

## 2022 – 2023 Statement of objectives and reasons for each proposed differential and minimum payment

The *Local Government Act 1995* (The Act) requires Councils utilising differential rates and minimum payments to advertise these rates prior to adopting the budget. A minimum submission period of 21 days must be allowed following which all submissions must be considered by Council.

Council is not obliged to change its differential or minimum payments as a result of the public submissions, and may choose to change the rates as a result of the submissions without the need for further advertisement.

Gross Rental Values (GRVs) are used as the basis for rate calculations. GRVs are revalued on a triennial basis and there has not been a revaluation undertaken in relation to the 2022-2023 rating financial year. For the 2022-2023 budget a proposed amendment of 3.5% to the rate in the dollar and minimum payments is required. This increase is closely aligned to the forecasted Consumer Price Index (CPI).

### Rationale for different rating categories

The Act empowers a Council to impose different rates in the dollar for different land zonings or uses and different rates for improved or vacant land. This power is provided to help local governments to achieve a better rating equity between different land uses. Section 6.33 of the Act states: -

“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, whether under a town planning scheme or improvement scheme in force under the *Planning and Development Act 2005*; or
- (b) a purpose for which the land is held or used as determined by the local government; or
- (c) whether or not the land is vacant land; or
- (d) any other characteristic or combination of characteristics prescribed.”

The City of Belmont has adopted a combination of characteristics relating to land zoned under the Town Planning Scheme and the purpose for which the land is held or used.

The table below details the proposed rate in the dollar for 2022-2023:

Differential Category	Proposed Cents in Dollar	Proposed Minimum
<b>Residential</b>	6.9069	885
<b>Commercial</b>	7.2951	1040
<b>Industrial</b>	7.3149	1060

The following reflects the objects and reasons for each differential rating category:

### **Residential Category**

The Residential rate imposes a differential rate on land primarily used for residential purposes. The rate in the dollar has been determined on the basis that ratepayers make a reasonable contribution to the cost of local government services and facilities.

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.

### **Commercial and Industrial Categories**

The location of both the Perth Airport and 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.

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

### **The objective for minimum rating**

The minimum payments for 2022-2023 have been set to ensure the minimum level of service required is adequately funded. Minimum payments serve other key purposes in relation to encouraging owners of vacant land to develop the site for whichever purpose it is zoned. This process further complements the State Government initiative of promoting urban infill and arresting the urban sprawl that burdens the State's ability to provide infrastructure assets.

Minimum payments have also increased consistently with increases in the rate in the dollar although it should be noted that minimum payments are rounded to the nearest \$5. The proposed minimum and rate in the dollar for 2022-2023 have increased by 3.5% on all categories.

### **For further information**

Enquiries can be made to the City of Belmont Rates Department on (08) 9477 7222 or email [rates@belmont.wa.gov.au](mailto:rates@belmont.wa.gov.au).