

SCHEDULE OF SUBMISSIONS – NOTICE OF INTENTION TO LEVY DIFFERENTIAL RATES 2013/2014

Assessment and Record Number	Verbatim Submission	Finance Officer Rates Comment
<p>A568 ICR13619671 J Xanthis 7 Iluka Avenue DENMARK</p>	<ol style="list-style-type: none"> 1. “My tourist accommodation is town planning scheme policy 18...” 2. “...rent out an attached studio 48sqm... and live on the premise [sic]...” 3. “[I] deal with any issues that may arise...” 4. “I am a member of the Denmark Visitor Centre...” 5. “I have a license [sic] to have a max of 4 guest [sic], I cannot rent out my whole house...” 6. “... thus the GRV on my home holiday accom [sic] part is not the same as a 6 or 10 people home holiday house in value or size...” 7. “...my style of accom [sic] brings community to the area... this should be encourage [sic] with someone living in the house instead of empty holiday houses...” 8. “...I would not like a rate increase... I can’t see the difference, if someone was living with me paying rent, [or] if you have to rate me on the holiday accom [sic] [then] I would like to be rated on the GRV of my studio...” 	<ol style="list-style-type: none"> 1. TPS No. 3 Policy No. 18 “Tourist Development other than ‘Bed and Breakfast’ uses within the Residential Zone” enables the Shire of Denmark to consider the provision of limited small scale uses (such as attached studios) to be established and used within the Residential Zone, subject to conditions. The subject land parcel was granted approval for Holiday Accommodation, in April 2008, with regard to TPS No. 3 Policy No. 19.2 “Home Holiday Accommodation” (note: this policy is no longer current); not TPS No. 3 Policy No. 18. 2. Noted 3. The Shire of Denmark is permitted to rate a property on its approved use; not on whether the owner lives on the property, nor on whether the owner manages the issues that may arise from that use. These are management issues for the owner only. 4. Membership of the Denmark Visitor Centre or Denmark Tourism Inc is irrelevant, as this is not a Shire of Denmark fee. Membership fees for the Denmark Visitor Centre are for services directly provided to members of that business. Denmark Tourism Inc and Denmark Visitor Centre are not sub-entities of the Shire of Denmark. The Shire of Denmark not only contributes annual funding to Denmark Tourism Inc., for the operational expenses of the Denmark Visitor Centre, and for the marketing of tourism by the Denmark Visitor Centre; but, it also funds the provision of tourism related infrastructure (such as coastal lookouts and public conveniences), and the support of tourism marketing (such as the Great Southern District Display at the Perth Royal Show, Christmas Festival, Tidy Towns, and contributions to Denmark Arts). 5. The proposed Differential Rating System rates Gross Rental Value [“GRV”] land parcels on the approved and, if applicable, licenced activity; not the size and scale of the activity. TPS No. 3 Policy No. 19.2 limited the number persons permitted within home holiday accommodation to 6 guests. For the subject land parcel, the size of the studio, and the facilities within the studio, limited planning consent being given for a maximum of 4 guests. The Differential Rating System is designed to be as simple as possible, yet still providing fairness and equity by ensuring that like uses are rated similarly across the Shire of Denmark. 6. The valuation of residential zoned land parcels, with a planning approval for holiday use which does not limit the dwelling to short term holiday use (i.e. can be used for long term rentals, and for residence by the owner), is not valued on a commercial basis. Landgate has informed the Shire of Denmark that such uses are not valued for, as the property is not restricted to short term holiday use only. 7. The premium of 10% will fund the cost of providing funding to the tourism industry, to tourism infrastructure, and to the provision of ranger services when called out to enforce compliance with TPS No. 3 Policy No. 19.4 “Holiday Use”, and/or the conditions of the planning consent. 8. Holiday uses are a commercial activity, not dissimilar to the provision of tourist accommodation on Tourist zoned land. Rental accommodation is provided for under the Residential Tenancies Act 1987, and is not considered a commercial activity.

Special Meeting - 30 July 2013 - Attachment 5.1 a)

SCHEDULE OF SUBMISSIONS – NOTICE OF INTENTION TO LEVY DIFFERENTIAL RATES 2013/2014

<p style="text-align: center;">A895 ISUB137525 B and R McGuinness 1800 South Coast Hwy SHADFORTH</p>	<ol style="list-style-type: none"> 1. "...no longer doing Bed and Breakfast but...still listed as one...would like it removed please." 2. "...decided to build the cottage to augment our income, (because you cannot make a living on 100 acres unless you are growing grapes...) we did so in good faith." 3. "The Town Planning scheme allowed us to build 4 cottages and two houses, with no changes required to the zoning, under that Town Planning Scheme. Now Council wishes to change the intent of this and make it retrospective. This is grossly unfair." 4. "You have not surveyed all people who have around the same sized block as us, so this is also inequitable. There would be... very few blocks of this size earning an income enough to live on. This requires...land owners to do other things. We chose the cottages, others choose outside work. You have not asked them, and their land is not 'used predominantly for rural purposes' – rather a large 'lifestyle' block. We run stock on both ours and our neighbours land. We engaged in a rural enterprise both by farming and having the cottages." 5. "The only successful farmers are those who have increased their land holdings to enable this to happen." 6. "...the Department of Agriculture...have been encouraging farmers to do something like we have done to expand their 'rural activity to augment their income. It is still considered by them a rural enterprise. We give our guests a rural experience by interaction 	<ol style="list-style-type: none"> 1. As requested by the submitter, this use will be cancelled, with the rate code changed accordingly. 2. Shire of Denmark Council Policy P030101 "Council Rating Equity Policies" considers that predominantly rural land parcels are to be rated on the basis of an Unimproved Valuation. To complement this policy, and to ensure that the non-rural use of such land parcels are equitably rated (considering that the valuation does not reflect a non-rural use), the Differential Rating System charges a premium rate in the \$. Commercial rental valuations form the basis of rating of Gross Rental Valuation land parcels in the Shire of Denmark, where the zoning is commercial, industrial, tourist, and professional office. Invariably, the rate charges for the latter land parcels are much higher than Unimproved Valuation land parcels; therefore, the UV Additional Use premiums ensure equitable contributions are made by those relevant non-rural uses. If the submitter believes that the subject land parcel is used predominantly for non-rural purposes, then the Shire of Denmark may accept an application from the submitter to consider changing the basis of valuation from Unimproved Valuation to Gross Rental Valuation. 3. The Shire of Denmark is permitted to impose a rate on the basis of valuation, on zoning, on approved use, and on whether the land parcel is vacant or improved. A number of Additional Use Classes are recognised as Rural Uses in the Differential Rating System, as they are considered incidental to the rural use of the land parcel. Prior or future planning consent is not required to take into account the impact upon the basis of rating. 4. The basis of rating Unimproved Valuation land parcels according to use is from current Planning Consents and Environmental Health Licences for approved and licensed non-rural activity. The land use surveys undertaken by the Shire of Denmark over the past four years were to facilitate in identifying land parcels that may have been candidates for split rating. The research into the proposed Differential Rating System was supported by that earlier research, but is not based on that research; only on approvals and licences which are still current. Chalets and bed and breakfast operations are not considered rural uses; rather, a non-rural use, not unlike tourism accommodation providers on Tourist and Commercial zoned land. "Lifestyle" is applied in the Differential Rating System to large Gross Rental Valuation properties which are primarily used for residential purposes, and are located on the urban fringe on primarily Special Residential and Special Rural zoned land parcels. The Shire of Denmark considers that land parcels over 20 hectares are able to be used predominantly for rural activity. If the Shire of Denmark, or the owner, considers that such land parcels are not being used predominantly for rural purposes, then either party may seek, or provide, evidence to support a change in the basis of rating from Unimproved Valuation to Gross Rental Valuation, or use split rating to issue a separate rate notice for the area of the non-rural use. 5. Success of a farming operation is a management issue for the owner, not for the Shire of Denmark. 6. Under the Local Government Act 1995, land parcels that are used predominantly for rural activity, must be rated on the basis of an Unimproved Valuation. If there are any non-predominant, non-rural uses on that land parcel, which have been approved and, if applicable, licensed by the Shire of Denmark, then the land parcel may be rated on those non-rural uses. The Shire of Denmark considers a commercial tourism operation as a non-rural use, not unlike
--	---	--

SCHEDULE OF SUBMISSIONS – NOTICE OF INTENTION TO LEVY DIFFERENTIAL RATES 2013/2014

	<p>with farm animals and farm practices such as drenching, crutching, shearing, feeding etc... we consider our activities to be an integral part of our agricultural pursuit. The majority of our guests come because we are a farm. So to say that we are engaging in a non-rural [sic] activity is incorrect. It may not suit your limited idea of rural activity but we believe that it falls within that category”</p> <p>7. “...we have played by the rules and Council now wants to change them retrospectively, and we believe...this should not occur.</p>	<p>the provision of accommodation on Gross Rental Valuation land parcels which are zoned Commercial and Tourist. The premium charged to non-rural uses will ensure that such Unimproved Valuation properties contribute equitably to the provision of Shire of Denmark funded tourism marketing and infrastructure, which continues to encourage visitors to the Shire of Denmark, with such promotion supporting accommodation providers in the district.</p> <p>7. The Shire of Denmark will not back rate any land parcel on the basis of the proposed Differential Rating System. The Differential Rating System only applies to the district from 1 July 2013. The Differential Rating System was designed in cooperation with the Department of Local Government and Landgate, within the statutory requirements of the Local Government Act 1995 and the Valuation of Land Act 1978.</p>
<p style="text-align: center;">A978 ISUB137524 T and M Foster 153 Minsterly Road DENMARK</p>	<p>1. “objections to the proposition... rates should be increased by 24.5% for our holiday residence...The validity of a rate increase of this magnitude is hard to fathom. We are only part time residents of Denmark, and we are both of pensionable age, though until recently our earning mitigate against our qualification for a senior citizens card.</p> <p>2. “Maintenance...in Denmark is expensive...local tradespersons... carry out maintenance in our absence...to maintain firebreaks and to keep our block in good order...Increasing our costs through... rates will hit us hard.”</p> <p>3. “...remotely based owners who make our house available as holiday accommodation...covers our costs of ownership and maintenance to only a limited extent...like others...we find it necessary to make allowances in letting rates...offset third party costs...such as this proposed rate hike. It strikes us as perverse of the Shire of Denmark to increase the costs of accommodation in the shire thus reduce the competitiveness of Denmark as a visitor attraction. Visitors to Denmark must surely increase the total revenue spend and thus make a significant contribution to the economy...their impressions of the...area...would further benefit the Shire and contribute to its popularity as a centre of tourism in this part of WA.</p> <p>4. “Under the new proposal, people such as ourselves making a lower than average demand on the services</p>	<p>1. Due to a 13% base rate increase and a 10% premium for holiday use, a proposed increase of 24.31% will occur to the rate charge for the subject property. This increase is to recognise the commercial use of the property, which is not represented in the Gross Rental Valuation, with the extra revenue to fund the provision of tourism infrastructure, tourism marketing, and other tourism related funding.</p> <p>2. The proposed increase of \$274 is not intended to cause financial hardship to the ratepayer, with the expectation that this increase is between 1 and 2 night’s rental fees.</p> <p>3. As stated above, the premium of 10% will fund the provision of tourism infrastructure, tourism marketing, and other tourism related funding.</p> <p>4. The Shire of Denmark considers tourism accommodation providers as placing a greater demand on the services of local government, by the cost of ranger callouts, and due to the Shire of</p>

SCHEDULE OF SUBMISSIONS – NOTICE OF INTENTION TO LEVY DIFFERENTIAL RATES 2013/2014

	<p>provided by the Shire would be taxed at a higher rate than all other developed residential classes. They are being hit by increases in the range 13 to 16T if this new scheme proceeds. There seems to us to be no justification for our increase to be greater than theirs.</p> <p>5. ...vacant properties should pay at a lower rate as proposed. We consider it unreasonable that others placing lower demands on the Shire services should be penalised on no other apparent grounds than that they are not here to object!</p>	<p>Denmark's involvement in funding tourism promotional activity and operations, and the funding of tourism infrastructure on public land. The increase to the base rate for GRV Developed properties, by 13%, is due to the decrease in vacant land premiums, which is justified by the higher increases to vacant land properties in 2011/2012 and 2012/2013, which was greater than the drop in valuations in 2011. The 2012-2013 Shire of Denmark Community Needs & Customer Satisfaction Survey returned a 62.30% result in favour of home holiday accommodation providers paying more than a residential household. Coupled with this result is the extra cost to the Shire of Denmark of promoting the tourism industry, and responding to ranger call outs to holiday use properties.</p> <p>5. The GRV vacant land base rate is set at approximately 43.5% higher than the GRV developed base rate, as the change of calculation method of valuing vacant land, in 2011, resulted in a 40% drop to valuations in that year, and this has continued since. Therefore, the GRV vacant land rates provide revenue at a similar level to the pre 2011/2012 rate charges, resulting in no substantial increase to vacant land rating charges in the proposed rating system for 2013/2014, as opposed to the 2011/2012 and 2012/2013 financial years, when the vacant land differentials were actually about 90% and 70% higher than the developed differential, respectively.</p>
<p>A1507 ICR13720075 H van Wees 14 Adams Road DENMARK</p>	<p>1. ...rates [are already]... calculated in accordance with GRV</p> <p>2. [already] pay... an annual fee for... operating a holiday home</p> <p>3. ...issue appears to be the non application of the GRV on rural land that is used for non rural purposes, if that is so, then review that part only...</p> <p>4. ...object strongly to include ALL residential/holiday home ratepayers in this current review as we already pay 10% above the GRV for our property, as well as the annual registration levee.</p> <p>5. Normal CPI increases I have no problem with, however... 10.26%... is totally unwarranted.</p>	<p>1. The valuation of residential zoned land parcels, with a planning approval for holiday use, which does not limit the dwelling to short term holiday use (i.e. can be used for long term rentals, and for residence by the owner), is not valued on a commercial basis. Landgate has informed the Shire of Denmark that such uses are not valued for, as the property is not restricted to short term holiday use only.</p> <p>2. The 10% premium on holiday use excludes annual registration, which is charged for as a distinct inspection and certificate issuing service. The 10% premium reflects the additional costs associated with holiday use properties including noise complaints handling, ranger call outs, contributions to the tourism industry, the provision of tourism infrastructure within the Shire of Denmark, and the promotion of the district to attract more visitors (of which the latter is beneficial to the holiday home owner).</p> <p>3. The Shire of Denmark has undertaken a review of non-rural activity on rural Unimproved Value land, for the past 3 to 4 years. However, the differential rating of holiday uses on Gross Rental Value land is not related to that review. In setting the proposed Differential Rating System, the Shire of Denmark is reflecting the diversity of the many different zones and uses of land parcels across its district.</p> <p>4. See the aforementioned comment regarding the annual registration fee. The submitters comment about the 10% extra payment is not clear, and is therefore disregarded.</p> <p>5. The total proposed increase to rating revenue is 6%. The amount that each of the 14 Differential General Rating Categories will pay is based on ensuring that the ratepayers within each category pay an equitable contribution towards the reasons stated in the document "Differential Rating in the Shire of Denmark and Statement of Objects and Reasons 2013/2014". The variance in rate charges between 2012/2013 and 2013/2014, for most properties, will be between -20% and 30%. A few properties will receive a variance as low as -40% and as high as 50%.</p>

SCHEDULE OF SUBMISSIONS – NOTICE OF INTENTION TO LEVY DIFFERENTIAL RATES 2013/2014

	<p>6. ...I view this... as just another reason to raise revenue for no specific asset, as all facilities and services seem to be adequately serviced by the current revenue...</p>	<p>6. See previous comment.</p>
<p>A1757 ICR13720309 B Clarke 16 Poddysht Pl. OCEAN BEACH</p>	<p>1. "...Shire proposes to increase rates for GRV Residential Developed from 8.825 to 9.9884... a 12% increase which is 4.8 times the rate of inflation..."</p> <p>2. "I believe the shire is tasked to practice financial austerity... [but] the proposed rated increase cannot be justified..."</p> <p>3. "Recent projects involving considerable shire energies and funding... appear to be misdirected... [with] vast sums of money [having] been spent on footpaths, roundabouts and even statues... but are not desperately needed..."</p> <p>4. "[Denmark Aquatic Centre] funds, I assume, have been accumulated from rates and if this is the case, then I remind the Shire that this belongs to the ratepayers and should be used for rate relief"</p> <p>5. "I suggest an appropriate rate increase would be... 4.5% across the board..."</p> <p>6. "The suggested 4.5% could be added to last year's budget, then, this gives you an amount to spend, and thence work backwards slashing projects and costs to meet this target"</p>	<p>1. The proposed rate for the category GRV Residential Developed is now 9.9727, which is a 13.01% increase. The percentage change for the All Groups CPI for Perth (March Quarter 2012 to March Quarter 2013) is 2.4%. The proposed rate increase of 13.01% is 5.42 times above that CPI increase. The reason for the level of increase to all the Developed categories is to offset the decrease to the Vacant categories, so that the base rate for vacant land is set at a premium of slightly above 40% compared to the base rate for improved land. This returns the rate charges for vacant land back to comparative levels before the change of calculation method of valuation of residential vacant land in 2011. The premium of approximately 90% and 70% respectively in each of the preceding years 2011/2012 and 2012/2013 was well above the 40% decrease in valuations in 2011, for residential vacant land; so, to ensure that the same level of rating revenue is charged, improved land is required to pay a 13.01% increase on the base rate.</p> <p>2. The total proposed rating revenue increase is 6%, with this based on the expected increase in costs during 2013/2014. The individual movements for each property are reflective of the valuation and the setting of equitable premiums for different rating categories, for the objects and reasons stated in the document "Differential Rating in the Shire of Denmark and Statement of Objects and Reasons 2013/2014". The variance in rate charges between 2012/2013 and 2013/2014, for most properties, will be between -20% and 30%. A few properties will receive a variance as low as -40% and as high as 50%.</p> <p>3. This comment and further comments by the submitter, all in relation to Shire of Denmark projects and road maintenance, are not relevant to the Differential Rating System.</p> <p>4. Noted. The Shire of Denmark has not provided any loan to the Denmark Aquatic Centre Committee Inc.</p> <p>5. Noted. As stated previously, the individual variance to rate charges will be due to the setting of premiums for different rating categories.</p> <p>6. The Shire of Denmark considers all budget expenditure submissions for the coming year. The total cost of these submissions is compared to the total expected income for that budget year. The shortfall between the total expected income and the total budgeted expenditure is the shortfall that may be recovered from rating revenue. If the shortfall represents a greater than desired increase to rating revenue, then the expenditure items are reassessed to determine where savings can be made. For example, in preparing the 2013/2014 Municipal Budget, after already removing a number of expenditure items, the Shire of Denmark was required to consider how much of an approximately \$750,000 shortfall in income was acceptable as an increase in rating revenue. The \$750,000 shortfall represented a total rating revenue increase of approximately 16%. The Shire of Denmark considered that an increase of 5 to 6% would be acceptable, with</p>

SCHEDULE OF SUBMISSIONS – NOTICE OF INTENTION TO LEVY DIFFERENTIAL RATES 2013/2014

		the final increase reduced to 4.98%. Therefore, over \$500,000 of expenditure items were removed from the 2013/2014 Municipal Budget.
<p style="text-align: center;">A2288 ICR13720449 K Richardson-Newton 1 Mcilroy Bend DENMARK WA 6333</p>	<ol style="list-style-type: none"> 1. "I applaud your attempt at applying Council Policy P030101 with Council seeking to observe the principles of objectivity; fairness and equity; consistency; transparency and last but not least administrative efficiency." 2. "...have you in Category 2. Included all the home based business that operate out of GRV Residential zoned properties. i.e. All the business as listed in the Bulletin or the Local Phone Directory. By applying [sic] Policy that this rating change only applies to easily identifiable Commercial and Holiday business." 3. "...Home Holiday Accommodation, you [sic] have thrown all B&B operations into the one basket, regardless of the number of rooms available, whereas for Chalets operators you have chosen to separate the number of chalets into separate categories and therefore apply a scaled rate to those properties. Should not B&B accommodation be scaled in a like manner, so a small one bedroom operator is not paying the same rate as a ¾ bedroom operator? [sic]" 4. "...beware, Pandora; Pandora; Pandora, will be let loose." 	<ol style="list-style-type: none"> 1. Noted. 2. All planning approved and, if applicable, environmental health licensed commercial entities are included in the GRV Business/Commercial Developed category. Any non-approved commercial entities are not included, as they are not able to be rated on the use of property, due to the Shire of Denmark not approving them. 3. Noted. This was considered; however, the Differential Rating System is designed to be as simple as possible, yet still providing fairness and equity by ensuring that like uses are rated similarly across the Shire of Denmark. The proposed Differential Rating System rates Gross Rental Value ["GRV"] land parcels on the approved and, if applicable, licenced activity; not the size and scale of the activity. Note: many accommodation providers name their operations different to the actual licence or planning approval type that they operate under. For example, a home holiday provider may feasibly name their business a bed and breakfast. Therefore, any comparison between the uses of land parcels according to the name of the business cannot be relied upon. 4. Noted
	<ol style="list-style-type: none"> 1. A number of telephone discussions were held between Shire of Denmark Finance and Administration employees and ratepayers and residents, of which notes have been made, but not summarised in this document. 	<ol style="list-style-type: none"> 1. Noted.