

19 October 2017

«Ass_Ratepayer_Name»
«Ass_Ratepayer_Address»

Dear Sir/Madam,

Re: Review of valuation method used for rating properties within the City of Swan
Property Address: «Ass_Assm_Location»

The City of Swan is undertaking a review of the method of valuation applied to properties within the district. During this review we identified a number of properties currently rated as Unimproved Value (UV) that may no longer be used for rural purposes.

An initial assessment of your property has identified that it may require a change from UV to Gross Rental Value (GRV) and we request your assistance in confirming this information.

We are required to review the use of land on the following basis:

- Unimproved Value (UV)- where the land is used predominately for rural purposes; or
- Gross Rental Value (GRV)- where the land is used predominately for non-rural purposes (eg: residential)

In determining predominant land use, all relevant factors will be taken into account including the activity conducted on the land, any development on the property, income generated from or on the property and Local Planning Scheme restrictions. The extent of services provided is not a relevant consideration.

Could you please complete the attached Land Use Declaration form and return it using the reply paid envelope within 21 days.

If you do not return the declaration within 21 days, it will be assumed that your land is used predominately for non-rural purposes and an application will be made to the Minister to request a change for your property to GRV.

If you declare your property is used predominately for rural purposes, a further assessment of your claim will be undertaken prior to making a final determination.

The process for changing the basis of valuation is for Council to firstly approve the properties based on section 6.28 of the Local Government Act. An application by the City is then made to the Minister to gazette the change in basis of valuation for the applicable properties. It is envisaged that this will be completed next year with the correct basis of valuations supplied by the Valuer General the 1st July 2018 (please refer to FAQ's for further information).

We will be holding informal drop-in sessions for interested ratepayers. You can visit us at:

- Gidgegannup Show* – City of Swan Stall - on **Saturday, 28 October (9am-12pm)**.
Gidgegannup Showgrounds, Old Toodyay Road, Gidgegannup.
*entry fee applies to showgrounds.
- Ethel Warren Bullsbrook Community Centre, **Saturday, 4 November (9am-12pm)**.
Maroubra Ave, Bullsbrook.

Should you wish to discuss this matter please phone Rating Services on (08) 9267 9160.

Yours sincerely



Adnana Arapovic

Manager
Financial Services and Rates

Land Use Declaration Form template

Section A – Property and Owners Details

Assessment Number: [\[Click here to enter text.\]](#)

Property Owner (s): [\[Click here to enter text.\]](#)

Property Address: [\[Click here to enter text.\]](#)

Section B – Property and Land Use Details

Question 1: Is the property used for 'rural purposes'? (check box) Yes No

Note: A 'rural purpose' means a purpose pertaining to agriculture and agriculture is defined to mean the use or cultivation of land for any purpose of husbandry or horticulture, including the raising of livestock and the growing of crops.

If you answered **Yes** to this question, please proceed to Question 2.

If you answered **No** to this question, please disregard Questions 2 to 7 and proceed to sign and return this declaration.

Question 2: Which of the following land uses best describes the rural base of your property? (check box)

Horticulture	<input type="checkbox"/>	Forestry	<input type="checkbox"/>	Stabling, agisting, training horses	<input type="checkbox"/>
Viticulture	<input type="checkbox"/>	Orchards	<input type="checkbox"/>	Poultry Production	<input type="checkbox"/>
Apiculture	<input type="checkbox"/>	Porcine Production	<input type="checkbox"/>		

Grazing Please describe: [\[Click here to enter text.\]](#)

Growing Please describe: [\[Click here to enter text.\]](#)

Other Please describe: [\[Click here to enter text.\]](#)

Question 3: Do the agricultural activities carried out on the land, represent the predominate use of the land? Yes No

Question 4: Do you earn your livelihood from these activities? Yes No

Question 5: Please attach copy of Primary Producers Registration

Question 6: Do you reside on the property? Yes No

Question 7: Please attach copy of ABN Certificate

Note: It is unlikely that land used as a hobby farm would satisfy the definition as land used predominately for rural purposes.

Section C – Declaration

I / we declare the above information to be correct to the best of my / our knowledge.

Owner (s) name (s):

Owner (s) signature:

Date:

Please ensure all relevant sections of this form are completed before returning in the envelope provided. Thank you.

Section 6.28 of the Local Government Act 1995

Basis of rates

- (1) The Minister is to –
 - (a) Determine the method of valuation of land to be used by a local government as the basis for a rate; and
 - (b) Publish a notice of the determination in the Government Gazette.
- (2) In determining the method of valuation of land to be used by a local government the Minister is to have regard to the general principle that the basis for a rate on any land is to be –
 - (a) Where the land is used **predominantly for rural purposes**, the unimproved value of the land; and
 - (b) Where the land is used predominantly for non-rural purposes, the gross rental value of the land.
- (3) The unimproved value or gross rental value, as the case requires, of rateable land in the district of a local government is to be recorded in the rate record of that local government

Interpretation of 'rural purposes'

The phrase '**rural purpose**' is not defined in the Local Government Act and has not been judicially considered. In these circumstances, the ordinary and natural meaning of the phrase should be applied taking into account the context of section 6.28 of the Local Government Act.

'**Rural**' means the character of non-urban areas where agriculture is carried out.

'**Rural land**' means lands on which grazing, vegetable, animal production or other agriculture or horticultural activities are conducted. In determining whether land is 'rural land', it is the physical use of the land which is relevant.

From these definitions, it can be adduced that a rural purpose would mean a purpose pertaining to agriculture. 'Agriculture' has been defined to mean the use or cultivation of land for any purpose of husbandry or horticulture, including the raising of livestock and the growing of crops. Using land for open space is not permitted use for agriculture and therefore would not be a rural use of the land.

Interpretation of 'predominantly'

The word 'predominantly' is also not defined in the Local Government Act however the Land Valuation Tribunal of WA considered its meaning in a related context and laid down the following principles;

- The predominant use of land is one of fact and degree,
- "...where a part of the premises is used for a purpose which is subordinate to the purpose which inspires the use of another part, it is legitimate to disregard the former and treat the dominant purpose as that for which the whole is being used", and
- the predominant purpose for which land is used is determined by more than simply the area of land that is occupied for a particular use.

Conclusions;

- a) whether land is being used for rural purposes depends on whether agriculture is being carried out on land;
- b) whether rural use of the land is the predominant purpose is a question of fact and degree and must be determined on an individual basis by considering the use of the land as a whole and not simply the area of land occupied for a particular use;
- c) it is a question of fact and degree as to whether the particular agricultural activities that are being carried out on the land, including the commercial nature of those activities, are sufficient to conclude that the land 'is used predominantly for rural purposes' for the purposes of section 6.28 (2)
- d) as a general proposition, it is unlikely that land used as a hobby farm would satisfy the description of land 'used predominantly for rural purposes'; and
- e) unless, in a particular case, there is sufficient evidence that land 'is used predominantly for rural purposes', then the City would be correct in assessing rating charges on the gross rental value of the land and not the unimproved value of the land.

Frequently Asked Questions

1. What is the difference between UV and GRV?

Unimproved Values (UV) - Where the land is predominately used for rural purposes and a livelihood is derived from the land, the land is assessed on the value of the site without improvements. UV properties are revalued every year.

Gross Rental Values (GRV) - Where the land is used predominately for non-rural purposes, values are determined based on the gross annual rental value of the property. GRV properties are revalued every three years in the metropolitan area and every three to five years in other areas of Western Australia.

2. Who determines the basis for the rating of a property?

The Minister for Local Government determines whether GRV or UV is appropriate.

3. Who determines the value of a property?

Valuations are carried out by the Valuer General's Office of Landgate.

4. How do valuation methods determine rates?

The Valuer General's Office provide us with values for all properties within the City of Swan, either the GRV or UV depending on predominant land usage. This value is then multiplied by either the GRV or UV rate in the dollar determined by council to calculate rates for each individual property.

5. If my property changes from UV to GRV will my rates increase?

They could increase or decrease. This will depend on the valuation provided by the Valuer General's Office and the rate in the dollar.

6. What happens if I do not return this declaration?

If the declaration is not returned it will be assumed that the land is used predominantly for non-rural purposes based on the data already obtained for your property.

7. When will these changes take place?

Our aim is to have these changes in place for the 2018/2019 financial year, and involves the following steps:

1. Officers consider your submission and the evidence, using a range of techniques, including aerial photographs and/or site visits, to determine if they consider the change to be appropriate.
2. A report is prepared for Council who considers all submissions and makes a decision on the proposed changes.
3. Details of the properties are sent to the Minister for Local Government for approval of the change to land use.
4. Once finalised all changes will be published in the Government Gazette and the local government is notified by the Minister.
5. The Valuer General will then revalue the property and notify the local government who will apply the new valuation method in the future.

8. My Council services are still the same, so why is the method changing?

Changing the method of valuation from UV to GRV is not related to the services provided. It is solely determined on the use of the land.

9. Will a change in valuation method affect my current use of the property?

If the method of valuation for your property changes from UV to GRV it does not affect or change the current land uses applicable to your property.

10. What if I think my property use will change in the future?

If your property use changes in future you can apply to the City of Swan to have it reassessed.

11. Where can I find more information?

The Department of Local Government and Communities has adopted a set of Operational Guidelines, which provide a framework for local governments. These are available online at www.dlglc.wa.gov.au.