

# Statement of Rating Objects and Reasons



Town of Cottesloe

## Differential Rates 2024/2025

The Town of Cottesloe utilises a differential rates system to ensure a fair and balanced distribution of property rates amongst various land uses within the Town. This system aligns with Section 6.33(1) of the *Local Government Act 1995*.

Key Factors for Differential Rates:

- **Land Zoning:** The primary purpose for which the land is zoned, as outlined in the current Town Planning Scheme.
- **Land Use:** The actual use of the land, as determined by the Local Government (i.e. Commercial Town Centre).
- **Vacancy Status:** Whether the land is currently developed and occupied.

The rates are set at differential levels that provide, as far as is practically possible, a fair and equitable distribution of the rates to each category having regards to the total services provided by the Town.

The Town has the following differential rating categories and minimum rates, namely:

**Residential Improved:** all improved land that is zoned for residential purposes (i.e primarily residential land) and that is not zoned for commercial or industrial uses.

Proposed Rate in the Dollar/Minimum Rate for 2024/25 = 0.05594/\$792

**Residential Vacant:** all vacant land that is zoned for residential purposes (i.e primarily residential land) that is not zoned for commercial or industrial uses.

Propose Rate in the Dollar/Minimum Rate for 2024/25 = 0.06677/\$1383

**Commercial Improved:** all improved land that is zoned for commercial uses, other than land determined to be categorised as Commercial Town Centre.

Proposed Rate in the Dollar/Minimum Rate for 2024/25 = 0.06677/\$1383

**Commercial Vacant:** all vacant land that is zoned for commercial or industrial uses, other than land determined to be categorised as Commercial Town Centre.

Proposed Rate in the Dollar/Minimum Rate for 2024/25 = 0.06677/\$1100

**Commercial Town Centre:** land used for commercial and industrial purposed and non-residential land, located in the Cottesloe Town Centre area. The higher rate reflects the additional costs associated with area promotion and improvement. The Town works with the organisation known as ProCott Inc. to achieve these objectives.

Proposed Rate in the Dollar/Minimum Rate for 2024/25 = 0.07988/\$1400

**Industrial:** all improved land that is zoned for industrial uses, other than land determined to be categorised as Commercial Town Centre.

Proposed Rate in the Dollar/Minimum Rate for 2024/25 = 0.06677/\$1383

Previously, residential improved land was the base rate for comparison. This resulted in a uniform differential rate across all categories (except Commercial Town Centre) with the same rate in the dollar and minimum payment.

For 2024/25, the Town will be separating the Domestic Waste Services charge from rates charges, a significant cost only applicable to residential improved properties. In implementing this change, the Town needs to ensure residents in this category are not charged twice – once in rates and again through a separate Domestic Waste Services fee. Consequently, the rate in the dollar and minimum rate for Category 1 (Residential Improved) will be lowered.

It's important to note that apart from the revised Domestic Waste Services charge and the corresponding adjustment to the Residential Improved rate, there will be no changes to the provision of Town services across the various rate categories compared to previous years.

### **Minimum Rates 2024/25**

A minimum payment is applied to each rate category in recognition that every property receives at least minimum level of benefit from works and services provided by the Town.

The minimum payment for each category is set at a level that is relative to the rate in the dollar for each for each differential rate group. Each is proposed at an amount which recognises the characteristics and particular demand on the Town's infrastructure and services.

Minimum Rates have been set so that no more than 50% of the total properties in each category will be charged minimum rates. This may result in minor adjustments to each minimum to avoid exceeding this 50% of properties threshold.