

## A MOVE TO A SINGLE RURAL RATE FOR THE BALONNE SHIRE

The Balonne Shire Council have been developing its rating strategy over the past two years following the 2017/18 valuations that resulted in significant changes for many of our rural properties.

The Mayor presented the Council's draft budget and rating strategy at a special meeting today, 13 June 2019. The Budget is required to 'lay on the table' for a period of two weeks prior to adoption on 27 June 2019. The draft Budget includes proposed changes to its rate and charges structure for rural properties.

The proposed rating strategy includes the consolidation of rural Categories 60, 61, 62, 63, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74 and 75 into four rating categories 100, 200, 300 and 500. The proposed strategy is to move all of these rural categories to a single rural rate in the dollar over a seven-year period.

### Why the change?

Council's proposal to change and adopt this rating strategy is consistent with the principles of its Revenue Policy and recommendations of the Queensland Audit Office for councils to:

- consult with the community on its rating strategy;
- ensure that annual revenue statements on rates and charges support financial sustainability; and
- adopt a long-term rates strategy.

The proposed rating strategy has been developed to ensure equity and fairness following the significant changes in the 2017/18 valuations. The model will also:

- simplify the current rating structure;
- provide a similar rate revenue base for council to maintain existing facilities and necessary services; and
- allow land valuations take into account the inherent differences in the income-earning potential of land.

### Who will this apply to?

Council has written to all rural property owners to advise of the proposed change.

All rural properties in the categories 60, 61, 62, 63, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74 and 75 will be consolidated into four new rating categories as follows:

Differential Category	Description
100 – Grain & Grazing	Rural land having an area of 1000 Hectares or more used for growing of grain, sheep grazing, cattle grazing or other similar activities
200 – Combined land use including cotton	Rural land used for mixed use cropping including Cotton
300 – Sole land use Cotton	Rural land used for the growing of cotton, regardless of size
500 – Rural and small crops	Rural land having an area > 20 Hectares but less than 1000 Hectares used for sheep grazing, cattle grazing or similar activities and rural land used as vineyards or for small cropping

The properties rate in the dollar will change in year one (2019/20) and transition over a seven year period to a single rate in the dollar of 1.31686\*. This annual rate in the dollar is subject to rises in consumer price index or council cost index as well as any land valuation changes. Council has not increased the rate in the dollar by its council cost index for 2019/20. For more information on the seven year strategy refer to Council's Website.

## **What has Council taken into consideration?**

Council engaged the services of two independent consultants to assist in developing a new rate model. Council have workshopped a number of models over the past two years and will now look to adopt a seven year rating strategy that will see rural properties (in the categories identified above) transition to a single rural rate in the dollar over a seven year period.

The seven year transition is proposed to minimise the impact on individual properties and where necessary limitations will apply. Council will be communicating with property owners impacted by the new rate model prior to adopting the budget on 27 June 2019.

Council has considered all available information and then applied the following principles and factors when proposing the new rating strategy:

- council's revenue policy;
- the recommendations of the Queensland Audit Office in their report to Parliament - Managing local government rates and charges - Report 17: 2017–18;
- the current and future interests of the community;
- the impact on council's budget and long term financial plan;
- provision of a similar rate revenue base for council to maintain existing facilities and necessary services; the State Land use codes as the basis for all differential rating categories and land valuations.

To set a differential rate council must also take into account:

- whether a property or group of properties are different from other land;
- the impact on Council services where it differs from other properties; and/or
- a property has an innate use of the land (usually determined through a development approval).

The Valuations in 2017/18 take into consideration the unimproved value of the land; highest and best use, size and characteristics of the land and the potential or suitability for grazing, cropping or irrigation. A single rural rate in the dollar is therefore considered to be appropriate.

## **When will this occur?**

Council must set its rates and charges each financial year. The draft budget and rating strategy will be considered at council's special meeting on 27 June 2019 at 9am. The first ratepayers will see the changes will be in the August 2019 levy.

Frequently asked questions and information around the proposed rating strategy and draft budget are available at [www.balonne.qld.gov.au](http://www.balonne.qld.gov.au).

Anyone who disagrees with their valuation may appeal to the Valuer General.

<https://www.qld.gov.au/environment/land/title/valuation/about/dispute>

Anyone who would like to know the impact on their rural rates notice may contact Council on (07) 46208888 for an estimate and/or one on one meeting.

**TABLE 1 – ANNUAL Rates in the Dollar proposed\***

Category	Short description	RID 19/20 c/\$	RID 20/21 c/\$	RID 21/22 c/\$	RID 22/23 c/\$	RID 23/24 c/\$	RID 24/25 c/\$	RID 25/26 c/\$
100	GRAIN AND GRAZING	1.183860	1.201608	1.219632	1.240976	1.265795	1.291111	1.316864
200	MIXED USE with COTTON	1.774000	1.697811	1.621621	1.545432	1.469242	1.393053	1.316864
300	SOLE COTTON	2.128580	1.993296	1.858009	1.722723	1.587436	1.452150	1.316864
500	SMALL RURAL AND CROPPING	1.267660	1.293013	1.316864	1.316864	1.316864	1.316864	1.316864

*IMPORTANT NOTE: that table 1 rates in the dollar and percentage increases/decreases are estimates only and are subject to CCI\* or CPI\* increases and valuation variations from year to year and will be dependent upon a council resolution to set the rates on an annual basis as required by the Local Government Act 2009 and Local Government Regulations 2012.*

*CCI = council cost index CPI = consumer price index*

Limitations have continued for some of the differential rating categories due to the volatility of the 2017/18 land revaluation.

Council's rate revenue for 2019/20 will increase by 2% for all categories for the rate in the dollar and minimum general rate except categories 100, 200, 300 and 500. Utilities will also increase by 2% increase.

The table below sets out the details:

Description	2019/20 Proposed Min General	2019/20 Proposed Rate (c/\$)	Limitati on
Category 1 - Residential <1 Ha	684.58	1.300682	
Category 2 - Large Residential >=1HA and <20Ha	707.36	1.087465	
Category 3 - Multi Residential	779.46	1.475773	
Category 11 - Commercial	807.58	1.260663	
Category 12 - Commercial - Other	668.42	1.087369	
Category 13 - Transformers	807.58	2.151123	
Category 14 - Industrial	888.24	1.373716	
Category 15 – Commercial – Hotel, Accommodation etc.	807.58	1.282670	
Category 21 - Commercial Bulk Grain Depots	8160.00	6.003128	
Category 22 - Cotton Gins	30600.00	13.767062	
Category 25 - Extractive Industry <5,000 tonnes	1415.60	1.450752	
Category 26 - Extractive Industry >5,000 & <100,000 tonnes	2830.18	1.881586	
Category 27 - Extractive Industry > 100,000 tonnes	5660.12	1.881586	
Category 31 - Petroleum Leases <1,000 Ha	8160.00	72.537792	
Category 32 - Petroleum Leases >1,000 Ha <10,000	16320.00	5.041623	
Category 33 - Petroleum Leases >10,000 Ha	32640.00	1.895229	
Category 34 - Petroleum Other <400Ha	8160.00	390.203693	
Category 35 - Petroleum Other >400Ha	16320.00	390.203693	
Category 41 - Mining Leases <50 FTE	1415.60	12.006657	
Category 42 - Mining Leases >50 FTE	11320.38	12.006657	
Category 45 - Intensive Accommodation 100 +person	11320.38	5.041748	
Category 46 - Noxious Industry	24904.70	13.766777	
Category 76 - Reservoirs	696.52	2.022631	
Category 79 - Intensive Animal Industry - Feedlot 1,001-5,000 SCU	6903.78	1.255232	30%
Category 80 - Intensive Animal Industry - Feedlot 5,001-10,000 SCU	11463.22	3.647126	
Category 81 - Intensive Animal Industry - Feedlot>10,000 SCU	15843.10	6.003128	
Category 85 - Intensive Animal Industry - Piggery >400 SPU	7083.36	1.287872	

Category 90 - Solar Farm <50 MW	30600.00	1.326000	
Category 91 - Solar Farm >= 50 MW	71400.00	1.275000	
Category 100 – Grain and Grazing > 1000 Ha	1329.98	1.183860	20%
Category 200 - Combined land use including cotton	2660.24	1.774000	20%
Category 300 – Sole land use cotton	2726.00	2.128580	20%
Category 500 Rural > 20Ha and small crops	681.76	1.267660	