



**Southern Grampians**  
SHIRE COUNCIL

# Draft Budget

2019/2020

**Amended Rate & Valuation Disclosures**

### 4.1.1 Rates and Charges

Planning for future rate increases has been an important component of the Strategic Resource Planning process. The State Government have introduced the *Fair Go Rates System* (FGRS) which sets out the maximum amount councils may increase rates in a year. For 2019/20 the FGRS cap has been set at 2.5%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

In developing the Strategic Resource Plan, rates and charges were identified as an important source of revenue, accounting for around 48% of the total revenue received by Council annually.

The 2019/20 underlying operating position is adversely impacted by the lack of increase in recurrent government funding, rate capping and continued increases in operating expenditure. It will therefore be necessary to achieve future revenue growth while containing costs in order to achieve a trend back towards a breakeven operating position in future years. The impact of natural disasters, in particular flooding, together with the necessity to develop "regional use" assets which attract capital funding, increase the operational burden to Council.

Total general rates and charges will increase by ~~3.27%~~ **3.25%** however the distribution of the increase is not consistent across all charge types and land classifications. Municipal and service charges are increased and rounded to the nearest dollar with the remaining revenue distributed across the properties according the rating policy and land use classification.

A general revaluation has also been received which may move the rate burden between the different land classifications as compared to the previous year.

It is proposed that income raised by all rates and municipal charges will be increased by ~~2.48%~~ **2.45%** or ~~\$0.452~~ \$0.447 million over total 2018/19 revenue to ~~\$18.709~~ \$18.699 million.

Service charges will increase by ~~11.38%~~ **11.37%**, to ensure Council is achieving a cost neutral position for waste management.

#### 4.1.1(a) The rate in the dollar to be levied as general rates under Section 158 of the Act for each type or class of land compared with the previous financial year

| Type or class of land                              | 2018/19<br>cents/\$CIV | 2018/19<br>cents/\$CIV | Change          |
|--|------------------------|------------------------|-----------------|
| General rate 1 for rateable residential properties | 0.005237               | <b>0.004469</b>        | <b>(14.66%)</b> |
| General rate 1 for rateable rural properties       | 0.005237               | <b>0.004469</b>        | <b>(14.66%)</b> |
| General rate 1 for rateable industrial properties  | 0.005237               | <b>0.004469</b>        | <b>(14.66%)</b> |
| General rate 1 for rateable commercial properties  | 0.005237               | <b>0.004469</b>        | <b>(14.66%)</b> |
| General rate 2 for rateable rural N/S properties   | 0.004190               | <b>0.003575</b>        | <b>(14.66%)</b> |
| General rate 3 for residential rural properties    | 0.004190               | <b>0.003575</b>        | <b>(14.66%)</b> |
| General rate 3 for rural rural properties          | 0.004190               | <b>0.003575</b>        | <b>(14.66%)</b> |
| General rate 3 for industrial rural properties     | 0.004190               | <b>0.003575</b>        | <b>(14.66%)</b> |
| General rate 3 for commercial rural properties     | 0.004190               | <b>0.003575</b>        | <b>(14.66%)</b> |

| Type or class of land - Amended                    | 2018/19<br>cents/\$CIV | 2019/20<br>cents/\$CIV | Change          |
|--|------------------------|------------------------|-----------------|
| General rate 1 for rateable residential properties | 0.005237               | <b>0.004631</b>        | <b>(11.57%)</b> |
| General rate 1 for rateable rural properties       | 0.005237               | <b>0.004631</b>        | <b>(11.57%)</b> |
| General rate 1 for rateable industrial properties  | 0.005237               | <b>0.004631</b>        | <b>(11.57%)</b> |
| General rate 1 for rateable commercial properties  | 0.005237               | <b>0.004631</b>        | <b>(11.57%)</b> |
| General rate 2 for rateable rural N/S properties   | 0.004190               | <b>0.003705</b>        | <b>(11.57%)</b> |
| General rate 3 for residential rural properties    | 0.004190               | <b>0.003705</b>        | <b>(11.57%)</b> |
| General rate 3 for rural rural properties          | 0.004190               | <b>0.003705</b>        | <b>(11.57%)</b> |
| General rate 3 for industrial rural properties     | 0.004190               | <b>0.003705</b>        | <b>(11.57%)</b> |
| General rate 3 for commercial rural properties     | 0.004190               | <b>0.003705</b>        | <b>(11.57%)</b> |

**4.1.1(b) The estimated total amount to be raised by general rates in relation to each type or class of land, and the estimated total amount to be raised by general rates, compared with the previous financial year**

| Type or class of land                             | 2018/19<br>\$     | 2019/20<br>\$     | Change<br>\$ | Change<br>% |
|---|-------------------|-------------------|--------------|-------------|
| Residential                                       | 6,940,724         | <b>6,431,010</b>  | (509,714)    | (7.34%)     |
| Rural   | 8,278,234         | <b>9,300,633</b>  | 1,022,399    | 12.35%      |
| Industrial  | 299,968           | <b>259,379</b>    | (40,589)     | (13.53%)    |
| Commercial  | 906,810           | <b>839,738</b>    | (67,072)     | (7.40%)     |
| <b>Total amount to be raised by general rates</b> | <b>16,425,736</b> | <b>16,830,760</b> | 405,024      | 2.46%       |

| Type or class of land - Amended                   | 2018/19<br>\$     | 2019/20<br>\$     | Change<br>\$ | Change<br>% |
|---|-------------------|-------------------|--------------|-------------|
| Residential                                       | 6,940,242         | <b>6,651,101</b>  | (289,141)    | (4.17%)     |
| Rural   | 8,276,667         | <b>9,041,893</b>  | 765,226      | 9.25%       |
| Industrial  | 299,968           | <b>263,792</b>    | (36,176)     | (12.06%)    |
| Commercial  | 905,140           | <b>864,996</b>    | (40,144)     | (4.44%)     |
| <b>Total amount to be raised by general rates</b> | <b>16,422,017</b> | <b>16,821,782</b> | 399,765      | 2.43%       |

**4.1.1(c) The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year**

| Type or class of land              | 2018/19<br>Number | 2019/20<br>Number | Change<br>No. | Change<br>% |
|------------------------------------|-------------------|-------------------|---------------|-------------|
| Residential                        | 7,243             | <b>7,243</b>      | -             | 0.00%       |
| Rural                              | 3,030             | <b>3,030</b>      | -             | 0.00%       |
| Industrial                         | 252               | <b>252</b>        | -             | 0.00%       |
| Commercial                         | 452               | <b>452</b>        | -             | 0.00%       |
| <b>Total number of assessments</b> | <b>10,977</b>     | <b>10,977</b>     | -             | 0.00%       |

| Type or class of land - Amended    | 2018/19<br>Number | 2019/20<br>Number | Change<br>No. | Change<br>% |
|------------------------------------|-------------------|-------------------|---------------|-------------|
| Residential                        | 7,243             | <b>7,243</b>      | -             | 0.00%       |
| Rural                              | 3,028             | <b>3,028</b>      | -             | 0.00%       |
| Industrial                         | 252               | <b>252</b>        | -             | 0.00%       |
| Commercial                         | 452               | <b>452</b>        | -             | 0.00%       |
| <b>Total number of assessments</b> | <b>10,975</b>     | <b>10,975</b>     | -             | 0.00%       |

**4.1.1(d) The basis of valuation to be used is: Capital Improved Value (CIV)**

4.1.1(e) The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year

| Type or class of land      | 2018/19<br>\$        | 2019/20<br>\$        | Change<br>\$       | Change<br>%   |
|----------------------------|----------------------|----------------------|--------------------|---------------|
| Residential                | 1,380,783,000        | <b>1,500,738,000</b> | 119,955,000        | 8.69%         |
| Rural                      | 1,971,254,000        | <b>2,596,225,000</b> | 624,971,000        | 31.70%        |
| Industrial                 | 59,429,000           | <b>60,001,500</b>    | 572,500            | 0.96%         |
| Commercial                 | 176,441,000          | <b>191,195,113</b>   | 14,754,113         | 8.34%         |
| <b>Total value of land</b> | <b>3,587,907,000</b> | <b>4,348,159,613</b> | <b>760,252,613</b> | <b>21.19%</b> |

| Type or class of land - Amended | 2018/19<br>\$        | 2019/20<br>\$        | Change<br>\$       | Change<br>%   |
|---------------------------------|----------------------|----------------------|--------------------|---------------|
| Residential                     | 1,380,691,000        | <b>1,497,828,500</b> | 117,137,500        | 8.48%         |
| Rural                           | 1,970,880,000        | <b>2,435,397,500</b> | 464,517,500        | 23.57%        |
| Industrial                      | 59,429,000           | <b>58,924,000</b>    | (505,000)          | (0.85%)       |
| Commercial                      | 176,122,000          | <b>190,076,113</b>   | 13,954,113         | 7.92%         |
| <b>Total value of land</b>      | <b>3,587,122,000</b> | <b>4,182,226,113</b> | <b>595,104,113</b> | <b>16.59%</b> |

4.1.1(f) The municipal charge under Section 159 of the Act compared with the previous financial year

| Type of Charge | Per Rateable<br>Property<br>2018/19<br>\$ | Per Rateable<br>Property<br>2019/20<br>\$ | Change<br>\$ | Change<br>% |
|----------------|---|---|--------------|-------------|
| Municipal      | 195                                       | <b>200</b>                                | 5            | 2.56%       |

**No Change**

4.1.1(g) The estimated total amount to be raised by municipal charges compared with the previous financial year

| Type of Charge | 2018/19<br>\$ | 2019/20<br>\$    | Change<br>\$ | Change<br>% |
|----------------|---------------|------------------|--------------|-------------|
| Municipal      | 1,831,050     | <b>1,878,000</b> | 46,950       | 2.56%       |

| Type of Charge - Amended | 2018/19<br>\$ | 2019/20<br>\$    | Change<br>\$ | Change<br>% |
|--------------------------|---------------|------------------|--------------|-------------|
| Municipal                | 1,830,465     | <b>1,877,400</b> | 46,935       | 2.56%       |

#### 4.1.1(h) The rate or unit amount to be levied for each type of service rate or charge under Section 162 of the Act compared with the previous financial year

| Type of Charge      | Per Rateable Property<br>2018/19<br>\$ | Per Rateable Property<br>2019/20<br>\$ | Change<br>\$ | Change<br>% |
|---------------------|--|--|--------------|-------------|
| Kerbside Collection | 263                                    | 295                                    | 32           | 12.17%      |
| Organic Waste       | 95                                     | 95                                     | 0            | 0.00%       |

#### No Change

#### 4.1.1(i) The estimated total amount to be raised by each type of service rate or charge, and the estimated total amount to be raised by service rates and charges, compared with the previous financial year

| Type of Charge      | 2018/19<br>\$ | 2019/20<br>\$ | Change<br>\$ | Change<br>% |
|---------------------|---------------|---------------|--------------|-------------|
| Kerbside collection | 1,682,674     | 1,887,410     | 204,736      | 12.17%      |
| Organic Waste       | 115,805       | 115,805       | 0            | 0.00%       |
| <b>Total</b>        | 1,798,479     | 2,003,215     | 204,736      | 12.17%      |

| Type of Charge - Amended | 2018/19<br>\$ | 2019/20<br>\$ | Change<br>\$ | Change<br>% |
|--------------------------|---------------|---------------|--------------|-------------|
| Kerbside collection      | 1,687,145     | 1,892,425     | 205,280      | 12.17%      |
| Organic Waste            | 118,940       | 118,940       | 0            | 0.00%       |
| <b>Total</b>             | 1,806,085     | 2,011,365     | 205,280      | 11.37%      |

#### 4.1.1(j) The estimated total amount to be raised by all rates and charges compared with the previous financial year

|                          | 2018/19<br>\$ | 2019/20<br>\$ | Change<br>\$ | Change<br>% |
|--------------------------|---------------|---------------|--------------|-------------|
| General rates            | 16,425,736    | 16,830,760    | 405,024      | 2.46%       |
| Municipal charge         | 1,831,050     | 1,878,000     | 46,950       | 2.56%       |
| <b>Total Rates</b>       | 18,256,786    | 18,708,760    | 451,974      | 2.48%       |
| Kerbside collection      | 1,682,674     | 1,887,410     | 204,736      | 12.17%      |
| Organic Waste            | 115,805       | 115,805       | 0            | 0.00%       |
| <b>Rates and charges</b> | 20,055,265    | 20,711,975    | 656,710      | 3.27%       |

| Amended                  | 2018/19<br>\$ | 2019/20<br>\$ | Change<br>\$ | Change<br>% |
|--------------------------|---------------|---------------|--------------|-------------|
| General rates            | 16,422,017    | 16,821,782    | 399,765      | 2.43%       |
| Municipal charge         | 1,830,465     | 1,877,400     | 46,935       | 2.56%       |
| <b>Total Rates</b>       | 18,252,482    | 18,699,182    | 446,700      | 2.45%       |
| Kerbside collection      | 1,687,145     | 1,892,425     | 205,280      | 12.17%      |
| Organic Waste            | 118,940       | 118,940       | 0            | 0.00%       |
| <b>Rates and charges</b> | 20,058,567    | 20,710,547    | 651,980      | 3.25%       |

#### 4.1.1(k) Any significant changes that may affect the estimated amounts to be raised by rates and charges

There are no known significant changes which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:

- The making of supplementary valuations;
- The variation of returned levels of value (e.g. valuation appeals);
- Changes in use of land such that rateable land becomes non-rateable land and vice versa;
- Changes in use of land such that residential land becomes business land and vice versa.

#### No Change

#### 4.1.1(l) Differential rates

##### General Rate 1

A differential general rate of ~~0.004469~~ 0.004631 cents in the dollar on the capital improved value of all rateable land in the parishes of North Hamilton and South Hamilton, excluding all farm land which comprises part of a single farm enterprise with an area of 40 hectares or more;

##### General Rate 2

A differential general rate of ~~0.003575~~ 0.003705 cents in the dollar on the capital improved value of all rateable farm land in the parishes of North Hamilton and South Hamilton and which comprises part of a single farm enterprise with an area of 40 hectares or more;

##### General Rate 3

A differential general rate of ~~0.003575~~ 0.003705 cents in the dollar on the capital improved value of all other rateable land in the Shire;

Each differential rate will be determined by multiplying the Capital Improved Value of rateable land (categorised by the characteristics described below) by the relevant percentages indicated above

#### 4.1.1(m) Special Rate – Yatchaw Drainage Authority

A Special Rate of ~~0.000323~~ 0.000335 cents in the dollar on the capital improved value of all rateable land in the Yatchaw Drainage Area.