RATE MODELLING

2023-2024

Setting the scene

Valuation Movements – Early Indications from the Valuer General

Regional Areas across the State:

Residential Capital Valuations – increases of 16-20%

- ▶ Land value growth experiences across most regional markets driven by low land supply and population growth

- ▶ Positive impacts of COVID-19 effects – population shift to regional areas placing demand on housing

Commercial & Industrial Capital Valuations - increases of approximately 12%

Setting the scene…

Primary Production Capital Valuations– increases of 30-35%

▶ Strong commodity prices, low interest rates and favourable weather conditions

▶ Market movements – broadacre cropping and grazing markets

▶ Commercial vineyard properties experience minimal change

Our Capital Valuation Movements

Land Use Code	Valuation Increase
Non Rateable	-24.06%
Residential	21.90%
Commercial	19.77%
Industrial	18.06%
Primary Production	37.50%
Vacant Land	24.72%
Other	18.22
Marina Berth	14.81
TOTAL	31.72%

VALUATION PROFILE
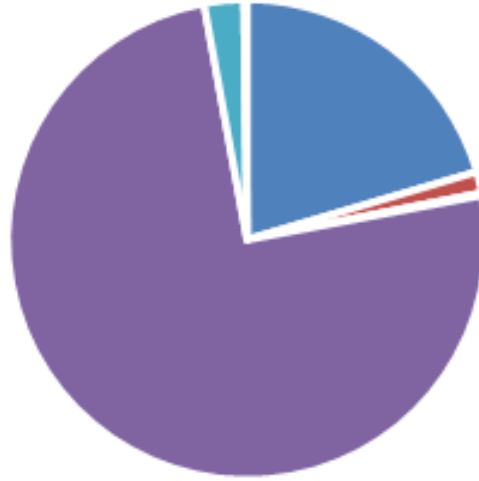
- Residential 20.44%
- Commercial 1.43%
- Industrial 0.17%
- Primary Production 75.07%
- Vacant Land 2.68%
- Other 0.11%
- Marina Berth 0.10%

Rating Policy

▶ Rating Strategies

COMMUNITY PLAN STATEMENT	RATING STRATEGY
A sought after visitor and lifestyle destination	Higher vacant land differential to discourage land banking and encourage conversion to housing.
A vibrant town centre	Business support strategy - commercial and industrial businesses have a lower Rate in the Dollar (RID)
A diverse range of prosperous local businesses and primary industries	A lower rate in the dollar for primary production properties, marina berths, commercial and industrial properties.
Strong Community	Discretionary rebate on rates for sporting and community groups.
Best practice Assets and Infrastructure management	Raise sufficient rates to maintain and improve community infrastructure and to ensure long-term financial sustainability.
A sustainable and progressive Cape Jaffa Development	Higher vacant land differential to discourage land banking and encourage conversion to housing. Commercial, Industrial and Marina Berths businesses have a lower RID.

Rating Policy

▶ Differential Rates

Land Use Code	Differential Base Rate
Residential	100%
Commercial (shop, office, other)	95%
Industrial (light, other)	95%
Primary Production	70%
Vacant Land	125%
Other	100%
Marina Berth	95%

Introducing Goal Seek Program

Rate Modelling Variables

▶ Rate Revenue

▶ Minimum Rate (Maximum 35% properties)

▶ Rate Code Differential (Rate in Dollar)

Starting Point for today

▶ Rate Revenue – increase by 5%

▶ Minimum Rate – increase by 5% (from $635.10 to $667.00)

▶ Rate Code Differential – same as last year = 21.13% reduction in RID across all LUC

Capping Rebate

- Current Policy – Properties capped at 12% general rate increase

- Current Policy Exclusions

  - Where the valuation increase is due to capital improvements to the land (as determined by the Office of the Valuer General), or

  - Where a boundary realignment, subdivision, amalgamation or rezoning of the land has occurred, or

  - Where an application to change the use of the land has been lodged and a subsequent change in land use has occurred; or

  - Where the ownership of the land has changed since 1 July of the preceding financial year

  - If the land use is vacant land.

- Valuation objections and hardship provisions

Service Charges

Service	Proposed 23-24	2022-2023	Increase	Comment
MGB	$268.75	$262.50	$6.25	Contract
CWMS - Occupied	$502.00	$473.00	$29.00	CPI
CWMS – Vacant	$332.00	$316.00	$16.00	CPI

Regional Landscape Levy

Category	Proposed 23-24	2022-2023	Increase
Resident / Vacant / Other	$87.00	$80.20	$6.80
Commercial	$131.00	$120.70	$10.30
Industrial	$210.00	$192.70	$17.30
Primary Production	$372.00	$353.70	$18.30

Next Steps

- Prepare Draft Annual Business Plan
- Prepare Rating Policy
  - Adoption at June Council Meeting
  - Include any changes resulting from Rate Modelling