

SHIRE OF DENMARK  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2023

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2022/23 Budgeted rate revenue	2022/23 Budgeted interim rates	2022/23 Budgeted back rates	2022/23 Budgeted total revenue	2021/22 Actual total revenue	2021/22 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
<b>(i) Differential general rates or general rates</b>										
1 Non-Rural Improved	GRV	0.106223	2,254	39,420,162	4,187,328	25,500	0	4,212,828	3,984,297	4,004,456
2 Holiday Purposes	GRV	0.138090	131	2,133,300	294,587	0	0	294,587	235,508	235,508
3 Vacant	GRV	0.211772	220	2,117,520	448,431	0	0	448,431	441,559	441,559
4 Rural	UV	0.004511	467	273,582,000	1,234,129	0	0	1,234,129	1,155,016	1,155,016
5 Rural - Add. Use 1 - Holiday Purposes	UV	0.005864	19	9,500,000	55,708	0	0	55,708	56,728	56,728
6 Rural - Add. Use 2 - Commercial	UV	0.007668	16	10,232,000	78,459	0	0	78,459	55,688	55,688
<b>Sub-Total</b>			3,107	336,984,982	6,298,642	25,500	0	6,324,142	5,928,796	5,948,955
		<b>Minimum</b>								
		\$								
<b>Minimum payment</b>										
Non-Rural Improved	GRV	1,298	633	5,530,299	821,634	0	0	821,634	633,255	633,255
Holiday Purposes	GRV	1,558	11	82,086	17,138	0	0	17,138	12,321	12,321
Vacant	GRV	1,298	219	1,009,940	284,262	0	0	284,262	279,380	279,380
Rural	UV	1,491	159	35,028,271	237,069	0	0	237,069	203,962	203,962
Rural - Add. Use 1 - Holiday Purposes	UV	1,938	4	1,149,000	7,752	0	0	7,752	25,140	25,140
Rural - Add. Use 2 - Commercial	UV	2,832	5	1,721,000	14,160	0	0	14,160	13,270	13,270
<b>Sub-Total</b>			1,031	44,520,596	1,382,015	0	0	1,382,015	1,167,328	1,167,328
			4,138	381,505,578	7,680,657	25,500	0	7,706,157	7,096,124	7,116,283
Concessions on general rates (Refer note 2(h))								(70,343)	(59,985)	(62,621)
<b>Total amount raised from general rates</b>								7,635,814	7,036,139	7,053,662

All land (other than exempt land) in the Shire of Denmark is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire of Denmark.

The general rates detailed for the 2022/23 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

## 2. RATES AND SERVICE CHARGES (CONTINUED)

### (b) Interest Charges and Instalments - Rates and Service Charges

The following instalment options are available to ratepayers for the payment of rates and service charges.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
<b>Option one</b>				
Single full payment	21/09/2022	0	0.0%	7.0%
<b>Option two</b>				
First instalment	21/09/2022	0	0.0%	7.0%
Second instalment	23/11/2022	11.00	3.5%	7.0%
<b>Option three</b>				
First instalment	21/09/2022	0	0.0%	7.0%
Second instalment	23/11/2022	11.00	3.5%	7.0%
Third instalment	25/01/2023	11.00	3.5%	7.0%
Fourth instalment	29/03/2023	11.00	3.5%	7.0%

	2022/23 Budget revenue	2021/22 Actual revenue	2021/22 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	19,000	19,063	23,000
Instalment plan interest earned	12,000	11,999	11,000
Unpaid rates and service charge interest earned	20,500	20,561	30,000
	51,500	51,623	64,000

## 2. RATES AND SERVICE CHARGES (CONTINUED)

### (c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating.

#### Differential general rate

Description	Characteristics	Objects	Reasons
1. Non-Rural Improved	All properties: a) held or used for Non-Rural Purposes and not for Holiday Purposes; and; b) that are not currently vacant	The object of this rate is to apply a base rate to improved land that is held or used for Non-Rural Purposes, excluding Holiday Purposes.	To ensure that all ratepayers within the differential rate category make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities in the Shire. To achieve the required amount of revenue from the differential rate category.
2. Holiday Purposes	All properties held or used: a) for Non-Rural Purposes; and; b) for Holiday Purposes	The object of a higher rate in the dollar for this category (30% premium on the Non-Rural improved rate in the dollar) is to raise additional revenue to fund the level of service provided to these properties and the costs that result from visitors to these properties. The rate recognises the impact of such properties on infrastructure, the environment, housing availability and affordability within the Shire.	To assist in meeting the additional costs associated with providing tourism related infrastructure and services.
3. Vacant	All properties: a) held or used for Non-Rural Purposes; and; b) that are currently vacant	The object of this rate in the dollar is to encourage owners of vacant land to develop and infill to improve the local economy and improve the local visual amenity of the town.	To ensure that ratepayers within the differential rate category make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities in the Shire. The Council considers the development of all vacant rateable land to be in the best interests of the community as it will improve the vibrancy of the Shire.
4. Rural	All properties held or used for Rural purposes	The object of the rate in the dollar for this category is to set an appropriate rate for properties held or used for Rural purposes.	To ensure that ratepayers within the differential rate category make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities in the Shire. To achieve the required amount of revenue from the differential rate category.

## 2. RATES AND SERVICE CHARGES (CONTINUED)

### (c) Objectives and Reasons for Differential Rating (continued)

Description	Characteristics	Objects	Reasons
5. Rural - Additional Use - Holiday	All properties held or used: a) for Rural purposes; and, b) have additional Non-Rural Holiday Use(s)	The object of the rate in the dollar (30% premium on the base Rural rate) for this category is to recognise the additional non rural holiday use(s). The rate recognises the impact of such properties on infrastructure, the environment, housing availability and affordability within the Shire.	To ensure that all ratepayers within the differential rate category make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities in the Shire. To assist in meeting the additional costs associated with providing tourism related infrastructure and services.
6. Rural - Additional Use - Commercial	All properties held or used: a) for Rural purposes; and, b) have additional Non-Rural Commercial Use(s)	The object of the rate in the dollar (70% premium on the base Rural rate) for this category is to recognise the additional non rural commercial use(s). The rate recognises the impact of such properties on infrastructure and the environment, within the Shire.	To ensure that all ratepayers within the differential rate category make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities in the Shire. To assist in meeting the additional costs associated with providing commercial related infrastructure and services.

### (d) Differential Minimum Payment

Description	Characteristics	Objects	Reasons
1. Non-Rural Improved	All properties: a) held or used for Non-Rural Purposes and not for Holiday Purposes; and; b) that are not currently vacant	The object of this rate is to apply a base rate to improved land that is held or used for Non-Rural Purposes, excluding Holiday Purposes.	To ensure that all ratepayers within the differential rate category make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities in the Shire. To achieve the required amount of revenue from the differential rate category.
2. Holiday Purposes	All properties held or used: a) for Non-Rural Purposes; and; b) for Holiday Purposes	The object of a higher minimum rate for this category is to raise additional revenue to fund the level of service provided to these properties and the costs that result from visitors to these properties. The rate recognises the impact of such properties on infrastructure, the environment, housing availability and affordability within the Shire.	To assist in meeting the additional costs associated with providing tourism related infrastructure and services.

## 2. RATES AND SERVICE CHARGES (CONTINUED)

### (d) Differential Minimum Payment (continued)

Description	Characteristics	Objects	Reasons
3. Vacant	All properties: a) held or used for Non-Rural Purposes; and; b) that are currently vacant	The object of the minimum rate for this category is to encourage development within the Shire.	To ensure that ratepayers within the differential rate category make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities in the Shire. The Council considers the development of all vacant rateable land to be in the best interests of the community as it will improve the vibrancy of the Shire.
4. Rural	All properties held or used for Rural purposes	The object of the minimum rate for this category is to set an appropriate rate for properties held or used for Rural purposes.	To ensure that ratepayers within the differential rate category make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities in the Shire. To achieve the required amount of revenue from the differential rate category.
5. Rural - Additional Use - Holiday	All properties held or used: a) for Rural purposes; and, b) have additional Non-Rural Holiday Use(s)	The object of the minimum rate for this category is to recognise the additional non rural holiday use(s). The rate recognises the impact of such properties on infrastructure, the environment, housing availability and affordability within the Shire.	To ensure that all ratepayers within the differential rate category make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities in the Shire. To assist in meeting the additional costs associated with providing tourism related infrastructure and services.
6. Rural - Additional Use - Commercial	All properties held or used: a) for Rural purposes; and, b) have additional Non-Rural Commercial Use(s)	The object of the minimum rate for this category is to recognise the additional non rural commercial use(s). The rate recognises the impact of such properties on infrastructure and the environment, within the Shire.	To ensure that all ratepayers within the differential rate category make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities in the Shire. To assist in meeting the additional costs associated with providing commercial related infrastructure and services.

**Pursuant to Section 6.36 (3A) of the Local Government Act 1995, the basis on which the Shire determines that a property is held or used is as follows:**

**Non-Rural Purposes** - a property is determined to be held or used for Non-Rural purposes where the method of valuation used for the property of rating is the Gross Rental Value (GRV) of the property.

## 2. RATES AND SERVICE CHARGES (CONTINUED)

### (d) Differential Minimum Payment (continued)

**Holiday Purposes** - a property is determined to be held or used for Holiday Purposes where the property is operating as a holiday home or holiday accommodation or where it has been granted planning approval by the Shire to operate as a holiday home or holiday accommodation and where the method of valuation used for the property for rating is on a non-commercial basis.

**Rural** - a property is determined to be held or used for Rural Purposes where the method of valuation used for the property for the purposes of rating is the Unimproved Value (UV) of the property.

**Rural - Additional Use Holiday** - a property is determined to be held or used for Rural Additional Use Holiday Purposes where the method of valuation used for the property for the purposes of rating is the Unimproved Value (UV) of the property and where it has been granted planning approval by the Shire to operate a holiday home(s) (standard or large) or holiday accommodation as defined in Town Planning Scheme 3. Where there are approved holiday homes or chalets up to a quantity of four, then this Rural Additional Use category will apply.

**Rural - Additional Use Commercial** - a property is determined to be held or used for Rural Additional Use Commercial Purposes where the method of valuation used for the property for the purposes of rating is the Unimproved Value (UV) of the property and where the property is operating approved non rural commercial activities. Where there is approved commercial activities or holiday accommodation over a quantity of four then this Rural Additional Use category will apply.

### (e) Variation in Adopted Differential Rates to Local Public Notice

The following rates and minimum payments were previously set out in the local public notice giving notice of the intention to charge differential rates.

Differential general rate or general rate	Proposed Rate in \$	Adopted Rate in \$	Reasons for the difference
Non Rural Improved	0.106223	0.106223	Not Applicable
Holiday Purposes	0.138090	0.138090	Not Applicable
Vacant	0.211772	0.211772	Not Applicable
Rural	0.004511	0.004511	Not Applicable
Rural - Additional Use 1 - Holiday	0.005864	0.005864	Not Applicable
Rural - Additional Use 2 - Commercial	0.007668	0.007668	Not Applicable

Minimum payment	Proposed Minimum \$	Adopted Minimum \$	Reasons for the difference
Non Rural Improved	1,298	1,298	Not Applicable
Holiday Purposes	1,558	1,558	Not Applicable
Vacant	1,298	1,298	Not Applicable
Rural	1,491	1,491	Not Applicable
Rural - Additional Use 1 - Holiday	1,938	1,938	Not Applicable
Rural - Additional Use 2 - Commercial	2,832	2,832	Not Applicable