

## ***WESTERN AUSTRALIAN PROPERTY TAXATION SYSTEM***

The Valuer General in Western Australia supplies the following two values of ratable land:

### **GROSS RENTAL VALUES (GRVs)**

A Gross Rental Value is the total rental (net rent plus outgoings) a property can achieve on the basis of a rent from year to year. The Valuer General undertakes a General Valuation of Gross Rental Values, which is

provided to the West Australian Water Corporation, its licensed resellers and metropolitan and non-metropolitan local government authorities. A GRV is placed on most properties in the Perth metropolitan area once every three years, and once every three to five years in country towns, outside of the Perth metropolitan area.

The date of valuation is determined under s19 of the Valuation of Land Act by the Valuer General.

The Water Corporation and each local government authority in Western Australia determines a rate in the dollar to be multiplied against the GRV in order to levy rates against each property. The rate in the dollar may differ based on the property's classification, eg residential, commercial, or rural.

### **EXAMPLE**

There is a 1952 brick and tiled house comprising 3 bedrooms, lounge, kitchen, bathroom, laundry, and single garage under the main roof, located within the Council of XXXX. Based on the attributes of this particular house, we consider \$150 per week to be a fair and achievable rent resulting in a GRV of \$7,800 ( $\$150 \times 52$ ).

If the Council rate in the dollar for residential properties was 7.4 cents then

$\$7,800$  multiplied by  $\$0.074 = \$577.20$  Council rates for that year. The rental figure of \$150 per week for the above property was arrived at after collecting rental evidence for houses of a similar age, size and construction, at and around the date of valuation.

## **UNIMPROVED (LAND) VALUES (UVS)**

**An Unimproved Value (UV) is a vacant land value applied to all land in Western Australia. In urban areas it is the site value, and in rural areas it is on the assumption that the land is in its virgin state or a percentage of the improved land value excluding buildings.**

**The annual General Valuation of unimproved values for the Perth metropolitan area, which has a date of valuation of 1 August 2001, and is to be completed by 31 May 2002 will come into force on 30 June 2002. The date of valuation as determined under s19 of the Valuation of Land Act is 1 August 2001.**

**Unimproved Values are used by the State Revenue Department as a basis for raising revenue in the form of land tax. Local Governments use UVs as a basis upon which to levy council rates in rural areas and some outer metropolitan areas, for non-residential land (mainly hobby farms).**