



## Rating Equity Policy

# 1 INTRODUCTION

In implementing suitable rating systems and procedures, Council seeks to observe the principles of objectivity, fairness and equity, consistency, transparency, and administrative efficiency. The Shire of Denmark (Shire) reviews its expenditure at the beginning of each financial year and considers efficiency measures before determining the total rating revenue to be levied.

This policy stipulates how to apply methods of valuation and differential rating categories.

## 2 POLICY

### 2.1 Definitions

***Hosted short-term rental accommodation*** - means any of the following:

- (a) short-term rental accommodation where the owner or occupier, or an agent of the owner or occupier who ordinarily resides at the dwelling, resides at the same dwelling during the short-term rental arrangement.
- (b) short-term rental accommodation that is an ancillary dwelling where the owner or occupier, or an agent of the owner or occupier who ordinarily resides at the other dwelling on the same lot, resides at that other dwelling during the short-term rental arrangement.
- (c) short-term rental accommodation that is a dwelling on the same lot as an ancillary dwelling where the owner or occupier, or an agent of the owner or occupier who ordinarily resides at the dwelling, resides at the ancillary dwelling during the short-term rental arrangement.

***Land*** - means lands, tenements and hereditaments, and any improvements to land, and includes any interest in land.

***Unhosted short-term rental accommodation*** - means short-term rental accommodation that is not hosted short-term rental accommodation; and accommodates a maximum of 12 people per night.

***Vacant Land*** - means land that has no improvements, except for merged improvements or structures that are not approved for habitation or commercial use.

### 2.2 Rating Categories – Gross Rental Valuation (GRV) Basis

A GRV valuation basis will be used where a land parcel is predominantly used for non-rural purposes.

Where a GRV valuation is applied the following differential rating categories will apply.

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### 2.2.1 Improved

A property is determined to be rated as Improved where the property does not fit the definition of Holiday Purposes or Vacant rating categories.

### 2.2.2 Holiday Purposes

A property is determined to be rated as Holiday Purposes where the property has been granted planning approval under the Town Planning Scheme (TPS) to operate as *holiday home (standard or large) unhosted short-term rental accommodation* and *boarding house*:

- Where the TPS identifies the land as zoned:
  - Residential
  - Special Residential
  - Special Rural
  - Landscape Protection
  - Urban Development

### 2.2.3 Vacant

A property is determined to be rated as Vacant where the property is *vacant land*.

## 2.3 Rating Categories – Unimproved Valuation (UV) Basis

A UV valuation basis will be used where a land parcel is predominantly used for rural purposes.

Where a UV valuation is applied the following differential rating categories will apply.

### 2.3.1 Rural

A property is determined to be rated as Rural where the rating categories of Rural Additional Use – Holiday or Rural Additional Use – Commercial do not apply.

### 2.3.2 Rural Additional Use – Holiday

A property is determined to be held or used for Rural Additional Use - Holiday where the property has planning approval under the TPS to operate *Holiday Home (large or standard) unhosted short-term rental accommodation; or up to four (4) chalets*.

### 2.3.3 Rural Additional Use – Commercial

A property is determined to be rated as Rural Additional Use - Commercial where:

- The property has planned approval under the TPS to operate *more than four (4) chalets*.
  - The property has any of the following approved uses in accordance with the TPS:
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- Cottage Industry
- Cellar Sales
- Brewery
- Service Industry
- Winery
- Restaurant/Café
- Caravan Park (more than 4 sites)
- Any other use that is not a *rural use* as determined by the Chief Executive Officer

## 2.4 Split Rating

The Local Government Act 1995 permits the Shire to “split rate” non-rural uses on unimproved valued land and effectively isolate that activity from the remainder of the property and rate that activity on a separate land parcel; one land parcel reflecting the rural use and the other land parcel reflecting the non-rural use/s.

## 2.5 Spot Rating (changing the method of valuation)

The Local Government Act 1995 permits the Shire to “spot rate” non-rural uses on unimproved valued land and is frequently used in situations where there are a number of individual lots within a valuation area that are used for purposes that are not consistent with the predominant use of land within that valuation area.

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