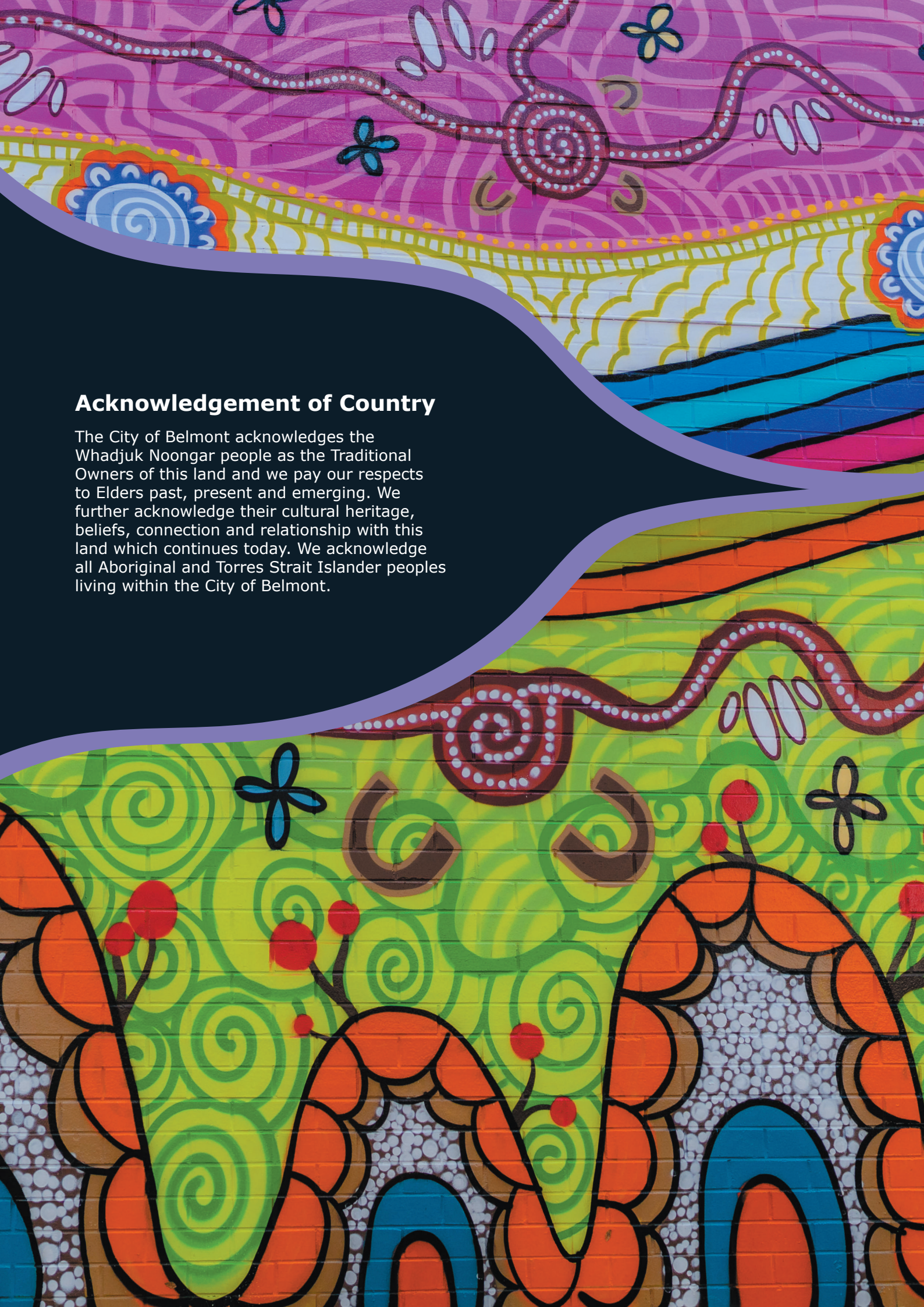


Objects and Reasons for Differential Rates 2024-25



City of
Belmont





Acknowledgement of Country

The City of Belmont acknowledges the Whadjuk Noongar people as the Traditional Owners of this land and we pay our respects to Elders past, present and emerging. We further acknowledge their cultural heritage, beliefs, connection and relationship with this land which continues today. We acknowledge all Aboriginal and Torres Strait Islander peoples living within the City of Belmont.

Contents

Introduction	2
Proposed Expenditure	3
What are the reasons for the 2024-25 differential rates?	4
Rates & Minimum Payments for 2024-25	4
Key Services being delivered each day	4
How do we compare with our neighbouring Councils?	5
What is the objective for rates in 2024-25?	6
Who undertakes the GRV valuations?	7
Why are there different rates for different properties?	7
How are rates calculated?	7
What are the differential rate categories?	8
Residential	8
Commercial & Industrial	8
Are there other charges?	9
Payment options	9
Submissions	9

Alternative Formats

This document is available on the City of Belmont website and can be requested in alternative formats including electronic format by email and in standard print.



Introduction

The City prepares a budget each year which must be adopted by Council. The aim of the budget is to provide sufficient funds for the City to provide the services and key infrastructure that the community wants, while ensuring rates offer value-for-money.

It is a requirement of the *Local Government Act 1995* that the City must advertise its differential rates in a document called 'Objects & Reasons' (this document), a document that explains what the proposed differential rates are, why different properties are charged different rates and what the proposed rate in the dollar is next year. Below, we also explain how rates are calculated and have provided an overview of the proposed capital works expenditure and some key infrastructure projects.

Proposed Expenditure

Draft Capital Works Budget 2024-25

Please note some projects may be subject to further consultation outcomes or consideration and could change.

Parks & Environment

\$4.4M



- Park irrigation renewals
- Playground renewals
- Park furniture renewals

Road

\$4.5M



- Asphalt overlay program
- Local area traffic management projects
- Design and investigation

Path Network

\$600K



- New footpath and fencing installations
- Upgrades to existing paths
- Replacement of damaged sections of footpaths

Buildings and facilities

\$1.3M



- Tomato Lake activation
- Replacement of pool filters at Belmont Oasis
- Change room refurbishments
 - Forster Park
 - Gerry Archer Reserve
 - Centenary Park
 - Miles Park
- Belmont Resource Centre toilet upgrade

City Projects

\$8M



- Faulkner Civic Precinct
- Wilson Park redevelopment
- Abernethy Sporting Precinct
- Peet Park revitalisation

Other

\$1.5M



- Fleet and plant replacement program
- IT network and hardware



What are the reasons for the 2024-25 differential rates?

The City has a net funding shortfall in its Operational and Capital budget for 2024-25 of \$59.5m, required to be made up from rates. This funding pays for infrastructure and services like roads, parks, streetscapes, library, museum, leisure centre and events, to name a few. We are proposing increasing rates by 3.5% for 2024-25 to ensure we can deliver these essential services and projects to our community. This increase is in line with Perth CPI as has been the normal practice for the City in prior years.

Rates & Minimum Payments for 2024-25

The table below shows the rate in the dollar which is being proposed to be increased by 3.5%, and the minimum payment required for each rate category in 2024-25.

Rate Category for 2024/25	Cents in the \$	Minimum \$
Residential	6.3232	880
Commercial	7.5878	1,040
Industrial	8.2202	1,060

Key Services being delivered each day

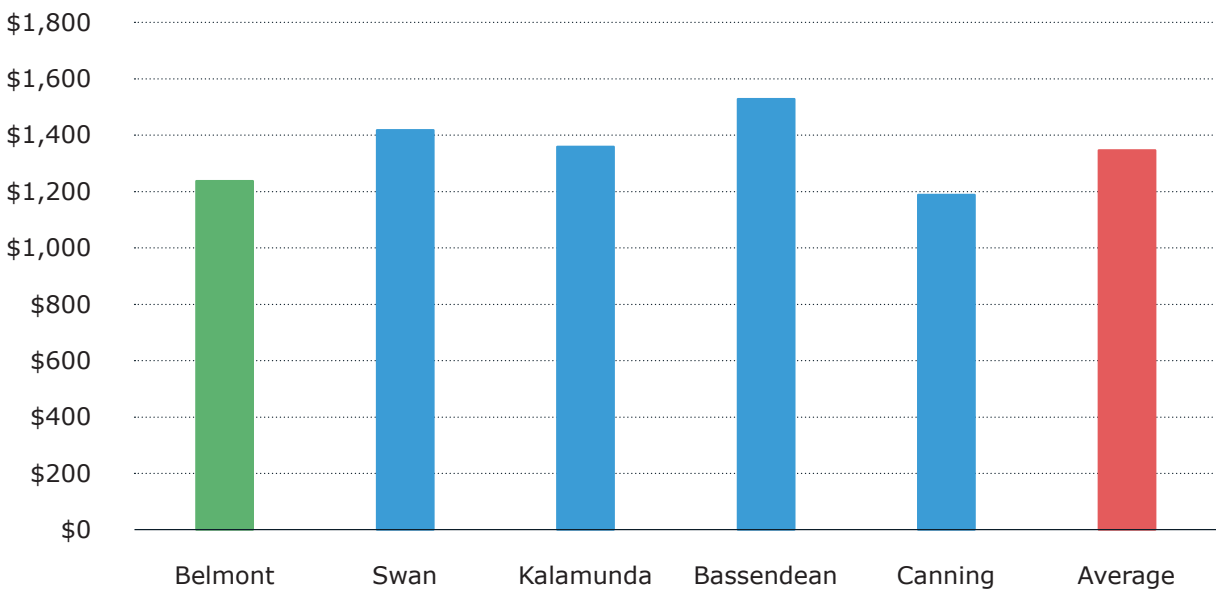
- Waste collection – Food Organics, Garden Organics (FOGO) and on demand bulk bin services
- Library, Museum and Leisure Centre
- Community Watch security patrols
- Free events for our community
- Community Contribution Fund – Grants and donations for local clubs, individuals, incorporated community groups and not-for-profit organisations to provide projects, programs or activities that benefit the Belmont community.



How do we compare with our neighbouring Councils?

The graph below demonstrates how Belmont compares with our neighbouring Councils. The comparison is based on the 2023-24 financial year and the information is sourced from the annual budgets published by the Councils which includes all residential properties.

Average Residential Rates in 2023-24



Note: Average residential rates have been calculated by dividing the total residential rate income (excluding interim and back rates) by the total number of residential properties.

What is the objective for rates in 2024-25?

In accordance with Sections 6.33 and 6.36 of the *Local Government Act 1995* the City is required to publish its Objects and Reasons for implementing differential general rates.

The objective of the proposed rates and charges in the 2024-25 budget is to provide for the net funding shortfall of \$59.5m in Council's Operational and Capital Program for 2024-25.

The table below shows the net funding shortfall of \$59.5m which will be funded via the proposed 3.5% increase in rates for 2024-25.

	Draft Budget 2024-25 \$M
Surplus or deficit at the start of the financial year	0.5
Revenue from operating activities	19.4
(Less) Expenditure from operating activities	(85)
Plus Non-cash amounts excluded from operating activities	12.9
(Less) Payments for property, plant and equipment	(4.2)
(Less) Payments for construction of infrastructure	(20.1)
Plus Capital grants, subsidies & contributions	2.8
Plus Proceeds from disposal of assets	0.7
Plus/(Less) Transfers to/from reserve accounts	13.6
(Less) Repayment of borrowings	(0.6)
(Less) Surplus or deficit at the end of the financial year	0.5
Deficiency to be funded from rates	(59.5)

New capital projects planned for 2024-25 total \$20.3m, with the addition of a number of previously approved projects deferred from last year of \$3.9m resulting in total capital expenditure of \$24.2m.



Who undertakes the GRV valuations?

All GRV property valuations are provided by the independent State Government authority Landgate and the Valuer General of WA. The City pays a fee for this service but has no role in determining the valuation for any property, nor does the City have the ability to appeal a valuation provided by the Valuer General.

Why are there different rates for different properties?

Different properties in Belmont are charged different rates, hence the term 'differential rates'.

Properties are charged differently according to their primary use. The difference is to ensure that a reasonable contribution to the cost of local government services and facilities.

As commercial and industrial sectors generate higher traffic volumes with heavier loads than the residential sector, they should contribute at a higher level for road construction, maintenance and refurbishment. Residential properties typically pay lower rates due to the lower GRV applied and the application of a high GRV concession.

Under the *Local Government Act 1995*, Section 6.33 - Differential General Rates, the Council can introduce differential rates as follows:

A local government may impose differential general rates according to any, or a combination, of the following characteristics —

- (a) The purpose for which the land is zoned under a local planning scheme in force under the planning and Development Act 2005;*
- (b) The predominant purpose for which the land is held or used as determined by the local government;*
- (c) Whether or not the land is vacant land; or*
- (d) Any other characteristic or combination of characteristics prescribed.*

How are rates calculated?

Council sets the rate in the dollar every year for each rate category. The independent State government authority, the Valuer General of WA sets the Gross Rental Value (GRV) every three years. The GRV is a property's estimated yearly rental income. Your property's GRV is stated on your annual rates notice.

To calculate your annual rates, multiple your GRV by the rate in the dollar and subtract any rate concessions you may receive if eligible.

Rates (\$) = GRV X Rate Category RID – any rate concessions

What are the differential rate categories?

Residential

The objective of the residential rate category is to apply a base differential rate to land used for residential purposes and to act as the City's benchmark differential rate by which all other rated properties are assessed.

This rate assures that all ratepayers make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout Belmont.

Council is committed to increasing the residential rates base resulting in growth which will evenly distribute the overheads of maintaining the infrastructure of the City. There are continuing positive signs of redevelopment under the current Local Planning Scheme, and this is envisaged to continue to increase into the foreseeable future.

The proposed rate in the dollar for this category is 6.3232¢ with a minimum payment amount of \$880.



Commercial & Industrial

The location of both the Perth Airport and the Kewdale Freight Terminal has encouraged industry to locate within the City of Belmont. This results in large volumes of heavy traffic within the City and therefore an accelerated deterioration of roads which is a major factor in the differential categories and their respective rates and minimum payments (i.e. with Industrial sectors having a slightly higher rate in the dollar and minimum payment than Commercial sector).

Both the Commercial and Industrial sectors also require greater resourcing and expenditure from Council on services such as Health, Building and Town Planning. The differential rates and minimum payments reflect the levels of costs and resourcing required to service each sector of the community.

Council is also mindful of the employment opportunities generated by both sectors and therefore, keeps the differential as reasonable as possible.

Council also recognises that the Commercial and Industrial sectors form an integral part of the City's rate base and therefore uses the City of Opportunity Marketing Strategy to support and promote both sectors.

The objective of these differential rate categories is to raise sufficient revenue to offset the costs associated with increased maintenance of infrastructure, particularly transport related infrastructure, and higher levels of services associated with properties in this category.

The proposed rate in the dollar for the commercial category is 7.5878¢ with a minimum payment of \$1,040.

The proposed rate in the dollar for the industrial category is 8.2202¢ with a minimum payment amount of \$1,060.

Council will continue to compare its rates in the dollar and minimum payments with other neighbouring local governments for benchmarking purposes.



Are there other charges?

The Waste Management Service Charge for residential, commercial and industrial properties using the service will be \$337 for 2024-25. This charge reflects the partial offset of the increased cost relating to the implementation of Food Organics, Garden Organics (FOGO) utilising the Waste Management Reserve to minimise the impact on ratepayers.

The Swimming Pool Levy for 2024-25 will remain at \$29.50 per swimming pool. This charge is calculated on a full cost recovery basis. All funds raised by the levy will go towards the inspection of 1,242 swimming pools in Belmont as required by legislation.

Although not a Council related charge, the City collects the Emergency Services Levy (ESL) on behalf of the Department of Fire & Emergency Services (DFES) via the annual rates notice. At the time of preparing this document, DFES had not yet indicated their intentions in relation to ESL charges for 2024-25.

Payment options

Payment options include payment in full within 35 days from the date of issue as shown on your rate notice or payment over four instalments.

Commencing in 2024-25, the City will be introducing SmoothRates which will be shown as an additional payment option on your rate notice. The payment amounts specified will allow payment over approximately a 10 month period where there are no arrears on the account and payments are made by direct debit either fortnightly or monthly. SmoothRates will be offered with no administration or instalment interest charges applied. Further information will be provided with your rate notice.

The City also provides the opportunity for ratepayers to make approved alternative payment arrangements for outstanding amounts. This option attracts a once off administration fee of \$20 (registered pensioners & seniors are exempt from this fee).

The City is one of only a few councils to offer a discount where payment is made in full by the due date. This 5% discount applies to the rates portion of your account.

Interest is levied on Council imposed rates and charges where payment in full or instalment payments are not received within their respective due dates. The penalty rate will increase to 11% in accordance with the Local Government Act 1995.

Submissions

Section 6.36 (3)(b)(ii) of the *Local Government Act 1995* requires Council to invite submissions from electors and ratepayers in respect of the rates and minimum payments proposed for the differential general rating categories.

All submissions are required to be made by 4pm on Friday, 31 May 2024.

A report will be prepared on submissions, if any, and present to the Council Meeting on Tuesday, 25 June 2024.

Enquiries by telephone to 08 9477 7222 or email rates@belmont.wa.gov.au



City of
Belmont

215 Wright Street, Cloverdale WA 6105
Locked Bag 379, Cloverdale WA 6985
Open 8:30am - 4:45pm, Monday - Friday
☎ PH: (08) 9477 7222
☎ A/H: (08) 9477 7224

✉ belmont@belmont.wa.gov.au
🌐 belmont.wa.gov.au
f@ BelmontCouncilWA
in City-of-Belmont-WA
▶ CityofBelmontWA