

# **Rating Discussion Paper Frequently Asked Questions (FAQ's)**

## **What's Happening With Our Rates?**

The City of Canning is asking for land and property owners to provide feedback on developing a new Rating Strategy before finalising and putting it forward to Council for consideration.

## **How Can I Be Involved?**

There are a variety of ways for City of Canning ratepayers to be involved. There is a survey located on our website [www.canning.wa.gov.au/rates](http://www.canning.wa.gov.au/rates) or on Your Say [www.yoursaycanning.com.au](http://www.yoursaycanning.com.au) where people can provide feedback. There will also be an information session held at the City of Canning Function Room on Wednesday 21 March from 5.30pm.

The consultation period runs from Monday 12 March 2018 to Saturday 31 March 2018.

## **What Will Happen After Feedback Has Been Given?**

Ratepayer feedback will be collated into a Rating Discussion Paper which will be presented to Council. Council will then decide if there is to be a change to the City's current Rating Strategy.

## **What is the Rating Discussion Paper?**

The Rating Discussion Paper is a document which outlines how the City plans to seek community and ratepayer feedback on the options available for a Rating Strategy.

## **What is a Rating Strategy?**

A Rating Strategy is a framework which would establish a fair and equitable share of rates to be paid by each property owner for the City's services and infrastructure provided to the community.

## **What is the City's Current Rating Strategy?**

The City's current Rates Strategy is a 'one size fits all' approach, meaning the rates for residential and commercial land and property are determined based on the same calculations.

## **Why Are We Doing This?**

It is proposed to establish a Rating Strategy to equitably and consistently share the burden of rates by City land owners. This would consider:

- Differential rating; rate amount is variable depending on land use (residential / non-residential / vacant)
- Specified area rating; charging some land owners more to contribute towards additional services (i.e. better street scaping) and towards new infrastructure (i.e. better roads and lights) and growing more trees in the City.

- Rating exemptions; properties exempt from paying rates could contribute to the cost of maintaining the City through higher charges.
- Rate notice charges; ratepayers electing to receive rates notices via post shall have charges applied to administer rates collection (pensioners excepted).

A rating discussion paper seeks community and ratepayers comment towards this.

### **What Doesn't It Do?**

A Rating Strategy does not determine the level of rates payable. Rather, it establishes a framework for which rates and charges will be shared by the community.

A Rating Strategy doesn't consider how much needs to be raised from rates, this is determined by the Annual Budget process adopted by Council.

### **How Are Rates Calculated?**

A property's Gross Rental Valuation (GRV) is the basis for calculating how much each property owner pays in rates. The GRV is calculated every three years by the State Valuer General. It is generally the yearly rent the property would expect to receive if rented.

Against this valuation, the City imposes a rate in the dollar along with setting a minimum rate charged.

### **What Is Gross Rental Value?**

It is the yearly rent the property would be expected to receive if rented.

Landgate values all properties in the State to complete what is known as a general valuation under the provisions of the [Valuation of Land Act \(1978\)](#). It is calculated by analysing actual rental information assembled from statistics obtained from property managers, owners and other sources. This means that properties are rated on their income earning potential rather than their resale value.

Rental values are influenced by factors like location, the age of a building, building materials, size, the number of car shelters and if there is a pool. By analysing property rents against these attributes and characteristics it is possible to assess a valuation for all properties – whether they are rented or not.

### **What is a minimum rate?**

A minimum payment is determined by the City so that all ratepayers make a reasonable contribution to the cost of Council's services and facilities.

### **What Is A Rate In The Dollar?**

It is the rates charged per dollar of Gross Rental Value. For 2017/2018 the rate is \$0.04412. The City's rate in the dollar is determined each year through the annual budget process.

City of Canning landowners are rated as follows;

Gross Rental Value x Rate in the Dollar = Rates + Rubbish + Security + ESL (State Gov't)



A separate annual charge is issued for rubbish and security services for each property. Rates notices are also required to include the State government Emergency Services Levy.

### **Why is the City looking to change the rating now?**

Gross Rental Values are reviewed by the State Valuer General every three years. The latest review has just occurred and resulted in increased residential valuations and a decrease for non-residential valuations.

This has created a shift in the rating burden and has prompted the City of Canning to engage with its ratepayers to determine which Rating Strategy they would prefer in the future.

### **What are the options for rates in the future?**

Currently, the City of Canning adopts a single rate in the dollar with a minimum rate charging across all rateable properties within the district, regardless if they are residential or non-residential. In changing the Rating Strategy there are four options to consider:

1. Differential rating - a different rate in the dollar for different properties for example:
  - Residential (where we live - units, duplexes, single residences)
  - Non-residential (where we work - shopping centres, industrial and commercial areas)
  - Vacant land (where no development currently exists)
2. Specified area rating - charging some land owners more to contribute towards additional services (i.e. better street scaping), towards new infrastructure (i.e. better roads and lights) and growing more trees in the City. *\*Public consultation will take place prior to commencement of any new works or services to any area that will incur a specified area rate.*
3. Rating exemptions - that properties exempt from paying rates could contribute to the cost of maintaining the City through higher service charges.
4. Rates instalment notice charges - if you receive paper rates notices by mail, should you contribute towards these costs (with the exemption of pensioners).

### **Does This Mean My Rates Will Go Up Or Down?**

No it doesn't. A rating discussion paper is considering the options available to how we can rate in the future. The annual budget process is what determines the rate charges and this occurs from June to August each year.