

# Your Rates 2021–2022

## Dear Ratepayer

The City of Cockburn's 2021-22 Budget has been adopted by Council, with Cockburn households continuing to pay some of the lowest rates in Perth, despite ongoing economic challenges posed by the COVID-19 pandemic.

Council has retained the COVID-19 concession at 50 per cent of the 2020-21 level for eligible Residential Improved properties only. The concession has not been retained for Commercial, Industrial and Vacant Land properties, in-line with the removal of similar Commonwealth Government concessions and support measures.

The budget incorporates a rate rise of 1.5 per cent, with Cockburn's average residential improved rate being \$1,596 for 2021-22 (inclusive of concessions). Rates collected this year will total \$112.17m with a capital budget of \$36.19m, including roads, drainage, parks and community infrastructure.

2021-22 is the 12th consecutive year Council has adopted a balanced budget with a small overall surplus, together with a surplus on the operating account, which are both primary indicators of financial health and performance.

As always, the City will continue to offer a range of rate payment options, including SmartRates which allows ratepayers to make weekly, fortnightly or four weekly direct debit payments, providing greater convenience and assisting rates affordability.

Under the City's financial hardship policy, the waiving of interest and other fees on rates for those affected by the pandemic will further assist in alleviating the financial burden on ratepayers. Financial counselling services are offered to individuals and families and I encourage their use if you are facing financial difficulties.

In closing, I thank the Elected Members, staff and the many volunteers across the community for their contribution to the uncertain times that have impacted life as we know it and look forward to their support and guidance as we work together for the greater good.

**His Worship the Mayor Logan K. Howlett, JP**



**Sign up to eRates and you will receive your rate notice via email:**

 Easy to save & retrieve electronically, including your six trailer passes

 Easily retrieve & scan your trailer passes using your mobile phone when visiting the Henderson Waste Recovery Park

 Less paper, more trees, healthier environment

## How do I calculate my rates?

<b>Rates</b> \$ =		GRV OR UV x Category Rate – any applicable Rates Concessions
<b>GRV</b>	=	Your property's estimated YEARLY RENTAL INCOME
<b>UV</b>	=	Your property's estimated LAND VALUE (no improvements)

Property values are based on either the Gross Rental Valuation (GRV) or the Unimproved Value (UV). GRV is the most common valuation method in the City of Cockburn as UV is mainly used for rural land uses including farms, market gardens, nurseries and turf farms to name a few.

Your property's GRV or UV is stated on your rates notice at the top right hand corner and is supplied to the City by the Valuer General through Landgate.

## Category rates

Category	Rate (\$)	Minimum amount (\$)
<b>Gross Rental Value (GRV)</b>		
Improved Residential	0.08638	1,373
Improved Commercial & Industrial	0.08342	798
Improved Commercial – Caravan Park	0.11247	798
Vacant	0.09282	722
<b>Unimproved Value (UV)</b>		
Rural General	0.00272	972
Rural Vacant Land	0.00419	972
<b>Other</b>		
Specified Area – Port Coogee, Port Coogee Waterways Cockburn Coast	0.012868	N/A
Bibra Lake Sewer Stage 1	0.020204	N/A

A minimum payment amount applies to each category rate, except for specified area rates.

## Rates concession

You are eligible for a rates concession if you have a single dwelling under the Improved Residential property category and your property's GRV value is above the adopted concession threshold of \$20,690. The concession ensures that the yearly rates increase for each single improved residential property doesn't exceed the percentage set by Council in its annual budget.

This is necessary as waste and security charges were previously incorporated into general rates.

The concession is calculated using a rate of \$0.02857 multiplied by the amount of GRV your property is over the threshold.

## Additional charges

The following annual charges administered by the City of Cockburn are in addition to your rates and are shown on your rates notice as they apply to your specific property.

Further details regarding applicable fees and charges can be found in the City's Annual Budget 2021-22.

Rubbish & Recycling	\$/Year
Rubbish Service 240L – Non-Residential Improved Property only	458
2nd Rubbish Service	225
2nd Recycle Service	140
Surcharge to Unmanaged Bin Store	550
Rubbish Service – Rate Exempt Properties	510
Mobile Bin Levy 240L	100
Shared Mobile Bin Levy 240L (Strata/Grouped Housing Developments)	33

Other	
Surcharge to Unit within a Complex	930
Pool Inspection – Annual Levy	43.70

## COVID-19 concession

Council has retained the COVID-19 concession at a reduced rate of 50 per cent this year, but only for affected residential improved properties.

Those residential improved properties eligible last year will receive the reduced concession except where circumstances for their property have changed (i.e. type of use, any improvements made, GRV changes).

The COVID-19 concession will not apply to commercial, industrial or vacant land properties this year.

## Emergency Services Levy (ESL) – State Government charge

The Emergency Services Levy is a compulsory charge for all property owners and is issued by the State Government. For more information contact the [Department of Fire and Emergency Services \(DFES\)](https://www.dfes.wa.gov.au) at [dfes.wa.gov.au](https://www.dfes.wa.gov.au)

## Objects and Reasons for 2021-22 Differential Rates

The objective of the rates and charges in the 2021-22 budget is to provide for the net funding shortfall of \$112.17m in Council's operational and capital program for 2021-22. We have increased rates by 1.5 per cent for 2021-22 to ensure we can deliver the essential services and projects to our community.

Please note there was no rate increase in 2020-21. Council also implemented a COVID-19 concession for all properties to ensure individual rates were no more than the previous financial year. The concession was implemented to offset any adverse impacts from the three yearly revaluation process and subsequent overall fall in the Gross Rental Value (GRV) on all properties rated using this methodology.

Council has retained the COVID-19 concession for residential improved properties at a reduced rate of 50 per cent. Retaining half of the concession will soften the GRV revaluation impact on rate increases for 2021-22, while also negating the need for a larger catch-up rate increase in 2022-23 to service what would be a growing net funding shortfall in the operational and capital budget.

The concession will be removed for commercial, industrial and vacant land (in-line with other government support measures wound back), as the economy is showing positive signs of recovery.

The table below shows the net funding shortfall of \$112.17m which will be funded via the 1.5 per cent increase in rates for 2021-22.

Budget 2021-22	\$m
Operating Revenue	48.19
(Less) Operating Expenditure	(157.05)
(Less) Capital Expenditure	(36.19)
Plus Capital Grants & Contributions	12.64
Plus Proceeds from Asset Sales	1.15
(Less) Net Financial Reserve Transfers	(14.32)
Plus New Loans	Nil
(Less) Loan Repayments	(4.02)
Plus Operation adjustment for Depreciation & Profit & Loss	37.59
(Less) Surplus Carried Forward	(0.16)
<b>Rate Setting Statement Deficit funded from Rates</b>	<b>\$112.17</b>

## Differential General Rating

The purpose of imposing a differential general rate between improved and vacant properties in the residential, commercial and industrial areas (all rated on GRV valuations) is to obtain fair income from unimproved land within the municipal district. Utilisation of GRV values for vacant land means that the revenue generated is less than that applicable under the UV system.

Council believes that the commercial and industrial sectors generate high traffic volumes with heavier loads and should contribute at a higher level than residential for road construction, maintenance and refurbishment including road drainage systems.

The rural/urban farmland areas are rated based on the UV valuations issued by the Valuer General of WA every year.

## Differential Rate Categories

### Residential Improved (GRV)

This rate category imposes a differential general rate on land valued on a GRV basis, which is zoned under the Town Planning Scheme No.3 for residential purposes and having improvements erected on it.

The objective of this rate is to apply a base differential general rate to land zoned and used for residential purposes and to act as the City's benchmark differential rate by which all other GRV rated properties are assessed.

This rate ensures that all ratepayers make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout Cockburn. It is lower than the vacant land differential rate as the City is encouraging landowners to develop land rather than land banking.

The City will retain the COVID-19 concession but reduce it by 50 per cent. This defers the adverse impact, in part due to the revaluation of GRV that occurred in 2020-21 for another year.

### Vacant Land (GRV)

This rate category imposes a differential general rate on land valued on a gross rental value basis, which is zoned under the Town Planning Scheme No.3 for the purpose of residential, commercial or industrial purposes and being vacant land.

The objective of this rate is to promote the development of vacant land within Cockburn. Vacant land has a higher differential general rate which

provides a disincentive to owners for land banking and not developing their vacant land.

The COVID-19 concession applied for 2020-21 will not be retained for 2021-22.

### **Commercial & Industrial Improved (GRV)**

This rate category imposes a differential general rate on land valued on a gross rental value basis, which is zoned under the Town Planning Scheme No.3 for commercial or industrial purposes and having improvements erected on it.

The objective of this differential rate category is to raise sufficient revenue to offset the costs associated with increased maintenance of infrastructure, particularly transport related infrastructure, and higher levels of services associated with properties in this category.

The COVID-19 concession applied for 2020-21 will not be retained for 2021-22.

### **Rural General Improved (UV)**

This rate category imposes a differential general rate on land valued on an unimproved value basis, which is zoned under the Town Planning Scheme No.3 for rural general or rural general urban farm land purposes and having relevant buildings erected on it including those being used for commercial or industrial purposes.

The objective of the rate is to impose a differential rate commensurate with the rural use of the land and to ensure that all ratepayers make a reasonable contribution towards the provision of works, services and facilities throughout the City and their ongoing maintenance. It is also the City's benchmark differential UV rate and the base rate by which all other UV rated properties are assessed.

### **Rural Vacant Land (UV)**

This rate category imposes a differential general rate on land valued on an unimproved value basis, which is zoned under the Town Planning Scheme No.3 for rural purposes and being vacant land.

The objective of this rate is to promote the development of vacant land within Cockburn, effectively providing a disincentive to owners for land banking and not actively developing their vacant rural land for its intended purpose.

### **Commercial Caravan Park (GRV)**

This rate category imposes a differential general rate on land valued on a gross rental value basis, which is zoned under the Town Planning Scheme No.3 for the purpose of a commercial caravan park and catering for permanent trailer homes and non-permanent caravans.

The objective of this rate is to ensure that the City's caravan parks, predominantly permanent trailer homes, make an equitable contribution to the City's services and facilities like any other residential land owner. It is also to maintain rating equity with other small unit dwellings in the City. The aim is to achieve a rate equivalent to 80 per cent of the minimum residential improved rate over a period of 10 years. Pension rebates have been factored in so no pensioner is disadvantaged.

### **Fire Control Order (Summary)**

effective from 10 May 2018

applicable 1 November - 15 April each year

The complete City of Cockburn Fire Control Order is available in Portuguese, Italian, Croatian and Cantonese upon request. As an owner or occupant of vacant or developed land in Cockburn, you are required by law to comply with the following.

#### **Properties LESS than 4,047m<sup>2</sup>**

- Have all flammable materials such as dry grass and weeds slashed, mown or trimmed down by other means to a maximum height of 50mm across the entire property for the duration of the firebreak time. Refer to the definitions in the Fire Control Order
- Remove all dead vegetation.

#### **Properties LARGER than 4,047m<sup>2</sup>**

- Construct a firebreak (as defined within Section 3 of the Fire Control Order) immediately inside all external property boundaries. This includes those adjacent to roads, drains, rail reserves and any public open space reserves
- Remove all dead vegetation surrounding and over all habitable structures to a radius of three metres except living trees, shrubs, maintained grass and gardens under cultivation.

To find out more about fire prevention and to read the City's complete [Fire Control Order](https://www.cockburn.wa.gov.au/FireControlOrder), visit [cockburn.wa.gov.au/FireControlOrder](https://www.cockburn.wa.gov.au/FireControlOrder)