

# 2021/22 Draft Budget Information Sheet 3

## Proposed changes to General Rates and Levies

### **GENERAL RATES**

As part of the 2021-22 budget process, Council has undertaken a review of its general rate structure. Councils periodically review how general rates are collected from ratepayers to ensure that rates charged under differing categories equitably reflect the various land uses that generate different levels of demand on local government services and infrastructure.

A number of changes have been proposed to Council's rating categories as a result of the review. A summary of these changes are outlined below:

#### **1. Introduction of new rating categories for transitory accommodation (short stay) properties**

Council is currently addressing the impact of the rise of the online Airbnb type short stay letting and home hosted accommodation industry in the shire, in particular the extent to which these tourism uses contribute to the demand on Council services and infrastructure.

Council is introducing new rating categories for properties offered for transitory or short stay accommodation whereby those properties will be contributing more towards general rate revenue than land that is not used for short stay purposes (i.e. a normal residential house).

#### **2. Introduction of new rating categories for residential non-strata properties**

Council has reviewed the current rating categorisation of residential non-strata properties (i.e. duplexes and blocks of flats which have more than one residence on a property). New rating categories are being proposed that provide a more equitable outcome regarding the additional demand generated on Council services and infrastructure by these properties, to ensure those properties make a fair contribution to general rates collected.

#### **3. Simplification of residential non principle place of residence (PPR) categories**

The four current residential non PPR rate categories have been combined to simplify the number of general rate categories given that the existing rates in the \$ were similar across the four rate bands.

#### **4. Changes to non-residential general rate categories**

A number of non-residential rate categories have been combined to simplify the number of general rate categories, particularly the removal of non-residential valuation bands given that the existing rates in the \$ were similar across categories. Shopping centre general rate categories have been expanded to better distinguish the level of impact on Council infrastructure and service provision.

#### **5. Removal of waiting periods for pensioner concession applications**

The current requirement that pensioners must have owned, or otherwise paid rates on, property within the shire for the preceding 3 years before becoming eligible for a pensioner rating concession is being removed in the draft 2021-22 budget.

## LEVIES

### 1. Introduction of a new levy for bushfire resilience and response

The draft 2021-22 budget includes further investment in bushfire management initiatives, including delivering the Council bushland reserve controlled burn program, ongoing creation, upgrade and maintenance of fire access trails, and also to support volunteer rural fire brigade emergency response operations within the shire. Council will introduce a new levy to fund these initiatives, which will be applied to all properties in the shire via a separate rate. The minimum charge that will be payable by all properties will be \$10, with a separate rate in the dollar of 0.00592 cents applied to determine the total amount payable by property owners.

### 2. Tourism and economic development funding now considered core business of Council

The Tourism Levy was first introduced in 2001 to generate funds to invest in a tourism promotion campaign for the shire. Since this time, tourism promotion and economic development activities have evolved into core Council business. As such it is now considered that tourism and economic development activities should be funded by general rates (applied only to those properties who are currently paying the levy) rather than through the continuation of a special levy. The amount of revenue collected and subsequently spent on delivering these services to support tourism and the economy will remain unchanged – however it will now instead be reflected in the relevant general rate category on the rate notice.

### 3. Return to previous levy levels for the environment, sustainable transport and heritage levies.

Council's financial recovery plan includes increasing the environment, sustainable transport and heritage levies back to previous levels, given they were reduced to provide financial relief to ratepayers as part of the 2020-21 Council COVID budget. The value of increases are reflective of the comments received from residents and ratepayers during Council's first round of budget engagement, which requested additional investment in environment levy funded initiatives, in addition to investment in transport infrastructure such as roads and bridges. The increases in the levies included in the draft budget (per property) are as follows:

Levy	2019/20 Budget	2020/21 Budget	2021/22 Draft Budget	Change per Property
Environment	\$70.00	\$56.00	<b>\$64.00</b>	\$8.00
Sustainable Transport	\$30.00	\$22.50	<b>\$30.00</b>	\$7.50
Heritage	\$10.00	\$5.00	<b>\$8.50</b>	\$3.50

## OTHER

### 1. Proposed introduction of a paper notice fee for rate notices and dog registrations

As part of the implementation of its strategy to achieve zero net emissions by 2026, from July 2021 Council will be introducing a fee for those property owners and dog owners receiving their notices via paper copy in the mail. Currently over 45,000 paper notices are printed annually which represents approximately 70% of all notices produced, at a cost of \$74,000 per year. The proposed fee of \$1.93 (incl GST) will be charged for paper copies to encourage customers to avoid the fee by transitioning to electronic notice delivery. Pensioners currently receiving a rate or dog concession will not be charged the fee.

**PROPOSED GENERAL RATE CATEGORIES 2021-22 DRAFT BUDGET**

Category	Description	Identification (Guidance only)	General Rate cents in \$	Minimum General Rate
1. Rural & Agricultural.	Land used, or intended to be used, for rural or agricultural or primary production purposes.	Land with the following land use codes: 44, 60-61, 64-71, 73-89 and 93 or as otherwise identified by the CEO.	0.4684	\$1,217
2. Non-Residential.	Land which is used, or intended to be used, for non-residential purposes other than land included in categories 1, 3, 4 and 16 - 22.	Land with the following land use codes: 07-20, 22-39, 41-50, 52 and 91 or as otherwise identified by the CEO.	0.8782	\$1,217
3. Extractive Industries.	Land used for the purpose of extractive industry for more than 50,000 tonnes per annum of material from the earth.	Land with land use code 40 or as otherwise identified by the CEO.	19.5150	\$57,950
4. Retirement Villages	Land used for the purposes of a retirement village.	Land with the following land used code 21 or as otherwise identified by the CEO.	1.3360	\$14,935
5. Residential (PPR) and Other – RV <=\$325,000.	Land, with a rateable value of less than or equal to \$325,000 which is- a. used for residential purposes as the owner's principal place of residence other than land in categories 12, 24, 25 and 27 to 38; or b. not included in any other category.	Land with the following land used codes: 01, 02, 04, 05 and 06 or as otherwise identified by the CEO.	0.3903	\$1,159
6. Residential (PPR) and Other – RV \$325,001 - \$750,000.	Land, with a rateable value between \$325,001 and \$750,000 which is- a. used for residential purposes as the owner's principal place of residence other than land in categories 12, 24, 25 and 27 to 38; or b. not included in any other category.	Land with the following land used codes: 01, 02, 04, 05 and 06 or as otherwise identified by the CEO.	0.3716	\$1,269



Category	Description	Identification (Guidance only)	General Rate cents in \$	Minimum General Rate
7. Residential (PPR) and Other – RV \$750,001 - \$1,000,000.	Land, with a rateable value between \$750,001 and \$1,000,000 which is- a. used for residential purposes as the owner's principal place of residence other than land in categories 12, 24, 25 and 27 to 38; or b. not included in any other category.	Land with the following land used codes: 01, 02, 04, 05 and 06 or as otherwise identified by the CEO.	0.3597	\$2,788
8. Residential (PPR) and Other – RV \$1,000,001 - \$1,200,000.	Land, with a rateable value between \$1,000,001 and \$1,200,000 which is- a. used for residential purposes as the owner's principal place of residence other than land in categories 12, 24, 25 and 27 to 38; or b. not included in any other category.	Land with the following land used codes: 01, 02, 04, 05 and 06 or as otherwise identified by the CEO.	0.3405	\$3,598
9. Residential (PPR) and Other – RV \$1,200,001 - \$2,500,000.	Land, with a rateable value between \$1,200,001 and \$2,500,000 which is- a. used for residential purposes as the owner's principal place of residence other than land in categories 12, 24, 25 and 27 to 38; or b. not included in any other category.	Land with the following land used codes: 01, 02, 04, 05 and 06 or as otherwise identified by the CEO.	0.3266	\$4,087
10. Residential (PPR) and Other – RV > \$2,500,000.	Land, with a rateable value greater than \$2,500,000 which is- a. used for residential purposes as the owner's principal place of residence other than land in categories 12, 24, 25 and 27 to 38; or b. not included in any other category.	Land with the following land used codes: 01, 02, 04, 05 and 06 or as otherwise identified by the CEO.	0.2780	\$8,166
11. Residential (Not PPR)	Land used for residential purposes other than as the owner's principal place of residence other than land in category 13, 23, 26 and 27 to 38.	Land with the following land used codes: 02 and 05 or as otherwise identified by the CEO.	0.4684	\$1,391

Category	Description	Identification (Guidance only)	General Rate cents in \$	Minimum General Rate
12. Residential (PPR and Transitory Accommodation)	Land used for residential purposes as the owner's principal place of residence and also used for home hosted accommodation other than land in category 25 and 27 to 38.	Land with the following land used codes: 02 and 05 or as otherwise identified by the CEO.	0.5855	\$1,739
13. Residential (Not PPR and Transitory Accommodation).	Land used for residential purposes other than as the owner's principal place of residence and also used for short stay letting, other than land in category 26 and 27 to 38.	Land with the following land used codes: 02 and 05 or as otherwise identified by the CEO.	0.7806	\$2,318
14. Vacant Land – RV > \$1,000,000 and area more than 1,500 m2.	Vacant land with a rateable value greater than \$1,000,000 and with an area of more than 1,500m2 other than land included in category 15.	Land with the following land used codes: 01, 04 and 06 or as otherwise identified by the CEO.	0.8782	\$8,783
15. Subdivided land not yet developed	Vacant land to which Chapter 2, Part 2, Division 5, Subdivision 3 of the Land Valuation Act 2010 applies.	Land with the following land used code 72 or as otherwise identified by the CEO.	0.2342	\$0
16. Shopping Centres – gross floor area between 1,000 and 2,500 square meters	Land used for the purposes of a shopping centre, with a gross floor area between 1,000 and 2,500 square meters.	Land with the following land used codes: 14, 15, 16 or 23 or as otherwise identified by the CEO.	1.0539	\$5,795
17. Shopping Centres – gross floor area between 2,501 and 5,000 square meters	Land used for the purposes of a shopping centre, with a gross floor area between 2,501 and 5,000 square meters.	Land with the following land used codes: 14, 15, 16 or 23 or as otherwise identified by the CEO.	1.2295	\$17,385
18. Shopping Centres – gross floor area between 5,001 and 10,000 square meters	Land used for the purposes of a shopping centre, with a gross floor area between 5,001 and 10,000 square meters.	Land with the following land used codes: 14, 15, 16 or 23 or as otherwise identified by the CEO.	1.4051	\$34,770
19. Shopping Centres – gross floor area between 10,001 and 20,000 square meters	Land used for the purposes of a shopping centre, with a gross floor area between 10,001 and 20,000 square meters.	Land with the following land used codes: 14, 15, 16 or 23 or as otherwise identified by the CEO.	1.5808	\$115,900
20. Shopping Centres – gross floor area between 20,001 and 30,000 square meters	Land used for the purposes of a shopping centre, with a gross floor area between 20,001 and 30,000 square meters.	Land with the following land used codes: 14, 15, 16 or 23 or as otherwise identified by the CEO.	1.7564	\$231,800

Category	Description	Identification (Guidance only)	General Rate cents in \$	Minimum General Rate
21. Shopping Centres – gross floor area between 30,001 and 40,000 square meters	Land used for the purposes of a shopping centre, with a gross floor area between 30,001 and 40,000 square meters.	Land with the following land used codes: 14, 15, 16 or 23 or as otherwise identified by the CEO.	1.7564	\$347,700
22. Shopping Centres – gross floor area greater than 40,000 square meters	Land used for the purposes of a shopping centre, with a gross floor area greater than 40,000 square meters.	Land with the following land used codes: 14, 15, 16 or 23 or as otherwise identified by the CEO.	1.7564	\$463,600
23. Strata Units (Not PPR).	Land which is a strata unit used for residential or accommodation purposes other than as the owner's principal place of residence, other than land in category 26.	Land with the following land used codes: 08 or 09 or as otherwise identified by the CEO.	0.7026	\$1,391
24. Strata Units (PPR).	Land which is a strata unit used for residential or accommodation purposes as the owner's principal place of residence other than land in category 25.	Land with the following land used codes: 08 or 09 or as otherwise identified by the CEO.	0.5855	\$1,159
25. Strata Units (PPR and Transitory Accommodation).	Land which is a strata unit used for residential or accommodation purposes as the owner's principal place of residence and is also used for home hosted accommodation.	Land with the following land used codes: 08 or 09 or as otherwise identified by the CEO.	0.8782	\$1,739
26 Strata Units (Not PPR and Transitory Accommodation).	Land which is a strata unit used for residential or accommodation purposes other than as the owner's principal place of residence and is also used for short stay letting.	Land with the following land used codes: 08 or 09 or as otherwise identified by the CEO.	1.1709	\$2,318
27. Non-Strata Residential - 2 to 4 residences	Land, used for residential purposes, on which there are 2 to 4 self-contained flats, studios, cabins or dwellings, other than land in category 33.	Land with the following land used code 03 or as otherwise identified by the CEO.	0.4684	\$2,318
28. Non-Strata Residential - 5 to 9 residences	Land, used for residential purposes, on which there are 5 to 9 self-contained flats, studios, cabins or dwellings, other than land in category 34.	Land with the following land used code 03 or as otherwise identified by the CEO.	0.4684	\$5,795
29. Non-Strata Residential - 10 to 14 residences	Land, used for residential purposes, on which there are 10 to 14 self-contained flats, studios, cabins or dwellings, other than land in category 35.	Land with the following land used code 03 or as otherwise identified by the CEO.	0.4684	\$11,590



Category	Description	Identification (Guidance only)	General Rate cents in \$	Minimum General Rate
30. Non-Strata Residential - 15 to 19 residences	Land, used for residential purposes, on which there are 15 to 19 self-contained flats, studios, cabins or dwellings, other than land in category 36.	Land with the following land used code 03 or as otherwise identified by the CEO.	0.4684	\$17,385
31. Non-Strata Residential - 20 to 29 residences	Land, used for residential purposes, on which there are 20 to 29 self-contained flats, studios, cabins or dwellings, other than land in category 37.	Land with the following land used code 03 or as otherwise identified by the CEO.	0.4684	\$23,180
32. Non-Strata Residential - greater than 30 residences	Land, used for residential purposes, on which there are 30 or more self-contained flats, studios, cabins or dwellings, other than land in category 38.	Land with the following land used code 03 or as otherwise identified by the CEO.	0.4684	\$34,770
32. Non-Strata Residential Transitory Accommodation - 2 to 4 residences	Land, used for residential purposes, on which there are 2 to 4 self-contained flats, studios, cabins or dwellings, and where at least one of the self-contained flats, studios, cabins or dwellings is used for short stay letting or home hosted accommodation.	Land with the following land used code 03 or as otherwise identified by the CEO.	0.7806	\$4,636
33. Non-Strata Residential Transitory Accommodation - 5 to 9 residences	Land, used for residential purposes, on which there are 5 to 9 self-contained flats, studios, cabins or dwellings, and where at least one of the self-contained flats, studios, cabins or dwellings is used for short stay letting or home hosted accommodation.	Land with the following land used code 03 or as otherwise identified by the CEO.	0.7806	\$11,590
34. Non-Strata Residential Transitory Accommodation - 10 to 14 residences	Land, used for residential purposes, on which there are 10 to 14 self-contained flats, studios, cabins or dwellings, and where at least one of the self-contained flats, studios, cabins or dwellings is used for short stay letting or home hosted accommodation.	Land with the following land used code 03 or as otherwise identified by the CEO.	0.7806	\$23,180
35. Non-Strata Residential Transitory Accommodation - 15 to 19 residences	Land, used for residential purposes, on which there are 15 to 19 self-contained flats, studios, cabins or dwellings, and where at least one of the self-contained flats, studios, cabins or dwellings is used for short stay letting or home hosted accommodation.	Land with the following land used code 03 or as otherwise identified by the CEO.	0.7806	\$34,770

Category	Description	Identification (Guidance only)	General Rate cents in \$	Minimum General Rate
36. Non-Strata Residential Transitory Accommodation - 20 to 29 residences	Land, used for residential purposes, on which there are 20 to 29 self-contained flats, studios, cabins or dwellings, and where at least one of the self-contained flats, studios, cabins or dwellings is used for short stay letting or home hosted accommodation.	Land with the following land used code 03 or as otherwise identified by the CEO.	0.7806	\$46,360
37. Non-Strata Residential Transitory Accommodation - greater than 30 residences	Land, used for residential purposes, on which there are 30 or more self-contained flats, studios, cabins or dwellings, and where at least one of the self-contained flats, studios, cabins or dwellings is used for short stay letting or home hosted accommodation.	Land with the following land used code 03 or as otherwise identified by the CEO.	0.7806	\$69,540