

# Annual Rates Charges

## Frequently Asked Questions

All information in this document is current and correct as of Tuesday 17 September 2013.

### 1. How are my rates calculated?

- a. Rate in the Dollar (determined by Council)
- b. Gross Rental Value (determined by Valuer General's Office (VGO))

Rates are charged each financial year by all WA Local Government Authorities to land and property owners. The revenue raised by rates is redistributed to the community through the services that Council provides to the community along with key Council projects and initiatives.

There are two elements to calculating rates: the Gross Rental Value (GRV) or Unimproved Value (UV), determined by the Valuer General's Office (VGO) ; and the rate in the dollar, determined by the local Council.

The formula for calculating rates is:

$GRV/UV \times \text{Rate in the Dollar} = \text{Rate charge for financial year}$

For example:

$\$78,000 \text{ (GRV)} \times 0.031025 \text{ (Rate in the Dollar)} = \$2419.95 \text{ (property rate charge for financial year)}$

Please note the above calculation is just an example, and not an estimate of your property's rate charge.

*In the Valuation Land Act 1978 (VLA) the GRV is defined as:*

*The gross annual rental that the land might reasonably be expected to realise if let on a tenancy from year to year upon condition that the landlord were liable for rates, taxes and other charges thereon and the insurance and other outgoings necessary to maintain the value of the land.*

The GRV normally represents the annual equivalent of a fair weekly rental. For example, if the average weekly rental for a residential property, as per the above definition, is \$1500 per week, this is multiplied by 52 (representing the number of weeks per calendar year), giving a total of \$78,000 (your GRV).

To ensure the valuations are fair, impartial and equitable, the rating and taxing values are independently determined by reference to the property market at the date of the valuation, and not to any predetermined rating outcome.



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The date of valuation is fixed by the Valuer General and valuations are established relative to sales and rentals negotiated in the market at, or close to, date of valuation which is set at 1st August each year. When a valuation is determined, it supersedes the previous rating and in accordance with the Local Government Act, must be used by the Council at 1st July each year, or the date the Valuer General determines.

### ***2. What will my GRV be this year?***

To find out what the GRV for your property is, please contact the Regional Valuer, Phil Edwards, on (08) 9273 9454.

### ***3. What is the process for objecting to the GRV and Rate in the Dollar?***

In accordance with the Valuation Land Act 1978, ratepayers may submit a written objection to the Valuer General's Office (VGO). Objections must be made in writing and can be made within 60 days from the notification of the general valuation in the local newspaper or Government Gazette, or within 60 days of the issue of a rates notice.

Objections should include:

- The full address of the property (including lot numbers or location numbers where applicable)
- The reference or assessment number and name of the issuing authority (this information can be found on your most recent rates notice)
- The valuation to which the objection relates and the type of valuation (UV or GRV)
- For GRV, a description of the property and any improvements
- The detailed reasons and evidence in support of the grounds for objection
- A copy of the rate or tax notice which will assist in identification
- Details of the objector's name, postal address and telephone number are to be supplied.

Upon receipt of the objection, a valuer will contact the objector to arrange an inspection of the property. A response, including the decision to allow or disallow the objection, will be sent in writing.



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Ratepayers who are dissatisfied with the decision of the VG may, within 60 days notice of the decision, request the VG treat the objection as an appeal and refer it to the State Administrative Tribunal (SAT).

#### **4. How is the local community consulted on the final rate charge?**

- a. *Proposed rates*
- b. *Advertising period and public submission*
- c. *Council consideration and endorsement by the Minister*
- d. *Final adoption of budget*

In order to ensure accuracy and transparency between Council and the community, there is a process which must be followed prior to rates being finalised, which may take between five to six weeks.

The first step of the process is the consideration by Council of the proposed rate in the dollar and minimum rate. Once it has been endorsed in principal, the proposed rate in the dollar and minimum rate must be advertised for a 21 day public comment period. During this time, members of the community may lodge an objection to Council. All submissions will be considered by Council once the public comment period has closed, and will be taken into account when Council agree to the final rate in the dollar and minimum rate. This amount needs to be supported by the Minister before it can be adopted as part of Council's 2013/14 Annual Budget Process.

Once the Annual Budget is adopted, Rates Notices will be sent to all property owners within the following weeks.

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### **5. Where will the additional rates revenue be directed to?**

#### *a. Asset Management – part of long-term sustainability*

In the past, additional rates revenue has been spent on capital infrastructure projects to support our vision of transforming Port Hedland into Pilbara's Port City.

One element of achieving our vision is the management and maintenance of our assets. Again, this year, Council is taking a step forward in developing a long-term plan to address the issue of asset management, a key issue for all Local Government Authorities. In 2013/14, an additional \$500,000 received from rates payments will be directed towards appropriate maintenance and management of a number of Council's facilities, such as sports clubs, libraries and parks and gardens. The maintenance of assets and facilities is an important element in developing community pride. Without the means to regularly maintain and upgrade our assets and facilities, Council would not be able to keep up with the demands of a growing population and the need for higher-quality facilities. Rates revenue is one of Council's income streams which funds the provision of services and facilities for the community.

### **6. What payment options are available to me?**

All rates and services are due within 35 days of the date of issue of the original rate notice.

Ratepayers who choose to pay by the instalment option are required to pay their first instalment by the due date

Council understands that some ratepayers may be unable to pay their rates in full by the due date. Alternative payment arrangements can be made and an additional fee of \$65.80 plus interest will be charged. Please call the Rates Department on 9158 9300 to enquire about this process.