in the dollar for the 2019-20 year is 6.5760

#### **GRV – Transient Workers Facilities**

This rating category covers mining leases that have residential improvements on the land and are used by mining companies to provide worker accommodation and are located within the Shire boundaries. The rate reflects the cost of servicing mining activity including road infrastructure and other amenities utilised by mine employees and contractors over and above what could be considered normal use when compared to the general population in the townsite.

The rate in the dollar for the 2019-20 year is 37.1954

#### **Unimproved Value (UV)**

Council has adopted differential rates in its Unimproved Valuation area for working and vacant mining leases, exploration, prospecting, pastoral leases, improved and vacant land.

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 UV category is rated to raise the required revenue to operate efficiently and provide the necessary infrastructure and services required by people living outside of the townsite as well as a contribution to the townsite amenities and shire services used by these residents and ratepayers.

#### **UV – Pastoral**

This rating category applies to all pastoral leases and the proposed rate is comparatively lower when compared to the mining / mining tenement and exploration / prospecting categories on the basis that the pastoral industry has minimum impact or requirement on the Shire services and infrastructure.

The rate in the dollar for the 2019-20 year is 6.0877

### **UV – Mining**

This rating category covers all mining leases located within the Shire of Sandstone.

The reason for setting UV Mining rate at a higher level than UV Pastoral is to ensure this sector of ratepayers contribute to the maintenance of the Shire's established assets and services to the extent that they use them. Amongst the services utilised by ratepayers with tenements would be the extensive network of unsealed roads within the Shire. A significant amount of budgeted capital expenditure is for works on Shire roads servicing the mining sector.

Mining, exploration and prospecting ratepayers require a higher level of governance for licenses, clearing permits etc and impose greater damage on the environment with clearing, drilling and mining activities. Exploration and prospecting activities impose a greater administration service requirement on the shire for applications, enquiries, tenement changes and revaluations.

The rate in the dollar for the 2019-20 year is 26.8911

### **Minimum Rates**

The setting of minimum rates within rating categories is an important method of ensuring that all properties contribute an equitable rate amount.

A minimum rate of \$220 has been set for all GRV rating categories.

The Shire imposes one general minimum rate payment that applies to all GRV ratable properties within the boundaries of the town site. The rate is imposed to discourage holding undeveloped land within the Shire, which reduces the amenity of the area, and thereby encourages early development.

The UV minimum rate of \$335 is applied to ensure that the rate burden is distributed equitably between all property owners. UV Mining and Pastoral fall under this category.

### **Summary**

In arriving at the proposed rates in the dollar the Shire has attempted to balance the need for revenue to fund essential services and facilities with the consideration of the rate payer's impact on Shire's infrastructure and administration services.

This document is also available for viewing at the Shire of Sandstone office - Hack Street Sandstone WA 6639