

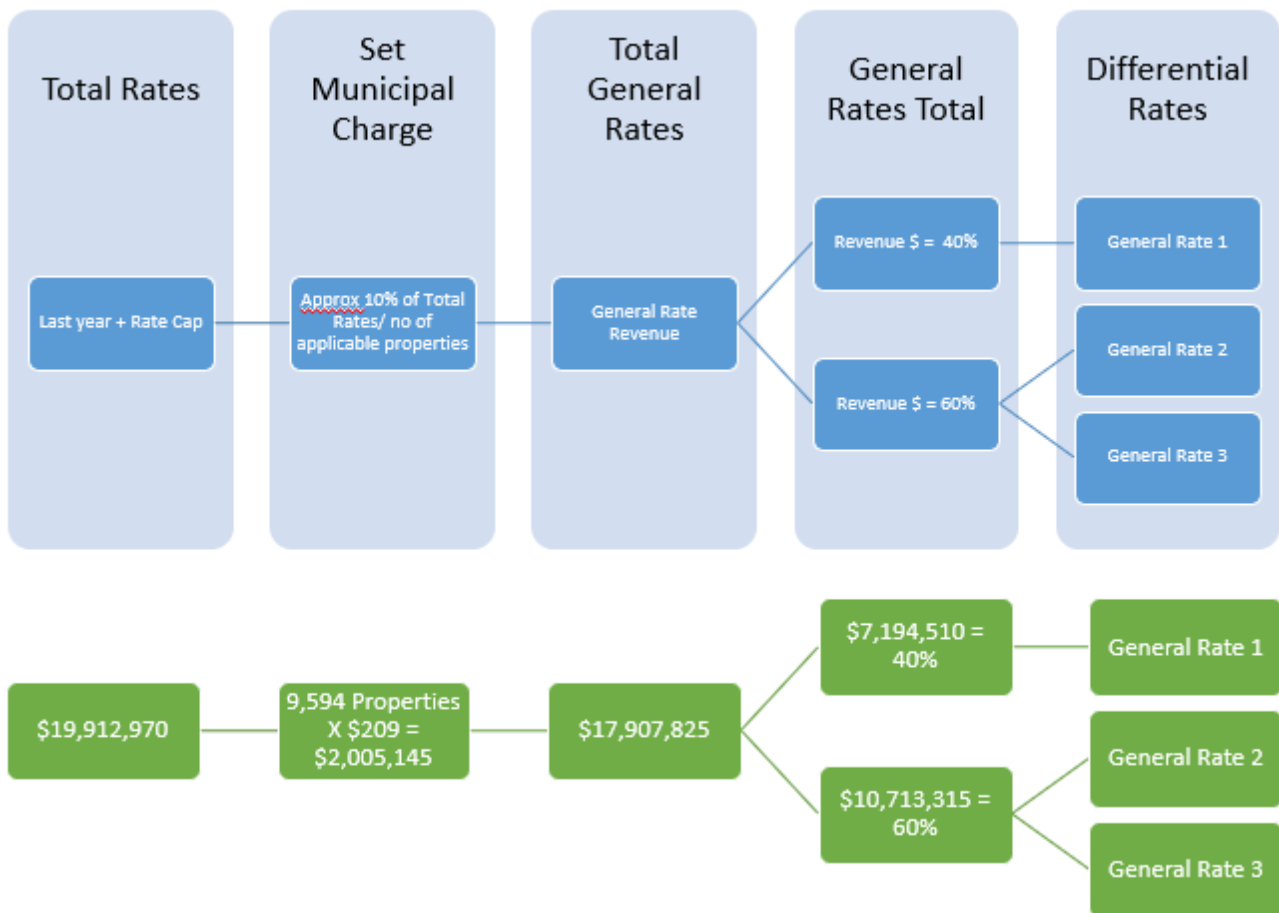
## 4.1 Comprehensive Income Statement

### 4.1.1 Rates and Charges

Rates and charges are required by the Act and the Regulations to be disclosed in Council’s budget. Council has also prepared a separate document, “Revenue and Rating Plan” which sets out in more detail, information about rating.

As per the Local Government Act 2020, Council is required to have a Revenue and Rating Plan which is a four year plan for how Council will generate income to deliver the Council Plan, program and services and capital works commitments over a four-year period.

The rate increase has been calculated using the following process:



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 2022/23 the FGRS cap has been set at 1.75%. 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 Budget, rates and charges were identified as an important source of revenue, accounting for around half of the total revenue received by Council annually (52% in 2021/22).

The level of required rates and charges has been considered in this context, with reference to Council’s other sources of income and the planned expenditure on services and works to be undertaken for the community.

To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 1.75% in line with the rate cap.

Service charges will not increase this year following the 21% increase in the last financial year for some properties to incorporate the extension of the FOGO waste collection to all developed residential properties within the defined areas and to ensure Council is achieving a cost neutral position for waste management.

This will raise total rates and charges (including kerbside collection) for 2022/23 to ~~\$22,157,860~~ \$22,156,039

**4.1.1(a) The reconciliation of the total rates and charges to the Comprehensive Income Statement is as follows:**

	2021/22 Forecast Actual \$'000	2022/23 Budget \$'000	Change \$'000	%
General Rates – Council *	17,597	17,860	313	1.78%
General Rates - Yatchaw	4	4	-	-
Municipal Charge*	1,976	2,005	29	1.46%
Waste Collection Charge (Compulsory)	2,234	2,257	11	0.49%
Waste Collection Charge (Voluntary)	100	103	03	0.03%
<b>Total Rates and Charges</b>	<b>21,911</b>	<b>22,229</b>	<b>318</b>	<b>1.43%</b>

*Note: Items designated "\*\*\*" subject to the FGRS Rate Cap*

**4.1.1(b) 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	2021/22 cents/\$CIV	2022/23 cents/\$CIV	Change
General rate 1 for rateable residential properties	0.004380	0.003451	(21.21%)
General rate 1 for rateable rural properties	0.004380	0.003451	(21.21%)
General rate 1 for rateable industrial properties	0.004380	0.003451	(21.21%)
General rate 1 for rateable commercial properties	0.004380	0.003451	(21.21%)
General rate 2 for rateable rural N/S properties	0.002679	0.002043	(23.74%)
General rate 3 for residential rural properties	0.002679	0.002043	(23.74%)
General rate 3 for rural properties	0.002679	0.002043	(23.74%)
General rate 3 for industrial rural properties	0.002679	0.002043	(23.74%)
General rate 3 for commercial rural properties	0.002679	0.002043	(23.74%)

Type or class of land	2021/22 cents/\$CIV	2022/23 cents/\$CIV	Change
General rate 1 for rateable residential properties	0.004380	0.003451	(21.21%)
General rate 1 for rateable rural properties	0.004380	0.003451	(21.21%)
General rate 1 for rateable industrial properties	0.004380	0.003451	(21.21%)
General rate 1 for rateable commercial properties	0.004380	0.003451	(21.21%)
General rate 2 for rateable rural N/S properties	0.002679	0.002040	(23.85%)
General rate 3 for residential rural properties	0.002679	0.002040	(23.85%)
General rate 3 for rural properties	0.002679	0.002040	(23.85%)
General rate 3 for industrial rural properties	0.002679	0.002040	(23.85%)
General rate 3 for commercial rural properties	0.002679	0.002040	(23.85%)

4.1.1(c) 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	2021/22 \$	2022/23 \$	Change \$	Change %
Residential	6,994,000	7,110,070	116,070	1.66%
Rural	9,543,794	9,782,968	239,174	2.51%
Industrial	258,276	285,149	26,873	10.40%
Commercial	799,252	729,637	(69,615)	(8.71%)
<b>Total amount to be raised by general rates</b>	<b>17,595,322</b>	<b>17,907,824</b>	<b>312,502</b>	<b>1.78%</b>

Type or class of land	2021/22 \$	2022/23 \$	Change \$	Change %
Residential	6,994,000	7,112,916	118,916	1.70%
Rural	9,543,794	9,778,468	234,674	2.46%
Industrial	258,276	285,100	26,824	10.38%
Commercial	799,252	729,240	(70,012)	(8.76%)
<b>Total amount to be raised by general rates</b>	<b>17,595,322</b>	<b>17,905,724</b>	<b>310,402</b>	<b>1.76%</b>

Alternate view - By Rate Code

Type or class of land	2021/22 \$	2022/23 \$	Change \$	Change %
General Rate 1	7,101,732	7,194,510	92,778	1.31%
General Rate 2	309,985	330,557	20,572	6.64%
General Rate 3	10,183,605	10,382,757	199,152	1.96%
<b>Total amount to be raised by general rates</b>	<b>17,595,322</b>	<b>17,907,824</b>	<b>312,502</b>	<b>1.78%</b>

Type or class of land	2021/22 \$	2022/23 \$	Change \$	Change %
General Rate 1	7,101,732	7,192,026	90,294	1.27%
General Rate 2	309,985	317,383	7,398	2.39%
General Rate 3	10,183,605	10,396,315	212,710	2.09%
<b>Total amount to be raised by general rates</b>	<b>17,595,322</b>	<b>17,905,724</b>	<b>310,402</b>	<b>1.76%</b>

4.1.1(d) 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	2021/22 Number	2022/23 Number	Change No.	Change %
Residential	7,369	7,369	0	0.00%
Rural	3,084	3,084	0	0.00%
Industrial	255	255	0	0.00%
Commercial	455	455	0	0.00%
<b>Total number of assessments</b>	<b>11,163</b>	<b>11,163</b>	<b>0</b>	<b>0.00%</b>

Type or class of land	2021/22 Number	2022/23 Number	Change No.	Change %
Residential	7,372	7,372	0	0.00%
Rural	3,093	3,093	0	0.00%
Industrial	256	256	0	0.00%
Commercial	455	455	0	0.00%
<b>Total number of assessments</b>	<b>11,176</b>	<b>11,176</b>	<b>0</b>	<b>0.00%</b>

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

#### 4.1.1(f) 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	2021/22 \$	2022/23 \$	Change \$	Change %
Residential	1,738,873,000	<b>2,253,797,000</b>	514,924,000	29.61%
Rural	3,547,564,500	<b>4,765,212,000</b>	1,217,647,500	34.32%
Industrial	62,898,500	<b>89,271,000</b>	26,372,500	41.93%
Commercial	189,336,500	<b>220,394,000</b>	31,057,500	16.40%
<b>Total value of land</b>	<b>5,538,672,500</b>	<b>7,328,674,000</b>	<b>1,790,001,500</b>	<b>32.32%</b>

Type or class of land	2021/22 \$	2022/23 \$	Change \$	Change %
Residential	1,738,873,000	<b>2,255,526,000</b>	516,653,000	29.71%
Rural	3,547,564,500	<b>4,770,787,000</b>	1,223,222,500	34.48%
Industrial	62,898,500	<b>89,271,000</b>	26,372,500	41.93%
Commercial	189,336,500	<b>220,270,000</b>	30,933,500	16.34%
<b>Total value of land</b>	<b>5,538,672,500</b>	<b>7,335,854,000</b>	<b>1,797,181,500</b>	<b>32.45%</b>

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

Type of Charge	Per Rateable Property 2021/22 \$	Per Rateable Property 2022/23 \$	Change \$	Change %
Municipal	206	<b>209</b>	3	1.46%

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

Type of Charge	2021/22 \$	2022/23 \$	Change \$	Change %
Municipal	1,976,364	<b>2,005,146</b>	28,782	1.46%

Type of Charge	2021/22 \$	2022/23 \$	Change \$	Change %
Municipal	1,976,570	<b>2,005,355</b>	28,785	1.46%

#### 4.1.1(i) 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 Residential Property 2021/22 \$	Per Rateable Residential Property 2022/23 \$	Change \$	Change %
Kerbside Collection – Refuse, Recycling & FOGO	360	<b>360</b>	N/A	N/A

#### 4.1.1(j) 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	2021/22 \$	2022/23 \$	Change \$	Change %
Kerbside Collection – Refuse, Recycling & FOGO	2,217,960	<b>2,244,960</b>	27,000	1.22%

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

	2021/22	2022/23	Change	Change
	\$	\$	\$	%
General rates	17,595,322	17,907,824	312,503	1.78%
Municipal charge	1,976,364	2,005,146	28,782	1.46%
<b>Total Rates</b>	19,571,686	19,912,970	341,285	1.74%
Kerbside Collection – Refuse, Recycling & FOGO	2,217,960	2,244,960	23,038	1.22%
<b>Rates and charges</b>	21,789,646	22,157,930	301,991	1.58%

	2021/22	2022/23	Change	Change
	\$	\$	\$	%
General rates	17,595,322	17,905,724	310,402	1.76%
Municipal charge	1,976,570	2,005,355	28,785	1.46%
<b>Total Rates</b>	19,571,892	19,911,079	339,187	1.73%
Kerbside Collection – Refuse, Recycling & FOGO	2,217,960	2,244,960	27,000	1.22%
<b>Rates and charges</b>	21,789,852	22,156,039	366,187	1.68%

#### 4.1.1(l) Fair Go Rates System Compliance

Southern Grampians Shire Council is required to comply with the State Governments Fair Go Rates System (FGRS). The table below details the budget assumptions consistent with the requirements of the Fair Go Rates System.

	* 2021/22	2022/23
	\$	\$
Total Rates (includes Municipal Charge) – Prior Year	\$19,201,514	\$19,571,686
Number of rateable properties	11,104	11,163
Base Average Rate	\$1,729.24	\$1,753.26
Maximum Rate Increase (set by the State Government)	1.50%	1.75%
Capped Average Rate	\$1,762.44	\$1,783.96
Maximum General Rates and Municipal Charges Revenue	\$19,489,123	\$19,914,297
<b>Budgeted</b>		
General Rates and Municipal Charges Revenue	\$19,488,416	\$19,912,970
Number of rateable properties	11,104	11,163
Average Rate	\$1,755.08	\$1,783.83
Rate Increase	1.49%	1.74%

\*based on ESC return for 2021/22

	* 2021/22	2022/23
	\$	\$
Total Rates (includes Municipal Charge) – Prior Year	\$19,201,514	\$19,571,892
Number of rateable properties	11,104	11,176
Base Average Rate	\$1,729.24	\$1,751.24
Maximum Rate Increase (set by the State Government)	1.50%	1.75%
Capped Average Rate	\$1,762.44	\$1,781.90
Maximum General Rates and Municipal Charges Revenue	\$19,489,123	\$19,914,504
<b>Budgeted</b>		
General Rates and Municipal Charges Revenue	\$19,488,416	\$19,911,079
Number of rateable properties	11,104	11,176
Average Rate	\$1,755.08	\$1,781.59
Rate Increase	1.49%	1.73%

#### 4.1.1(m) 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.

#### 4.1.1(l) Differential rates

##### General Rate 1

A differential general rate of 0.003451 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 ~~0.002043~~ 0.002040 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 ~~0.002043~~ 0.002040 cents in the dollar on the capital improved value of all other rateable land in the Shire;

#### Objective of Differential Rating

Council believes each differential rate will contribute to the equitable and efficient delivery of Council functions. The purpose of levying differential general rates is to recognise the following inherent characteristics and historical circumstances:

- the different standard of municipal services provided to the residents and ratepayers in different areas of the Shire,
- the different range of municipal services available to the residents and ratepayers in different areas of the Shire,
- differences in the accessibility to municipal services for the residents and ratepayers in different areas of the Shire.

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

A Special Rate of 0.00016 cents in the dollar on the capital improved value of all rateable land in the Yatchaw Drainage Area.