

SHIRE OF TOODYAY – PROPERTY RATING FACT SHEET

Local Government Rates

Rates are the principal form of income for most local governments. Rates are property charges to fund the activities of Local Governments.

Two types of rates

In WA property rates will be assessed either based on Gross Rental Value (GRV) or Unimproved Value (UV). Land that is used for primarily rural purposes will be assessed based on UV, and non-rural purposes will be GRV.

The Gross Rental Value, or GRV, represents the gross annual rental that a property might reasonably be expected to earn annually if it were rented, including rates, taxes, insurance and other outgoings. For non-residential properties, GST is also included.

Unimproved Value, or UV, is the value of land only. It does not include the value of your home, other structures or improvements. For land within townsites the UV does include merged improvements such as drainage, levelling and filling.

Land Valuations are completed by the Office of the Valuer General in Landgate, and the Shire has no influence over these values. Landgate values all properties in Western Australia for rating and taxing purposes in accordance with the Valuation of Land Act 1978. Landgate valuers conduct independent and unbiased valuations of the property. These valuations are used by local governments, government agencies and emergency services as a basis for property rates, service charges and levies.

Setting Rates

Each year Council set its annual budget. This includes deciding how much money it needs to raise from rates. Council have long term plans which include expected rates for the next 10 years. This means Council has an idea well in advance on what rates will be needed. Sometimes this will change depending on levels of income from other sources such as grants, changes in costs or decisions by other levels of government.

Revaluations

If it was not for revaluations the process would be easy. If valuations stayed the same working out the rates would be easy.

1. Every year all UV properties are revalued. These valuations can vary dramatically across the Shire and are based on market conditions and the value of completed sales.
2. GRV values are updated every 5 years. In 2019 all GRV properties were revalued. Again these values can vary dramatically across the Shire with some going up and some going down. For GRV properties in addition to changes to the market, it could be that there have been improvements like a new residence, extensions, a swimming pool or other improvements that has resulted in a change to the value.

This means that even when there is only a small increase in the overall rates from say Rural Residential, there can be substantial differences in the specific charges for particular properties.

If there have been no improvements and the value of your property has changed substantially you may wish to contact Landgate to lodge an objection. Details on how to object to a change in valuation are on the reverse side of your rates notice, or at the link below:

<https://www.landgate.wa.gov.au/property-reports/property-valuations/lodging-an-objection>

SHIRE OF TOODYAY – PROPERTY RATING FACT SHEET

Differential rates

Council may choose to charge a different rate in the dollar for different categories of property.

The rate in the dollar for each category is determined through the following process:

1. Determine the amount to be raised from rates (usually expressed as a % increase);
2. For each of the categories determine the share of the total rates to be collected (usually this will maintain the same share as the previous year. If one fifth of rates were collected from UV Rural the previous year, the same proportion will be collected this year);
3. Work out the rate in the dollar that needs to be charged in each category to raise this amount.

In Toodyay we have the following Categories:

Category of Property	Description
General Rates – Gross Rental Value (GRV)	
Residential	Properties that are used for residential purposes
Commercial	Properties used for commercial purposes
Industrial	Properties used for industrial purposes
Rural and Rural Residential	Properties located with a rural setting but primarily used for residential purposes
General Rate – Unimproved Value (UV)	
General	Properties used for residential and/or minor rural pursuits
Rural	Broadacre farming over 100 ha

The intention of differential rates is to fairly share the cost of delivering Shire services across the different categories of ratepayers. If Council did not have differential rates, and applied a single UV and single GRV rate it would mean higher rates for farmers, rural residential and industrial properties and lower rates for commercial and residential ratepayers.

Shire Services

People often ask the question – what do I get in exchange for my rates. It is important first to understand that rates are a property charge that uses property value as a measure of the capacity to pay. It is not based on the extent to which you access shire services. Shire services include:

- Roads including bridges, footpaths, signage, drainage and maintenance;
- Parks and gardens, including parks, playgrounds, BBQ's, walk trails and conservation reserves;
- Sport and recreation facilities including skate park, ovals, sports courts, pavilions, grandstands and support for sporting groups;
- Public building including halls, medical centre, community buildings, public toilets and municipal buildings;
- Heritage buildings and museums, tourism and visitor centres;
- Public libraries, community information including websites;
- Regulatory services including Planning, Building and Environment Health;
- Emergency Management including support for fire brigades, fire prevention, evacuation centres, recovery;
- Ranger services including dogs and cats, stray stock, parking and fire breaks;
- Community development including services to youth, elderly, events, community development, tourism and visitor centres;
- All the other activities required to support this including management, financial control, Occupational Health and Safety (OSH), compliance, governance (Council), grants, advocacy and rates.