

THE RATING SYSTEM NEEDS TO BE REVIEWED.

The current method of rating properties ie: GRV is a flawed system which makes no sense.

Reasons:

1. Rating using GRV is unfair, adjacent properties on similar land areas with identical services should be rated alike. The supposed rental value should not be relevant, just because you have a bigger or nicer house, which may command a higher rental valuation than your neighbours, you should not be penalised with higher rates.
2. GRV is an assumed/fictional income. Most people actually live in their house and will never make any income from it.
3. The GRV system gives rise to the assumption that rental valuation relates to the ability to pay more in rates. Some people may be pensioners or have a low income and live in a higher GRV rated property than their neighbours who may be on a much higher income living in a lower GRV rated property.
4. Ratepayers with a higher GRV rated property will be likely to have a larger mortgage leaving them with less funds to pay the higher rates.
5. Local government should not be making judgements on what TAX (rates) people can afford to pay on their property, surely TAXATION is the domain of the ATO.
6. Rates also should be assessed with reference to services provided to a property ie: less services = lower rates, not on the rental valuation of a property. Ratepayers in rural areas with few or mostly no services should not be rated as highly as ratepayers in suburbia who have access to all services.
7. The type of property you choose to live in is a personal choice. How you spend your after tax income is also a personal choice. When purchasing goods and services everyone is treated on an equal basis. Local government, who must use GRV to assess rates, are able to discriminate between neighbours receiving the same services.
8. Water, power, gas, rubbish collection etc are all charged on a user pay system. Why should shire rates be different? Each household should contribute equally according to the type of area and services provided. All Western Australians are unhappy with the GST collected from us being allocated to other states. The rating system currently allows for the same thing to happen in local government areas ie: minimally serviced areas propping up urban developments.
9. Currently the ESL levy is also calculated using GRV. Paying a larger amount due to the assessed GRV does not increase the service given by the emergency services, also unfair and again assuming ability to pay.

Possible solutions to consider.

Rates should be charged equally per property with consideration given to services provided in different zonings eg: urban, commercial, rural residential and general rural.

Land value is a fairer way to assess all property as it generally compares like with like. Neighbours would be assessed equally as land values are similar.

The Valuer Generals office would therefore have less work to do as there would be no GRV to assess.

If this seems too simplistic we are sure there are staff or consultants "who are smarter than us" who could develop a fairer and more equitable system that local governments could apply.

William & Susan Muir

