



SHIRE OF
HARVEY

2023-2024

Proposed Revenue and Rating Plan

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Acknowledgement of Country

The Shire of Harvey acknowledges the traditional custodians of the land and their continuing connection to land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures; and to Elders both past and present.

OUR VISION

Together, towards an even better lifestyle.

We value

Effective stewardship of our environment and heritage;

A safe community that has a strong community spirit and sense of belonging;

Effective communication and cooperation;

Strong leaders and fair decisions; and

Our heritage – acknowledging our history in creating our future.

We are committed to being an inclusive, enterprising and engaging community that:

Actively works together and respects each other;

Acts with honesty, integrity and fairness; and

Is open-minded, approachable, tolerant and responsive.



Revenue and Rating Plan Explained

The Shire of Harvey provides infrastructure, services and facilities to the community and visitors to the region in the form of:

- Roads and paths, parks,
- Reserves and foreshores,
- Halls, libraries and leisure facilities,
- Health building and planning services,
- Rubbish and ranger services
- Tourism and cultural service, and
- Many other community and wellbeing services.

The Revenue and Rating Plan (the Plan) sets the principles that guides the Shire in how it raises the revenue required to deliver these services along with fulfilling the community's goals and aspirations as identified in the Strategic Community Plan.

The Shire generates various forms of revenue which are identified and modelled as part of the Shire's long term financial planning and annual budget process. The Revenue and Rating Plan provides transparency to our community about the diversity and level of revenue sources available to the Shire.

As part of the annual budget process, Council raise rates to fund the deficit arising between the cost of delivering services on behalf of the community and revenue raised from other sources.

Revenue and Rating Principles

Principles applying to the determination of this plan include:

Equity - taking into account the different levels of capacity to pay within the local community as fee for service.

The burden of raising revenue from rate payers through property rates is minimised by:

- Maximising revenue through non-rating revenue sources,
- Critically considering what facilities and services are essential for our community, and
- Continually improving the efficiency and effectiveness of service delivery.

Benefit - recognising that the services provided by the Shire benefit the community as a whole.

Transparency - being open in the processes involved in the raising of rates.

Simplicity - using a rating system that is simple and cost effective to manage; and the rate assessment as outlined on the rate notice is easily

understood by the average community member.

Timeliness - ensuring all ratepayers are given adequate notice of their liability to pay fees and charges and rates.

Flexibility - responding where possible to unforeseen changes in the economy to protect the adopted level of service desired by the community (this may include dropping the level of service in parallel with the adjustment of rating).

Compliance - complying with the requirements and intent of relevant legislation.

Sustainability - making revenue decisions that support the financial strategies for the delivery of infrastructure and services identified in the Strategic Community Plan, Corporate Business Plan and underpinned by the Long Term Financial Plan, Asset Management Plan and Workforce Plan.

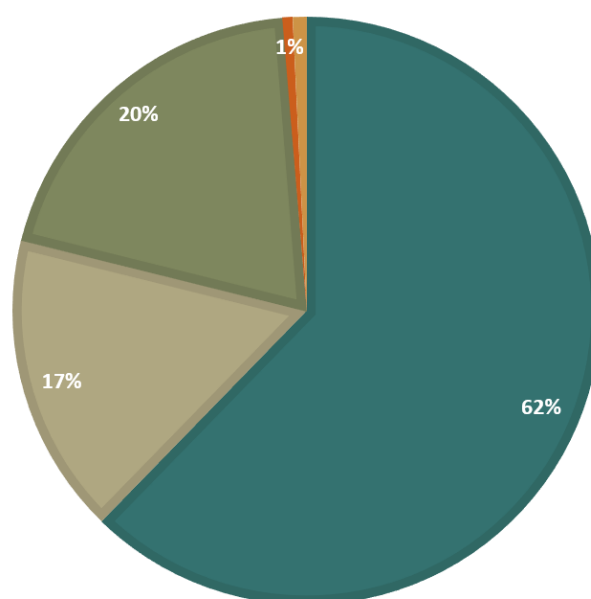
Earmarking - revenue raised for specific projects or services are to have a direct cost and benefit link.

Revenue Mix

Rates and annual charges comprise 62.2% of operating revenue.

The 2021-2022 annual financial statements record the split of revenue as:

Rates	\$23,326,000
Operating grants and contributions	\$6,215,000
Fees and charges	\$7,433,000
Interest earnings	\$203,000
Other revenue	\$277,000



Cost Pressures

The current national and international economic climate has resulted in the cost of materials, utilities, insurances, wages and most other related expenditure categories increasing significantly.

To cover the added risks associated with operating in this economic climate, costs associated with construction and major works have also increased beyond the CPI level.

Pressures from the COVID outbreak also resulted in the Shire utilising reserve funds to fulfill Shire service commitments.

	Annual Perth CPI Increase (March to March)	Local Government Cost Index (Provided by WALGA)
2022-2023	5.8%	4.5%
2021-2022	7.6%	6.4%

Long Term Financial Plan

The 2022-2032 Long Term Financial Plan was adopted by Council on 26 July 2022 and assumed a rates increase of 6.4% for years 2023-2024 and 2024-2025. The breakdown of this increase included Shire growth of 1.2%, a CPI increase of 2.2% and a further increase of 3.0% required to cover costs associated with Shire expansion and infrastructure projects.

With the reported CPI being 5.8% the respective adjusted rate increase required in the long term financial plan would be 8.8% plus additional rates from Shire growth.

Due to the current living cost escalations including utilities, food, fuel prices and rent and mortgage interest rates, and being mindful of the introduction of the \$50 Waste Facilities Maintenance Rate, the Shire has reduced the proposed rate increase from 8.8% to 6.0%.

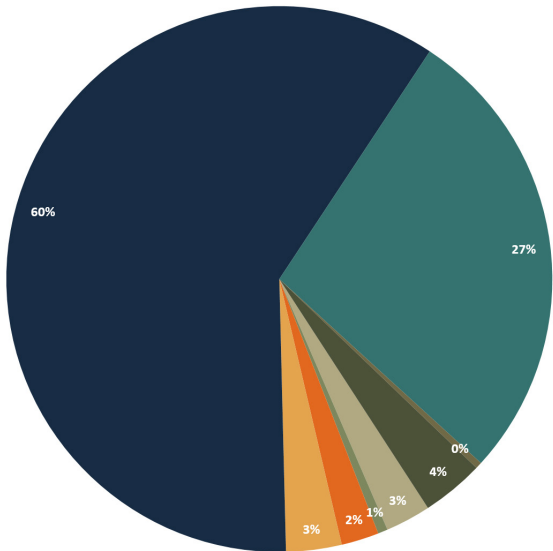
Resulting from the financial pressure placed on residents, this Plan focuses closer on the use of differential general rates relating to commercial and industrial properties.



Fees and Charges

Fees & Charges (User Charges) are forecast to generate approximately \$8m in 2023-2024 and represents around 20% of total operating revenue.

Once adopted by Council, the 2023-2024 general Fees and Charges are proposed to be advertised to the public approximately 21 June 2023.



Community Amenities	\$4,937,000
Economic Services	\$304,000
General Purpose Funding	\$48,000
Governance	\$222,000
Health	\$272,000
Law, Order, Public Safety	\$184,000
Recreation and Culture	\$2,273,000
Transport	\$32,000

General Fees and Charges

User fees and charges are those the Shire will charge for the delivery of services and use of community infrastructure and include:

- Waste management collection,
- Leschenault Leisure Centre,
- Harvey Recreation and Cultural Centre,
- Hire of sports grounds, halls and facilities,
- Cemetery services, and
- Commission of vehicle licensing and building.

Emergency Services Levy

Emergency Services Levy (ESL) is collected on behalf of the State Government and is used by DFES to deliver fire and emergency services throughout WA. The Shire is paid \$11K per annum to administer this levy.

The ESL is calculated the same way as rates using property values set by the Valuer General.

Statutory Fees and Charges

Statutory fees and fines are those collected by the Shire of Harvey under the direction of legislation or other government directives. The dollar amount used for statutory fees, charges and fines are generally advised by the State Government department responsible for the corresponding service or legislation. Generally, the Shire has limited discretion in applying these fees.

Examples of statutory fees and fines include:

- Planning and subdivision fees,
- Building and Health inspection fees, and
- Infringements and fines.

Rates Levy

The Rates Levy (Rates) is a legislated charge the Shire uses to raise revenue to fund essential public services for our community. Legislation provides some flexibility for Council to use different tools in its rating structure to accommodate issues of equity and to ensure fairness in rating for all ratepayers; the two main rating avenues being differential general rates and specified area rates.

Rates are an important source of revenue, accounting for approximately 62% of operating revenue. The collection of rates is therefore an important factor in funding Council services.

The Shire is aware of community sensitivity to rate increases and the balance between rate revenue and the provision of community services. Planning for future rate increases is therefore an essential component of the Long Term Financial Plan.

Rates are based on property values and are therefore a property tax. Under the Valuation of Land Act 1978, the Valuer General must determine the land value of all rateable property. In accordance with the Local Government Act 1995,

the Shire utilises the land value provided by the Valuer General in the calculation of Shire rates.

In accordance with the section 6.26 of the Local Government Act 1995, all land within the Shire is rateable land unless it forms one on the exemptions as specified in the Act.

The Department of Local Government and Communities' Rating Policy Differential Rates (s.6.33) March 2016 sets out the key values that the Shire's proposed rates should demonstrate.

Those key values are:

- Objectivity,
- Fairness and Equity,
- Consistency,
- Transparency, and
- Administrative Efficiency.

These values form part of the principles applying to determination of rating outlined in this plan.

Differential General Rating

Differential General Rating allows a local government to rate on the basis of Land Use, Zoning or a combination of both. The Shire considered various options of Differential Rates

when developing its Revenue and Rating Plan.

The Differential Rating categories of the Shire of Harvey along with rating category information are:

Rate Category	Number of Properties	Rate Cents / \$VGV	Proposed Differential %	VGV \$000	Minimum Payment
Gross Rental Value					
GRV - Residential Rate	11,088	9.2437	100	195,069	\$1,295
GRV - Commercial/Industrial Rate	260	10.1680	110	36,803	\$1,425
GRV - Transient Workforce / Workforce Accommodation	0	10.9076	180	0	\$1,528
Unimproved Value					
UV - Rural Rate	1,700	0.5784	100	659,679	\$1,295
UV - Commercial Rate	34	0.6363	110	1,511	\$1,425
Total	13,082				

Note: VGV is the Valuer General's Valuation of the property as provided by the Valuer General. Differential % is calculated by dividing each differential rate \$/VGV into the general rate \$/VGV

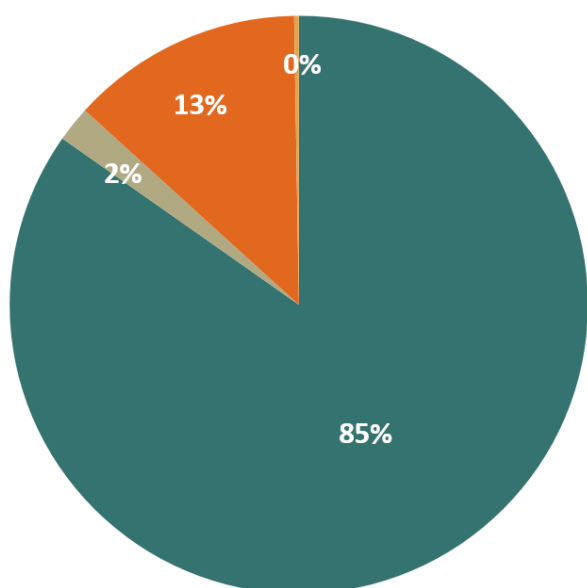
The increase to GRV – Residential Rates and UV – Rural Rates represents a 6% increase on the 2022–2023 rates rate in the dollar and approximately a 6% increase in minimum rates.

The differential between the GRV – Commercial/Industrial Rate and the GRV – Residential Rates is 10%. A consideration in making this proposal is that GRV commercial and industrial properties can generally apply a tax deduction for local government rates.

The differential between the GRV – Transient Workforce / Workforce Accommodation Rate and the GRV – Residential Rates is 18%. A consideration in making this proposal is that GRV transient workforce / workforce accommodation properties can generally apply a tax deduction for local government rates and the increased rate reflects a higher use of Shire facilities through a denser populated property.

The differential between the UV – Commercial Rate and the UV – Rural Rates is 10%. A consideration in making this proposal is that UV commercial properties can generally apply a tax deduction for local government rates.

GRV - Residential Rate	11,088
GRV - Commercial / Industrial Rate	260
GRV - Transient Workforce / Workforce Accommodation	0
UV - Rural Rate	1,700
UV - Commercial Rate	34



Objects and Reasons for Differential Rates

The overall object of the Shire's differential rates is to raise rate revenue in a manner that is simple, efficient and equitable to all ratepayers within the district. The objects and reasons for each differential rating category are as follows:

• GRV – Residential Rate

The object of this category is to apply a differential general rate or minimum payment to land used or held or zoned for residential purposes. As well as to act as the Shire's benchmark differential rate and minimum payment by which all other GRV rated properties are assessed.

The reason for this rate is to ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the Shire.

• GRV – Commercial/Industrial Rate

The object of this category is to apply a differential rate or minimum payment to land wholly or partly used or held or zoned for Commercial or Industrial purposes.

The reason for this rate is to assist with the funding of Tourism, Marketing, Events and Economic Development related projects, activities and services throughout the district.

• GRV – Transient Workforce / Workforce Accommodation Rate

The object of this category is to apply a differential rate or minimum payment to land wholly or partly used or held or zoned for Transient Workforce/ Workforce Accommodation (TWA) purposes.

The reason for this rate is to assist with the funding of Tourism, Marketing, Events and Economic Development related projects, activities and services throughout the district. TWA properties have the potential to have a greater impact on Shire's services/assets than other properties due to their number of occupants in a relatively small land parcel (i.e. concentrated coach/ vehicle movements on local roads). In order to appropriately maintain and manage Shire assets and infrastructure in the longer term, a higher differential rate is proposed for this category to reflect the greater potential and actual intensity of the use of Shire services and infrastructure.

- **UV – Rural Rate**

The object of this category is to apply a differential general rate or minimum payment to land used or held or zoned for bona-fide rural purposes and is to act as the Shire's benchmark differential rate by which all other UV rated properties are assessed.

The reason for this rate is to ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the Shire.

- **UV – Commercial Rate**

The object of this category is to apply a differential rate or minimum payment to land with an Unimproved Value that is wholly or partly used or held or zoned for commercial purposes.

The reason for this rate is to assist with the funding of Tourism, Marketing, Events and Economic Development related projects, activities and services throughout the district, and to achieve a fair and equitable level of rating between commercial properties within both the UV and GRV differential rating categories.

Specified Area Rates

It is proposed for the 2023–2024 financial year that the following rate in the dollar apply for the specified areas listed below.

- **Kingston Landscaping – all subdivided lots within Kingston**

Rate in dollar – 0.00901 which represents a 6.0% increase from 2022–2023.

Objects and Reason for Specified Area Rate

To maintain the landscape of the common areas of Kingston to a higher standard of presentation.

- **Galway Green Landscaping – all subdivided lots within Galway Green**

Rate in dollar – 0.00939 which represents a 6.0% increase from 2022–2023.

Objects and Reason for Specified Area Rate

To maintain the landscape of the common areas of Galway Green to a higher standard of presentation.

- **Lakewood Shores Landscaping – all subdivided lots within Lakewood Shores**

Rate in dollar – 0.01007 which represents a 6.0% increase from 2022–2023.

Objects and Reason for Specified Area Rate

To maintain the landscape of the common areas of Lakewood Shores to a higher standard of presentation.

- **Treendale Landscaping – all subdivided lots within Treendale**

Rate in dollar – 0.01216 which represents a 6.0% increase from 2022–2023.

Objects and Reason for Specified Area Rate

To maintain the landscape of the common areas of Treendale to a higher standard of presentation.

- **Treendale District Centre – all subdivided lots within Treendale District Centre**

Rate in dollar – 0.00759 which represents a 0.0% increase from 2022–2023.

Objects and Reason for Specified Area Rate

To maintain the common areas of the Treendale District Centre to a high standard of presentation.

Rates Discount

Council will consider an early payment incentive for rates as part of its 2023–2024 Budget deliberations.

Waste Facilities Maintenance Rate

To provide funding for the management of the Shire’s waste facilities including but not limited to the rehabilitation of refuse disposal sites, it is proposed the Shire levy a Waste Facilities Maintenance Rate on rateable land within the Shire.

Revenue from this rate will be available to providing for the proper performance of all or

any of the waste facility services of the Shire. This rate is separate from the differential rates to be adopted by Council and will be included in the draft 2023–2024 Budget – Note: Schedule of Fees and Charges.

The proposes rate in the dollar and minimum rate for the Waste Facilities Maintenance Rate is shown in the following table:

Rate Category	Number of Properties	Rate in the \$	Minimum Payment	Rates Raised
Gross Rental Value				
GRV - Residential Rate	11,088	0.000001	\$50	\$554,400
GRV - Commercial/Industrial Rate	260	0.000001	\$50	\$13,000
Unimproved Value				
UV - Rural Rate	1,700	0.000001	\$50	\$85,000
UV - Commercial Rate	34	0.000001	\$50	\$1,700
Total	13,082			\$654,100



Further Rating Information

Rebate of Rates Pensioners

Subject to the *Rates and Charges (Rebates and Deferments) Act 1992*, the Shire will in accordance with the *Local Government Act 1995* and Regulations, grant concessions to eligible pensioner ratepayers who have registered their

entitlement with the Shire, to receive a rebate on Shire rates and the Emergency Services Levy. The Domestic Waste Management charge to owners of rateable properties does not qualify for a rebate.

Payment of Rates

The Shire levies the rates once per year and issues an annual rates notice to all ratepayers. Rates are levied as early as possible in each financial year and are typically due for payment in the following months each year:

- September
- November

- January
- March

In the event that rates are levied earlier or later, due dates for payment shall be set in accordance with section 6.50 of the *Local Government Act 1995*.

Objection Rights

Pursuant to section 6.76 of the *Local Government Act 1995*, a person may object to a rates notice on the following grounds:

- There is an error in the rate notice in relation to the identity of the land owner or the part of the land to be rated; or
- If the Shire imposes a differential general rate, that the characteristics of the land recorded in the rate record as the basis for imposing that rate should be deleted and other characteristics substituted.

An objection is to be made in writing within 42 days of service of the rate notice under section 6.41.

Pursuant to section 32 of the *Valuation of Land Act 1978*, a person may object to the valuation on which their rates assessment was based.

An objection to the valuation of a parcel of rateable land should be directed to the Valuer General's Office and is to be made in writing within 60 days of service of the rates notice under section 6.41.

General Rates and Specified Area Rates

In accordance with Section 6.82(1) of the *Local Government Act 1995*, where there is a question of general interest as to whether a rate or service charge was imposed in accordance with this Act, the local government or any person may refer the question to the State Administrative Tribunal to have it resolved.





SHIRE OF
HARVEY

A Breath of Fresh Air

Shire of Harvey

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