

15.1: NOTICE OF MOTION BY COUNCILLOR BOSTOCK

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THAT Council ENDORSE the following media statement for submission to the Albany Advertiser Newspaper:

"In June 2011, Council agreed to limit rate rises for the 2011-12 financial year to an average of 5%, but following delivery of the rates notices, Councillors received numerous complaints from individual ratepayers that their rates had increased by far greater amounts, up to 25% or more. Accusations that the City had misled residents were frequently expressed and were difficult to refute. More detailed investigations, however, which have only recently been completed, reveal the average increase was indeed 5%, but that individual rises were very unevenly distributed.

There was a general review of the gross rental value (GRV), on which all rates are based, by the Valuer General, an official in the State government, in early 2011, when he "rationalised" the GRV in Albany by lumping together large blocks of properties which had previously had a wide range of GRVs and raised them all to the same level.

For example, 500 properties whose GRV had ranged from \$6,980 to \$11,492 were all standardised to \$11,960 and there have been many similar instances. The inevitable consequence was that residences which had been at the bottom end of the scale suffered enormous increases while those at the top actually enjoyed a decrease in their rates, a classic example of robbing the poor to pay the rich.

Not surprisingly, Council has borne the anger of many residents, through no fault of its own, rejects the imposition of a grossly unfair and arbitrary increase in GRV which discriminates against those in the community least able to afford huge rate increases and calls on the Valuer General to remedy the situation at the earliest opportunity.

Councillor's Reason:

It is of the utmost importance that the people of Albany retain trust in their Council and understand that Council did not deliberately mislead them. It must also be made clear when unfair charges are imposed by the State government, without consultation with, or approval by, the Local Authority.

Officer Comment (CEO):

The City of Albany has over 17,000 rateable properties. For the 2011/12 financial year, the City had three rate types, being Gross Rental Value (GRV) Occupied, GRV Vacant, and Vacant Land (UV). Within each rate type there is wide variation of GRV values, with the average increase of 5%. The *Local Government Act 1995*, section 6.28, details how a local government is to raise rates, and paragraph four states, "...the valuation to be used by a local government is to be the valuation in force under the *Valuation of Land Act 1978*, as at 1 July in each financial year."

The City has no control over and is not in a position to determine the reasons for every individual increase or decrease in GRV or UV. It is not up to the City to reject or accept the GRV or UV on individual properties. Each ratepayer has the right to object to the valuation

made by Landgate, by lodging an objection directly to Valuation Services, provided this objection is lodged within 60 days of the date of issue of the rate notice. This is printed on the back of each rate notice.

The City is not in a position to speculate regarding a policy of rationalisation nor make comment on the fairness of decisions by the Valuer General. Comments such as these may also have the potential to be seen by Landgate as defamatory.

In accordance with the *Local Government Act 1995* (Section 2.8(d)), it is the role of the Mayor to speak on behalf of the local government.

Additionally, as this notice of motion was presented without consultation with the Mayor or CEO the accuracy of this statement was unable to be verified prior to an individual Councillor's opinion being made public.

General principles to guide the behaviour of council members (as prescribed in the *Local Government (Rules of Conduct) Regulations 2007*, regulation 3(1)) include that a person in his or her capacity as a council member should: act with reasonable care and diligence; avoid damage to the reputation of the local government; and base decisions on relevant and factually correct information.