

# Rating Information

**2024/25 BUDGET  
RATING INFORMATION**

The attached documentation is circulated for the information of Councillors and should be read in conjunction with the 2024/25 budget notes.

**VALUATIONS**

**GRV – GROSS RENTAL VALUE**

GRV revaluations are performed every 5 years. The most recent revaluation occurred in 2021/22, resulting in an overall increase of approximately 9%. An application was successfully made to the Minister of Local Government to change the rating method for properties in specified areas including McDowell St to an area to the north, and subdivisions in Lake Clifton and Leavy Road. This change was implemented in the 2023/24 financial year. Additionally, an application for a rating method change for a heavy industrial lot in Wagerup was approved, with interim rates budgeted for in 2024/25. It is expected that another application for a rating method change for properties west of the railway line will be submitted following community consultation.

**UV – UNIMPROVED VALUE**

Unimproved Value (UV) properties undergo annual revaluations by the Valuer General's Office. Following a period of small incremental increases, UV valuations have shown continued growth with an 8% rise in 2022/23, 15.42% in 2023/24, and 8.9% in 2024/25. The values of larger UV farming properties have experienced particularly notable increases this financial year. In 2023/24 the Council introduced two new UV differential rating categories aimed at achieving fairness and consistency in rates across the shire. These categories specifically target properties outside the townsite used for light or heavy industry, mining, exploration, extractive industry, renewable energy, or intensive agricultural purposes. The revenue generated from these differential rating categories will be allocated to infrastructure maintenance necessitated by heavy road usage.

**OBJECTIVES AND REASONS**

Objectives and reasons for each rate code are detailed below:

**UV**

<b>Desc.</b>	<b>Characteristics</b>	<b>Objects</b>	<b>Reasons</b>
UV General	Properties that are used primarily for rural and farming purposes.	The objective of this category is to ensure that all ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefit of the residents.	Revenue derived from this category assists in funding the service levels expected by the community, achieving the Strategic Community Plan and minimum standards of performance to which the Council will be measured by the State Government and others.
UV Industry and Mining (excludes activities where a contribution agreement is in place under the Road Traffic Act 1974)	Properties located outside of a townsite that are held for light or heavy industry, mining, exploration, extractive industry and renewable energy facilities.	The object of this category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to properties in this category.	The reason for this rate is the need to offset the higher level of costs associated in servicing these properties, including the costs of transport infrastructure maintenance and renewal/refurbishment, and costs relating to monitoring of land use and environmental impacts.
UV Intensive Agriculture	Properties located outside of a townsite that are held intensive agriculture use.	The object of this category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to properties in this category.	The reason for this rate is the need to offset the higher level of costs associated in servicing these properties, including the costs of transport infrastructure maintenance and renewal/refurbishment, and costs relating to monitoring of land use and environmental impacts.

## GRV

Desc.	Characteristics	Objects	Reasons
GRV General	Properties that are used primarily for residential purposes and located within a townsite.	The objective of this category is to ensure that all residential ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefits of the residents.	Revenue derived from this category assists in funding the service levels expected by the community, achieving the Strategic Community Plan and minimum standards of performance to which the Council will be measured by the State Government and others.

## MINIMUM RATES

The Shire imposes a single minimum payment across all rating categories. The minimum payment recognises that all ratepayers have an equal opportunity to enjoy the facilities and services provided by Council, regardless of the value of their property. The recommended model proposes an increase in the minimum rate for both GRV and UV.

- **GRV** from \$1,280 to \$1,343
- **UV** from \$1,280 to \$1,343

A comparison of values at rates billing can be seen in the table detailed below:

	2020/21	2021/22	2022/23	2023/24	2024/25	Difference
<b>GRV</b>	29,658,754	29,765,512	32,500,424	32,766,841	33,311,911	+1.66%
<b>UV</b>	240,814,512	235,962,616	258,801,475	298,721,836	325,217,267	+8.86%

Percentage movements for the previous reporting period were +0.81% GRV and +15.42% UV.

## RATING

The overall rates increase equates to 4.96% for 2024/25, 1.01% more than that forecast in Council's Long-Term Financial Plan (LTFP).

This has largely been as a result of the following:

- The 2020/21 COVID-19 Pandemic freeze on changes in rate in the dollar and minimums and the ongoing impact of COVID-19 on household income resulting in a 0% increase, 3% lower than the forecast increase in the LTFP.
- The 2021/22 rates increase of 2% being 1% lower than the forecast increase in the LTFP.
- The impact of inflation on expenditure.

Attached is a summary of the model by which the 2024/25 budget is based. The model reflects an income ratio of 37.51% of income from UV and 62.49% income from GRV. The ratio has been slightly adjusted from the previous financial year as a result of properties moving from UV to GRV as a result of the approved change of rating method.

TOTAL INCOME	2020/21	2021/22	2022/23	2023/24	2024/25
<b>GRV</b>	\$3,128,997	\$3,195,648	\$3,357,335	\$3,492,891	\$3,805,021
<b>UV</b>	\$1,894,648	\$1,934,704	\$2,031,914	\$2,319,860	\$2,283,627

Rates income increase from rates raised 23/24 to rates raised 24/25 is \$275,897.

**2024/25 RATES MODEL**

Method	Code	Total Props	UV Value	GRV Value	Min Amts	UV %	GRV	Calculated Rates	Props on Min	Actual Rates to Raise
UV	02	522	\$271,283,444	\$0	\$ 1,343.00	0.6410		\$1,738,926.93	79	<b>\$1,779,587.75</b>
	06	69	\$23,480,000	\$21,660	\$ 1,343.00	0.6410		\$150,506.80	1	<b>\$151,016.50</b>
	07	11	\$176,606	\$0	\$ 1,343.00	0.6410		\$1,132.04	11	<b>\$14,773.00</b>
	09	4	\$23,062,000	\$0	\$ 1,343.00	1.2815		\$295,539.54	0	<b>\$295,539.54</b>
	12	4	\$4,442,000	\$0	\$ 1,343.00	0.9615		\$42,709.84	0	<b>\$42,709.84</b>
GRV	01	1191	\$0	\$18,717,170	\$ 1,343.00		10.9170	\$2,043,353.52	288	<b>\$2,173,932.22</b>
	03	37	\$0	\$0460,694	\$ 1,343.00		10.9170	\$50,293.96	16	<b>\$54,158.21</b>
	04	468	\$0	\$5,963,212	\$ 1,343.00		10.9170	\$651,003.76	132	<b>\$741,927.35</b>
	05	82	\$0	\$1,571,801	\$ 1,343.00		10.9170	\$171,593.48	17	<b>\$175,633.08</b>
	08	289	\$0	\$4,624,760	\$ 1,343.00		10.9170	\$504,885.09	77	<b>\$547,740.59</b>
	10	79	\$0	\$603,086	\$ 1,343.00		10.9170	\$65,838.87	77	<b>\$111,629.65</b>
NR	00	258	\$1,979,217	\$1,336,278				\$0	0	<b>\$0</b>
	77	8	\$794,000	\$13,250				\$0	0	<b>\$0</b>
										<b>\$6,088,647.73</b>

UV properties on Minimum	15.13%
GRV properties on Minimum	28.29%

Total Income		
UV	\$2,283,626.63	37.51%
GRV	\$3,805,021.10	62.49%

Minimum		
UV	\$1,280 to \$1,343	4.95%
GRV	\$1,280 to \$1,343	4.95%

**2024/25 LIST OF SAMPLE PROPERTIES**

Ass	Property Type	GRV/UV	Current Valuation	2022/23		2023/24		2024/25 Proposed		Difference
				\$1,230 Minimum		\$1,280 Minimum		\$1,343 Minimum		
				Rate in \$	Rates	Rate in \$	Rates	Rate in \$	Rates	
A3124	Residential 4 x 2	GRV	\$19,760	10.0964	\$1,995.05	10.4568	\$2,066.26	10.9170	\$2,157.20	\$90.94
A828	Residential 3 x 1	GRV	\$14,560	10.0964	\$1,470.04	10.4568	\$1,522.51	10.9170	\$1,589.51	\$67.00
A1586	Vacant Land	GRV	\$3,660	10.0964	\$1,230.00	10.4568	\$1,280.00	10.9170	\$1,343.00	\$63.00
A452	Residential 4 x 2	GRV	\$18,980	10.0964	\$1,368.29	10.4568	\$1,984.70	10.9170	\$2,072.05	\$87.35
A1283	Residential 3 x 2	GRV	\$15,340	10.0964	\$1,548.79	10.4568	\$1,604.07	10.9170	\$1,674.67	\$70.60
A3403	Rural	UV	\$589,000	0.7687	\$3,397.65	0.6942	\$3,526.54	0.6410	\$3,775.49	\$248.95
A3956	Rural	UV	\$165,000	0.7687	\$1,491.28	0.6942	\$1,520.30	0.6410	\$1,343.00	-\$177.30
A3968	Rural	UV	\$333,000	0.7687	\$1,757.34	0.6942	\$2,061.77	0.6410	\$2,143.53	\$81.76
A413	Rural	UV	\$258,000	0.7687	\$1,437.47	0.6942	\$1,485.59	0.6410	\$1,653.78	\$168.19
A500	Rural	UV	\$1,308,000	0.7687	\$7,264.22	0.6942	\$7,545.95	0.6410	\$8,384.28	\$838.33
A2930	Industry & Mining	UV	\$473,000	0.7687	\$2,290.73	1.3883	\$5,803.09	1.2815	\$6,061.49	\$258.40
A396	Industry & Mining	UV	\$364,000	0.7687	\$2,029.37	1.3883	\$4,206.55	1.2815	\$4,664.66	\$458.11
A3974	Intensive Agriculture	UV	\$1,284,000	0.7687	\$8,033.67	1.0413	\$12,401.80	0.9615	\$12,345.66	-\$56.14
A3929	Intensive Agriculture	UV	\$1,933,000	0.7687	\$10,715.68	1.0413	\$16,723.28	0.9615	\$18,585.79	\$1,862.51

**PAST RATING STATISTICS**

Year	GRV	UV	GRV %	UV %	GRV General	UV General	UV Ind/Mining	UV Agriculture	GRV Min	UV Min	Increase %
2013/14	\$2,148,528.00	\$1,332,456.00	61.72%	38.28%	8.3555	0.5445	0	0	\$800.00	\$800.00	7.95
2014/15	\$2,339,404.00	\$1,453,826.00	62.14%	37.86%	9.0273	0.6017	0	0	\$880.00	\$880.00	8.95
2015/16	\$2,530,028.00	\$1,562,658.00	61.80%	38.20%	9.7211	0.6482	0	0	\$940.00	\$940.00	7.95
2016/17	\$2,724,562.00	\$1,666,356.00	62.05%	37.95%	10.3535	0.7182	0	0	\$1,010.00	\$1,010.00	6.95
2017/18	\$2,900,651.00	\$1,766,712.00	62.15%	37.85%	9.7477	0.7369	0	0	\$1,065.00	\$1,065.00	5.95
2018/19	\$3,034,865.00	\$1,838,960.00	62.27%	37.73%	10.0863	0.7580	0	0	\$1,115.00	\$1,115.00	3.95
2019/20	\$3,119,565.02	\$1,898,349.69	62.17%	37.83%	10.3248	0.7783	0	0	\$1,145.00	\$1,145.00	2.64
2020/21	\$3,128,997.54	\$1,894,648.63	62.29%	37.71%	10.3248	0.7783	0	0	\$1,145.00	\$1,145.00	0.11
2021/22	\$3,195,647.78	\$1,934,704.21	62.29%	37.71%	10.5083	0.8055	0	0	\$1,175.00	\$1,175.00	2.00
2022/23	\$3,357,335.00	\$2,031,914.00	62.30%	37.70%	10.0964	0.7687	0	0	\$1,230.00	\$1,230.00	4.95
2023/24	\$3,492,890.88	\$2,319,860.00	60.09%	39.91%	10.4568	0.6942	1.3883	1.0413	\$1,280.00	\$1,280.00	3.95
2024/25	\$3,805,021.10	\$2,283,626.63	62.49%	37.51%	10.9170	0.6410	1.2815	0.9615	\$1,343.00	\$1,343.00	4.95