

# Gidgegannup Progress Association (Inc.)

Working with the Community – For the Community



30<sup>th</sup> March, 2019

Department of Local Government  
[actreview@dlgsc.wa.gov.au](mailto:actreview@dlgsc.wa.gov.au)

Dear Sirs,

## **Re.: Submission on The Local Government Act 1995 Review Phase 2**

Thank you for the opportunity to comment on the Review of the Local Government Act 1995 Phase 2. We have completed and submitted all the Survey forms but wished to comment further on Rates.

We are concerned that the definitions and interpretations of the wording in the present Act are unclear and badly defined.

### **6.28 Basis of Rates:**

- (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.

The words “rural purposes” and “non-rural purposes” are not defined and, as such, an interpretation has been put on them to suggest that landowners in order to be considered to qualify for UV rating need to earn their livelihood from agricultural activity. They may earn an income but the vast majority of people would require a supplementary income of some sort, pensions, investment income, employment outside the property. There is also the suggestion that they should be involved in primary production but no definition.

The Definition of primary production for the purpose of the Tax Act is as below:

## What is primary production?

For the purpose of the Tax Act, a primary production business must produce primary production under one of the following categories:

- cultivation of land
- maintenance of animals for the purpose of selling them or their bodily produce
- fishing operations
- forest operations
- horticulture.

A taxpayer does not need to derive all of their income from the primary production activity to qualify, so they may also be employed in some other occupation or profession.

Also the Local Government Act says nothing about livelihood as a basis for determining whether a land should be valued on a UV or GRV basis

This then raises the query as to what are “rural Purposes” as opposed to agricultural activities. Rural is defined as “relating to or characteristic of the countryside rather than the town”

Many people move to the rural areas of the City of Swan for just that a life in the countryside. Life in the countryside does not always mean agricultural. People move to Gidgegannup to live in the rural residential areas to have a horse, a couple of sheep, a couple of cows, chooks, a vegie garden, not to conduct agricultural activities. This, if we go back to the North Eastern Hills Settlement Pattern Plan defines the “Hills Lifestyle”.

Landowners in Rural areas have many obligations that the landowners in Urban areas do not have. They are required to conserve vegetation and water courses, practise weed and vermin control, create bushfire protection zones round their dwellings, install fire breaks, maintain the rural aspect and a great number of other obligations. They do not have all the services that Urban areas have. Far from it. They live in these Rural areas because they wish to do so and do derive benefit from living in this way. Ultimately though they are Rural zoned and this can be restrictive.

There are also many levels of rural living – General Rural, Rural Residential, Agricultural, Farmland, Conservation so the land use varies. But they are all zoned Rural.

What we would suggest is that Rural Zoned is rated Rural (UV) with differential rating for the different categories and that Urban Zoned is rated GRV and those two categories are kept separate. They can't be mixed and landowners cannot change between them. It is the zoning that governs the rating. This makes it clear and unambiguous.

Thank you.

Yours sincerely,

Sally Block

Chairperson

Gidgegannup Progress Association Inc.