

# Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Town, the following rate categories have been determined for the implementation of differential rating.



Description	Characteristics	Objectives	Reasons
<b>Residential GRV</b>	This differential rate category imposes a general rate on land valued on a gross rental value basis, which is zoned, held or used for residential purposes and having improvements erected on it.	The objective of this proposed rate is to apply a base differential general rate to land zoned and used for residential purposes and to act as the Town's benchmark differential rate by which all other GRV rated properties are assessed.	<p>The reason for this rate is to ensure that all ratepayers make an equitable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the Town.</p> <p><b>Minimum Payment</b> The minimum payment has been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.</p>
<b>Commercial GRV</b>	This differential rate category imposes a rate on land valued on a gross rental value basis, which is zoned, held or used for commercial purposes and having improvements erected on it. This category also includes 'Sporting Clubs - Commercial'. They are the East Fremantle Lawn Tennis Club, Fremantle Rowing Club, East Fremantle Yacht Club and Swan Yacht Club. These clubs generate commercial revenue through food and beverage, as well as hire of facilities. The Town has tenure agreements in place with each of these organisations which entitles the Town to levy rates and service charges.	The objective of this proposed rate is to apply a rate to commercial properties in order to raise additional revenue to offset the associated higher levels of services to properties in this category. The objective of the differential rate category for Sporting Clubs - Commercial is to ensure that sporting clubs are contributing to the capital and maintenance expenses associated with the provision of dedicated infrastructure and facilities for the use of all community groups and sporting clubs. The Town has finalised the Preston Point Facilities Master Plan which identifies over \$11m worth of capital projects. The East Fremantle Tennis Club and East Fremantle Yacht Club are located within this precinct. The Town is also undertaking a \$33.6m redevelopment of the East Fremantle Oval Precinct which incorporates dedicated facilities for the East Fremantle Bowling Club, East Fremantle Football Club and East Fremantle Croquet Club.	<p>The reason for this rate is to ensure additional funding for parking infrastructure, road maintenance and construction, drainage, streetscape, litter control, urban style guides and regulatory compliance.</p> <p><b>Minimum Rate</b> The minimum rate has been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.</p>

# Variation in Adopted Differential Rates to Local Public Notice

The following rates and minimum payments were previously set out in the local public notice giving notice of the intention to charge differential rates.



Differential General Rate or General Rate	Proposed Rate in \$	Adopted Rate in \$	Reasons for the Difference
Residential GRV	0.06854	0.06893	An amendment was made at the meeting when the Budget was adopted to increase the gross rate yield for each category by 5% compared to a 4.5% increase in yield that was advertised. The additional rate increase derives circa \$43,541 in additional rate revenue, which is to be transferred to the Sustainability and Environmental Reserve, and used to fund the LED Street Light Replacement Project. Council has recently endorsed the Climate Emergency Strategy, and following a presentation of the MARKYT Community Scorecard results on 13 June 2023, Council wishes to demonstrate strong leadership in this area.
Commercial GRV	0.11598	0.11684	
Minimum Payment	Proposed Minimum \$	Adopted Minimum \$	Reasons for the Difference
Residential GRV	1,237	1,243	See above - minimum rates have been increased by 5% rather than 4.5%.
Commercial GRV	1,850	1,859	See above - minimum rates have been increased by 5% rather than 4.5%.