

SCHEDULE of SUBMISSIONS to CEO – NOTICE of INTENTION to LEVY DIFFERENTIAL RATES 2016/2017

Attachment 5.1(a)(1)

Details of Property and Record	Customer Comments <small>("xx" indicates verbatim; << xx >> indicates rephrased comment; [xx] indicates additional wording for clarity only)</small>	Rating Services Comment
<p>NSUB166862 23 June 2016 and 25 June 2016</p> <p>JG Newman</p> <p>A1741 2212 (Lot 4684) Scotsdale Rd KORDABUP GRV Rural Zone Improved Use</p> <hr/> <p>This submission was lodged to Councillor Seeney, and is included in this document due to the relevance of the comments to the 2016/2017 differential rating system</p>	<p>1. "...why is it that a rural zone is more expensive than a residential zoning?"</p> <p>2. "...we don't get rubbish removal or tip passes and also no footpaths, and other benefits of town living... [even though] we pay more rates"</p> <p>3. "Surely [paying more rates]... is not to cover the cost of... graded roads and... pruning of verges..."</p> <p>4. "...generally the rental value is less [for rural land]"</p>	<p>1. The submitter's property is used for a house and studio and has a Gross Rental Valuation of \$9,880. The proposed 2016/2017 rate charge is the minimum payment of \$1,023, being 4.92% greater than 2015/2016. The base minimum payment is \$999, to which the property would be levied if rated on the base.</p> <p>A higher differential, by 7.73%, and a higher minimum payment, by 2.40%, than the base provides for the lower density of dwellings in rural zoned areas although the services provided to the residents are no less than those provided to town residents, such as library, planning services, coastal facilities, road infrastructure, ranger services, building and environmental health services, and the myriad parks and gardens throughout the district.</p> <p>2. Tipping passes are for bulk items only and not to be accepted for general and putrescible waste. Recoverable items (recyclable, reusable) are accepted at the Green Skills Recycling Centre free of charge. Greenwaste is not charged for at the transfer stations subject to no inert material being mixed in the greenwaste, including soil.</p> <p>The kerbside waste collection in townsites and special residential zones and other approved zones is a user-pay service. The cost of tipping passes is accounted for by full cost recovery received from those residents who utilise the kerbside service. Tipping passes are not a new benefit to these residents; the scheme replaces a kerbside bulk collection service prior to approximately 2003, which was paid for by the users of the service at the time. With the majority of bulk items being recoverable, the tipping passes scheme may need review. Suggestions may include extending the tipping pass scheme to all ratepayers or perhaps UV land only, and/or extending the scope of permitted waste to include general and putrescible items.</p> <p>The submitter's comment about no footpaths is most likely a fact for at least 99% of rural zoned properties.</p> <p>The submitter raises the question of benefits of town living. The benefits of town living and rural living are a subjective argument that may be weighed up against each other as quite equal. Although rural living does not provide shops within walking distance or a five minute drive, rural living does provide benefits of lower density, arguably fresher air and increased privacy from neighbours.</p> <p>3. The collection of local government rate charges funds the shortfall in income required to cover all the expenses of the Shire of Denmark, including road maintenance.</p> <p>4. The average Gross Rental Value for each improved differential general rating category is:</p> <ul style="list-style-type: none"> o Residential/Non-Commercial Developed \$11,735 o Commercial Developed \$21,744 o Lifestyle Developed \$13,836 o Rural Developed \$15,555 o Holiday Use Developed \$14,035 <p>The submitter's comment is partly true when rural land on Gross Rental Value is compared to commercial land. For the majority of improved Gross Rental Value properties, rural land is valued greater.</p>

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<p>ISUB167863 16 July 2016</p> <p>JM Axe DW Head</p> <p>A3228 143 (Lot 955) McLeod Rd SHADFORTH GRV Rural Zone Holiday Use</p> <hr style="width: 20%; margin-left: 0;"/> <p>This submission was lodged the day after the submission due date, and is included in this document due to the customer having verbally contacted the Shire of Denmark during the submission period and having been granted a one day extension to comment on the 2016/2017 differential rating system</p>	<ol style="list-style-type: none"> 1. “As residents and ratepayers who run a small part-time tourism operation we ... support ... the differential rating system as... an equitable way to raise funds... We do not... support all of the objects and reasons...” 2. <<the objects and reasons state several times that>> “there is an additional cost to servicing properties that are tourism related, in particular, attracting greater numbers of vehicle usage on Council roads.” 3. “tourism is one of the number one assets to the Shire [and] contributes to the economy three fold via tourism spend and provides benefits back to the community through improved facilities. How then will the... differential rating system [address]... tree plantations... that rely on the enormous usage of council roads by heavy haulage vehicles? These vehicles are... more destructive... such questions must be answered if we are discussing ‘Council Rating Equity Policies’.” 4. “...the proposed increase [of 4.90% is] during... a period of economic uncertainty, when jobs growth is challenging and... the CPI for Perth is 1.1%... The RBA... has set a target... core inflation this year of between 2.0 [to] 3.0 percent on average... demonstrating restraint; and for the 12 months [ending] March 2016 Australia’s annual inflation rate was 1.3%... [and] wages growth in Australia is at historical lows.” 	<ol style="list-style-type: none"> 1. Noted 2. The proposed 2016/2017 Statement of Objects and Reasons refers to the additional cost of servicing tourism land for no less than seven differential general rating categories. The proposed 2016/2017 Statement of Objects and Reasons refers to the greater numbers of vehicle usage for all four UV Additional Use differential general rating categories. 3. The Shire of Denmark has as one of its strategic economic objectives, as stated in the Strategic Community Plan – Denmark 2031 Snapshot, the recognition that Denmark’s economy is diverse and vibrant and that its primary industries of tourism and agriculture rely on and enjoy natural and other assets that are sensibly managed and promoted. Within this objective is the goal of tourism to acknowledge the importance of tourism to the region, and, by innovative policies, practices and partnerships, to facilitate and encourage the greater year-round sustainability of tourism, whilst monitoring and managing its impacts. Also within this objective is the goal of agriculture to acknowledge agriculture as a diverse and prominent industry in the region, and to implement and advocate for policies and strategies that will assist farming to improve its effectiveness and viability. The submitter’s comments in relation the importance of tourism are supported by the Shire of Denmark through its Strategic Community Plan. The Shire of Denmark utilises the revenue raised from the tourism premium rates in the \$ and minimum payments to support tourism through funding local and regional organisations that promote the district on behalf of tourism operators, by installing, maintaining and upgrading visitor facilities and monitoring tourism operators for safety and compliance. The Shire of Denmark Council Policy P030101 ‘Council Rating Equity Policies’ defines <i>Rural Use</i> as including the Additional Use Class of ‘private tree plantation’ as listed in Table 1 – Zoning Table of Town Planning Scheme No. 3. Plantation haulage vehicles are expected to service this use only once in five years, whereas tourism providers receive visitors regularly throughout a year. Local government receives alternative revenue through the Commodity Routes Supplementary Fund to meet the cost of maintaining heavy haulage routes. 4. The submitter’s comments have not been validated; however, Council is now proposing to consider a reduced increase to the rating revenue, down from 4.90% as advertised to 3.50%. The latter reduced increase recognised the current economic climate and is possible through strong fiscal leadership to ensure that efficiencies are identified in the 2016/2017 Municipal Budget and through the reduction in spending on non-priority operating and capital expenses.
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<p>5. "...we urge the Shire Council to be sensitive to the impost an increase of 4.9% (or more) may present for many ratepayers and whether this is entirely fair and reasonable."</p> <p>6. <<the submitter refers to a July 2015 State Government media release in relation to small local governments reportedly rejecting efficiency reforms such as amalgamating, rating caps and also raising rating revenue by more than twice the CPI>></p> <p>7. The City of Albany... originally proposed a 4.5% increase... [but has adopted] a 3.5% increase due to the economic climate."</p> <p>8. "We submit that the Shire Council... take a moderate approach to the percentage increase and continues to look at providing services to the community at an affordable and achievable level."</p>	<p>5. The Shire of Denmark reviews its expenditure at the beginning of each financial year and considers efficiency measures before determining the total rating revenue to be levied. For this financial year, the Shire of Denmark initially considered in early June 2016 that the shortfall in expenditure required to be met by the local government rate charge was \$5,935,063. The advertised differential rating system reflected this shortfall. Following further budget workshops, the shortfall has been reduced to \$ 5,687,574. The reduction in the shortfall represents a 3.50% increase to the total rating revenue and is considered by Council to be a fairer average increase to ratepayers in the district than the originally advertised 4.90%</p> <p>6. The media release referred to is yet to be located on the State Government Media Statements website. However, the Shire of Denmark is committed to its strategic governance objective of providing renowned leadership in sustainability, consulting with its community, managing its assets and providing transparent and fiscally responsible decision making. The Shire of Denmark seeks to develop safe income generating assets and to maximise external funding, both of which will continue to benefit the community by not only reducing the shortfall in revenue required to be collected from ratepayers, but also provide facilities to meet the wants and needs of the people of the district.</p> <p>Should the people of the Denmark district or the State Government request or require the Shire of Denmark to consider amalgamation, then the matter will be considered at that time.</p> <p>CPI is a measure that represents the average increase to a number of services and goods traded in the community. Not all organisations, businesses and governments will amend their prices according to the CPI. If the Shire of Denmark were to only increase its rating revenue by CPI, then the Shire of Denmark may not be able to effectively meet its core obligations required under legislation and expected by the community. Various factors influence the change in costs each year, including supplier charges, minimum wage increases, State and Federal Government funding shortages and increases in charges, and the success in obtaining grants. The consideration of an increase in rating revenue is not simply a factor of CPI and nor should it be for any business, organisation or government. CPI is simply an average measure of the economy representing actual costs in the past and not a measure of the future expected costs determined by a lengthy budget process over many months.</p> <p>As the submitter has specifically mentioned in their submission, local government may be expected to implement large capital projects that the community requires or wants and this can at times only be partly funded by large increases in rating revenue.</p> <p>7. Noted. Council is expected to consider a 3.50% increase.</p> <p>8. Noted. See previous comments.</p>
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9. “Finally we would like to take this opportunity to compliment the [CEO on his] staff. Over the years we have had many dealings with the staff at all levels, from the front office to the Director’s, involving many different issues. On all occasions we have found them to be friendly, professional and responsive.”

9. Noted. Staff have been provided with this feedback.