

ATTACHMENT 8.2.1

Submission 1

Background:

Up until about 2016, ratepayers in the GRV General category received a discount for paying their rates in full – option 1. About 2 weeks before that year's budget was brought down, the Shire faced an approximate \$150,000 deficit as a result of Newmont successfully appealing to the Valuer General over the valuation of the mine camp on Goldmine Rd. The result was that the aforementioned discount for GRV General ratepayers was abolished.

In 2017/2018 the GRV's were revalued in the Shire of Boddington and due to a general slump in the value of the residential property market in Western Australia, the Shire was faced with another challenge. To maintain budgeted income for the Shire, the GRV General rate in the dollar was increased by approximately 27%. This was to the detriment of most commercial properties, as commercial properties do not experience the same rollercoaster ride that residential properties do. It meant some massive increases in rates, reducing the bottom line of commercial property owners in the Shire. The increase in rates to the Motel business was 49%. When the residential valuations rise again as part of the property cycle, the commercial sector will again suffer, effectively making it a double blow.

Some business owners paying a lease to their landlords **do not** therefore agree with Council considering that this sector is contributing in a "fair manner" as stated below and it certainly does not give any encouragement or incentive to invest in a commercial venture in the Shire of Boddington.

Shire's Definition:

GRV General - This rating category covers all properties with a GRV valuation not categorised as GRV Mining. The proposed rate for 2021//22 is 11.1213 cents in the dollar GRV General. Rates provided by this category, including minimum rates at \$984 are approximately 18.1% of the total rate requirements of council. This sector comprises the residential and commercial properties in the town area and Council considers that this sector has been contributing to the services and infrastructure of the shire in a fair manner.

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The Proposal:

If **GRV General (Residential)** is assumed as a benchmark, the proposal is;

“That GRV General be split into;

- a) GRV Residential
- b) GRV Commercial
- c) GRV Unimproved
- d) GRV Holiday Home / B&B

with

GRV Commercial rate in the dollar set at the GRV Residential less 30%,

GRV Unimproved set at GRV Residential plus 50%

GRV Holiday Home / B&B set at GRV Residential plus 25%.”

Notes:

b) A **GRV Commercial** rate - set lower in the dollar compared to **Residential**, would reflect the economic circumstances associated with the significant fluctuation in valuations in the 2017/18 financial year in particular, but also future years of reduced valuations. This will help to retain current commercial activities during times of challenging economic circumstances and encourage diversification of the local economy and opportunity for more local employment. It would mean a slight increase to GRV Residential (General) as would be proposed by Council, however most owners of commercial properties within the Shire, are also owners of residential property. Commercial businesses in the Shire are a major employer in the community, who keep the day to day services in town running. The Shire of Murray has a substantially reduced GRV Commercial rate as an incentive for land on which commercial business is operated.

c) The addition of **GRV Unimproved** - would be an incentive for undeveloped properties to be improved. As an example, the empty blocks on the main street of Boddington have been a talking point for years and continue to be like ‘warts on a frog’. The development of Banksia Park at the end of Hotham Ave consists of 47 blocks, yet just seven (7) of them have dwellings on them. The Council, like many others already do, should consider the development of all vacant rateable land to be in the best interests of the community as it would improve the economy, amenity and vibrancy of the Shire.

d) A residential **GRV Holiday Home / B&B** rate - to apply to land zoned residential where a purpose for which the land is held or used to offer home short stay lodging primarily for tourism experiences, as suggested in an attachment 8.1.1c (pages 49-66 at the link below), presented to Council at the December 2020 Council meeting. The response addresses both the traditional and the unregulated sectors of the accommodation market. Similar to the opinion of the City of Fremantle, it would help cover the extra costs to the Shire associated with such an activity.

9. ELECTED MEMBERS' MOTION OF WHICH PREVIOUS MOTION HAS BEEN GIVEN:

Nil

10. URGENT BUSINESS WITHOUT NOTICE WITH THE APPROVAL OF THE PRESIDENT OR MEETING:

Nil

11. CONFIDENTIAL ITEM:

Nil

12. CLOSURE OF MEETING: