

3.1. ADOPTION OF DIFFERENTIAL GENERAL RATES FOR FINANCIAL YEAR 2022-2023

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DEPARTMENT Finance and Corporate Services

RECOMMENDATION

That Council resolves to:

1. In accordance with s 81 of the *Local Government Regulation 2012*, the categories to which rateable land is categorised, the description of those categories and, in accordance with s 81(4) and s 81(5) of the *Local Government Regulation 2012*, the method by which land is to be identified and included in its appropriate category is as follows:

CATEGORY 1 RESIDENTIAL – Principal Place of Residence (PPR)

Description

Properties used solely for a single residential dwelling, which is the principal place of residence of the owner/s with a rateable valuation from \$1 to \$695,000.

Identification (as determined by the CEO)

Ordinarily properties with the following land use codes would fall within this category:-

- 02 Residential single unit dwelling - urban and rural;
- 05 Large homesite - dwelling - urban and rural;
- 09 Group Titles;

CATEGORY 2 – RESIDENTIAL – Principal Place of Residence (PPR)

Description

Properties used solely for a single residential dwelling, which is the principal place of residence of the owner/s with a rateable valuation from \$695,001 to \$1,300,000.

Identification (as determined by the CEO)

Ordinarily properties with the following land use codes would fall within this category:-

- 02 Residential single unit dwelling - urban and rural;
- 05 Large homesite - dwelling - urban and rural;
- 09 Group Titles;

CATEGORY 3 – RESIDENTIAL – Principal Place of Residence (PPR)

Description

Properties used solely for a single residential dwelling, which is the principal place of residence of the owner/s with a rateable valuation from \$1,300,001 to \$2,000,000.

Identification (as determined by the CEO)

Ordinarily properties with the following land use codes would fall within this category:-

- 02 Residential single unit dwelling - urban and rural;
- 05 Large homesite - dwelling - urban and rural;
- 09 Group Titles;

CATEGORY 4 – RESIDENTIAL – Principal Place of Residence (PPR)

Description

Properties used solely for a single residential dwelling, which is the principal place of residence of the owner/s with a rateable valuation greater than \$2,000,000.

Identification (as determined by the CEO)

Ordinarily properties with the following land use codes would fall within this category:-

- 02 Residential single unit dwelling - urban and rural;
- 05 Large homesite - dwelling - urban and rural;
- 09 Group Titles;

CATEGORY 5 – RESIDENTIAL – Non-Principal Place of Residence (NPPR)

Description

Properties used solely for, or capable of use for, a single residential dwelling, which is not the principal place of residence of the owner/s with a rateable valuation from \$1 to \$695,000.

Identification (as determined by the CEO)

Ordinarily properties with the following land use codes would fall within this category:-

- 01 Vacant urban land (excluding those included in commercial categories 18 and 19);
- 02 Residential single unit dwelling - urban and rural;
- 04 Large homesite - vacant urban and rural (excluding those in commercial categories 18 and 19);
- 05 Large homesite - dwelling - urban and rural;
- 06 Outbuildings (excluding those in commercial categories 18 and 19);
- 09 Group Titles;
- 94 Vacant rural land.

CATEGORY 6 – RESIDENTIAL – Non-Principal Place of Residence (NPPR)

Description

Properties used solely for, or capable of use for, a single residential dwelling, which is not the principal place of residence of the owner/s with a rateable valuation from \$695,001 to \$1,300,000.

Identification (as determined by the CEO)

Ordinarily properties with the following land use codes would fall within this category:-

- 01 Vacant urban land (excluding those included in commercial categories 18 and 19);
- 02 Residential single unit dwelling - urban and rural;
- 04 Large homesite - vacant urban and rural (excluding those in commercial categories 18 and 19);
- 05 Large homesite - dwelling - urban and rural;
- 06 Outbuildings (excluding those in commercial categories 18 and 19);
- 09 Group Titles;
- 94 Vacant rural land.

CATEGORY 7 – RESIDENTIAL – Non-Principal Place of Residence (NPPR)

Description

Properties used solely for, or capable of use for, a single residential dwelling, which is not the principal place of residence of the owner/s with a rateable valuation from \$1,300,001 to \$2,000,000.

Identification (as determined by the CEO)

Ordinarily properties with the following land use codes would fall within this category:-

- 01 Vacant urban land (excluding those included in commercial categories 18 and 19);
- 02 Residential single unit dwelling - urban and rural;
- 04 Large homesite - vacant urban and rural (excluding those in commercial categories 18 and 19);
- 05 Large homesite - dwelling - urban and rural;
- 06 Outbuildings (excluding those in commercial categories 18 and 19);
- 09 Group Titles;
- 94 Vacant rural land.

CATEGORY 8 – RESIDENTIAL – Non-Principal Place of Residence (NPPR)

Description

Properties used solely for, or capable of use for, a single residential dwelling, which is not the principal place of residence of the owner/s with a rateable valuation greater than \$2,000,000.

Identification (as determined by the CEO)

Ordinarily properties with the following land use codes would fall within this category:-

- 01 Vacant urban land (excluding those included in commercial categories 18 and 19);
- 02 Residential single unit dwelling - urban and rural;
- 04 Large homesite - vacant urban and rural (excluding those in commercial categories 18 and 19);
- 05 Large homesite - dwelling - urban and rural;
- 06 Outbuildings (excluding those in commercial categories 18 and 19);
- 09 Group Titles;
- 94 Vacant rural land.

CATEGORY 9 – RESIDENTIAL Building Units – Principal Place of Residence (PPR)

Description

Properties that are used for residential purposes and the unit lot is part of a Community Title Scheme, which is the principal place of residence of the owner/s.

Identification (as determined by the CEO)

Ordinarily properties with the following land use code would fall within this category:-

08 Building Units

CATEGORY 10 – RESIDENTIAL Building Units – Non-Principal Place of Residence (NPPR)

Description

Properties that are used for residential purposes and the unit lot is part of a Community Title Scheme, which is not the principal place of residence of the owner/s.

Identification (as determined by the CEO)

Ordinarily properties with the following land use code would fall within this category:-

08 Building Units

CATEGORY 11 – RESIDENTIAL – Flat 2

Description

Properties that are used for multi residential purposes (flats) and contain 2 independent living flats.

Identification (as determined by the CEO)

Ordinarily properties with the following land use code would fall within this category:-

03 Multi Unit Dwelling (Flats)

CATEGORY 12 – RESIDENTIAL – Flats 3-4

Description

Properties used for multi residential purposes (flats) and contain 3 or 4 independent living flats.

Identification (as determined by the CEO)

Ordinarily properties with the following land use code would fall within this category:-

03 Multi Unit Dwelling (Flats)

CATEGORY 13 – RESIDENTIAL – Flats 5-6

Description

Properties used for multi residential (flats) and contain 5 or 6 independent living flats.

Identification (as determined by the CEO)

Ordinarily properties with the following land use code would fall within this category:-

03 Multi Unit Dwelling (Flats)

CATEGORY 14 – RESIDENTIAL – Flats 7+

Description

Properties used for multi residential (flats) and contain 7 or more independent living flats.

Identification (as determined by the CEO)

Ordinarily properties with the following land use code would fall within this category:-

03 Multi Unit Dwelling (Flats)

CATEGORY 15 – RESIDENTIAL –Section 50

Description

Residential properties that are subject to s 50 of the *Land Valuation Act 2010*.

Identification (as determined by the CEO)

Ordinarily properties with the following land use code would fall within this category:-

72 Residential land, which is subject to s 50 of the *Land Valuation Act 2010*.

CATEGORY 16 - RURAL PRODUCTIVE

Description

Properties which are used predominately for primary production.

Identification (as determined by the CEO)

Ordinarily properties with the following land use codes would fall within this category:-

- 60 Sheep Grazing - Dry;
- 61 Sheep Breeding;
- 64 Cattle Grazing - Breeding;
- 65 Cattle Breeding and Fattening;
- 66 Cattle Fattening;
- 67 Goats;
- 68 Milk - Quota;
- 69 Milk - No Quota;
- 70 Cream;
- 71 Oil Seeds;
- 73 Grains;
- 74 Turf Farms;
- 75 Sugar Cane;
- 76 Tobacco;
- 77 Cotton;
- 78 Rice;
- 79 Orchards;
- 80 Tropical Fruits;
- 81 Pineapples;
- 82 Vineyards;
- 83 Small Crops and Fodder Irrigated;
- 84 Small Crops Fodder Non-irrigated;
- 85 Pigs;
- 86 Horses;
- 87 Poultry;

- 88 Forestry and Logs;
- 89 Animals Special;
- 93 Peanuts.

CATEGORY 17 - ALL OTHER LAND

Description

All land which is not otherwise categorised.

Identification (as determined by the CEO)

CATEGORY 18 – COMMERCIAL NORTH

Description

Properties in the localities of Cooya, Mossman and other localities to the north of Mossman (excluding those properties in Commercial Categories 19, 20, 21 and 22):

- (i) that are used, or capable of being used, for commercial/industrial purposes; or
- (ii) included as Commercial and Industry Planning Areas in the 2018 Douglas Shire Planning Scheme Version 1.0.

Identification (as determined by the CEO)

Ordinarily properties with the following land use codes would fall within this category:-

- 01 Vacant urban land;
- 04 Large vacant urban land;
- 06 Outbuildings;
- 07 Guest House/Private Hotel;
- 08 Building Units;
- 09 Group Titles;
- 10 Combined Multi Dwelling and Shop;
- 11 Shop - Single;
- 12 Shops - Shopping group (more than 6 shops);
- 13 Shopping group (2 to 6 shops);
- 14 Shops - Main Retail;
- 15 Shops - Secondary Retail;
- 16 Drive In Shopping Centres;
- 17 Restaurant;
- 18 Special Tourist Attraction;
- 19 Walkway;
- 20 Marina;
- 22 Car Park;
- 23 Retail Warehouse;
- 24 Sales Area Outdoor;
- 25 Offices;
- 26 Funeral Parlours;
- 27 Hospitals; Convalescent Homes (Medical Care) (Private);
- 28 Warehouses and Bulk Stores;
- 29 Transport Terminal;
- 30 Service Station;
- 31 Oil Depots and Refinery;
- 32 Wharves;
- 33 Builders Yard/Contractors Yard;
- 34 Cold Stores - Iceworks;
- 35 General Industry;

- 36 Light Industry;
- 37 Noxious/Offensive Industry;
- 38 Advertising - Hoarding;
- 39 Harbour Industries;
- 40 Extractive;
- 41 Child Care;
- 42 Hotel/Tavern;
- 43 Motel;
- 44 Nurseries;
- 45 Theatres and Cinemas;
- 46 Drive-In Theatres;
- 47 Licensed Clubs;
- 48 Sports Clubs/Facilities;
- 49 Caravan Parks;
- 50 Other Clubs Non-Business;
- 51 Religious;
- 52 Cemeteries (including Crematoria);
- 55 Library;
- 56 Showgrounds/Racecourses/Airfields;
- 57 Parks and Gardens;
- 58 Educational - including Kindergartens;
- 72 Refer to s50 of the *Land Valuation Act 2010*;
- 91 Transformers;
- 92 Defence Force establishments;
- 95 Reservoir, Dam, Bores;
- 96 Public Hospital;
- 97 Welfare Homes/Institutions;
- 99 Community Protection Centre.

CATEGORY 19 - COMMERCIAL SOUTH

Description

Properties in the localities of Port Douglas, Craiglie and other localities to the south of Craiglie (excluding those properties in Commercial Categories 18, 20, 21 and 22)

- (i) that are used, or capable of being used, for commercial/industrial purposes; or
- (ii) included as Commercial and Industry Planning Areas in 2018 Douglas Shire Planning Scheme Version 1.0.

Identification (as determined by the CEO)

Ordinarily properties with the following land use codes would fall within this category:-

- 01 Vacant urban land;
- 04 Large vacant urban land;
- 06 Outbuildings;
- 07 Guest House/Private Hotel;
- 08 Building Units;
- 09 Group Titles;
- 10 Combined Multi Dwelling and Shop;
- 11 Shop - Single;
- 12 Shops - Shopping group (more than 6 shops);
- 13 Shopping group (2 to 6 shops);
- 14 Shops - Main Retail;
- 15 Shops - Secondary Retail;
- 16 Drive In Shopping Centres;

- 17 Restaurant;
- 18 Special Tourist Attraction;
- 19 Walkway;
- 20 Marina;
- 22 Car Park;
- 23 Retail Warehouse;
- 24 Sales Area Outdoor;
- 25 Offices;
- 26 Funeral Parlours;
- 27 Hospitals; Convalescent Homes (Medical Care) (Private);
- 28 Warehouses and Bulk Stores;
- 29 Transport Terminal;
- 30 Service Station;
- 31 Oil Depots and Refinery;
- 32 Wharves;
- 33 Builders Yard/Contractors Yard;
- 34 Cold Stores - Iceworks;
- 35 General Industry;
- 36 Light Industry;
- 37 Noxious/Offensive Industry;
- 38 Advertising - Hoarding;
- 39 Harbour Industries;
- 40 Extractive;
- 41 Child Care;
- 42 Hotel/Tavern;
- 43 Motel;
- 44 Nurseries;
- 45 Theatres and Cinemas;
- 46 Drive-In Theatres;
- 47 Licensed Clubs;
- 48 Sports Clubs/Facilities;
- 49 Caravan Parks;
- 50 Other Clubs Non-Business;
- 51 Religious;
- 52 Cemeteries (including Crematoria);
- 55 Library;
- 56 Showgrounds/Racecourses/Airfields;
- 57 Parks and Gardens;
- 58 Educational - including Kindergartens;
- 72 Refer to s50 of the *Land Valuation Act 2010*;
- 91 Transformers;
- 92 Defence Force establishments;
- 95 Reservoir, Dam, Bores;
- 96 Public Hospital;
- 97 Welfare Homes/Institutions;
- 99 Community Protection Centre.

CATEGORY 20 – COMMERCIAL NOT FOR PROFIT

Description

Properties used by not-for-profit recreation, sporting and community groups that receive a remission or rebate under Council's Rates Rebate – Not for Profit Entities Policy.

Identification (as determined by the CEO)

Properties in this category are recipients of a concession under Council's Rates Rebate – Not for Profit Entities Policy.

CATEGORY 21 - COMMERCIAL MARINA

Description

Properties which are predominantly used or intended for use as a shopping centre, with a secondary use of a marina, which:

- (a) Have an area in excess of 1.5 ha; and
- (b) Contain a building or group of buildings comprising more than six shops.

Identification (as determined by the CEO)

Ordinarily properties with the following land use code would fall within this category:-

12 Shops - Shopping group (more than 6 shops).

With a secondary land use of:

20 Marina

CATEGORY 22 – HEAVY INDUSTRY (SUGAR MILL)

Description

Properties that are used or have the potential to be used for a sugar mill or co-generation plant.

Identification (as determined by the CEO)

Ordinarily properties with the following land use code would fall within this category:-

35 General Industry

INTERPRETATION

The following terms used in the differential rating categories have the meanings set out below:

Community Titles Scheme: a community titles scheme under the *Body Corporate and Community Management Act 1997*. **Land use code:** the codes recorded in Council's land records which identify the principal use of the land determined by the State valuation authority.

Principle place of residence: land that is the place of residence at which at least one natural person who constitutes the owner/s of the land predominantly resides.

In establishing whether land is the owner's principal place of residence, Council may consider, but not be limited to the owner's declared address for electoral, taxation, government social security or national health registration purposes, or any other form of evidence deemed acceptable by the Council. Residential premises that have not met these criteria will be deemed a secondary residence.

Principal Place of Residence for Building Units - To be eligible for Principal Place of Residence your property must be able to be occupied as a permanent residence under Council's Planning Scheme or have a relevant planning approval.

For the avoidance of doubt, land will not be the owner’s principal place of residence where it is:

- 1) not occupied by at least one person/s who constitute the owner/s, but occupied by any other person/s, whether in return for rent or remuneration or not, including members of the owner’s family, or;
 - 2) vacant, whether permanently or temporarily (for more than 120 days of the financial year), including for the purposes of renovation or redevelopment, except in the case where:
 - a) premises that are being renovated are and remain the principal place of residence of the owner, and the owner does not during the renovation period own any other property which is used as, or asserted by the owner for any purpose to be, the owner’s place of residence; and
 - b) a property is vacant for a period longer than 120 contiguous days of the financial year due to the owner/s absence on an extended holiday, provided that the property remains completely vacant for the entire period of their absence;
 - c) a property is vacant due to the owner/s absence due to work commitments, provided that the absence is confirmed in writing by the owner’s employer to Council’s satisfaction and the property remains vacant or is occupied by immediate family members only during the period of the owner’s absence;
 - d) The owner is absent due to medical reasons of the owner or a close relative and this is confirmed in writing by a health professional to Council’s satisfaction; or
 - 3) not owned by a natural person, e.g., owned by a company, except where the ratepayer residing at the property as their principal place of residence is the company owner.
 - 4) flats and other multiple tenement residential properties, even where the owner of the land resides in one of the flats or tenements.
2. Council delegates to the Chief Executive Officer the power, in accordance with s 81(4) and s 81(5) of the *Local Government Regulation 2012*, to identify the rating category to which each parcel of rateable land belongs.
 3. In accordance with s 94 of the *Local Government Act 2009* and s 80 of the *Local Government Regulation 2012*, the differential general rate to be made and levied for each differential general rate category and, in accordance with s 77 of the *Local Government Regulation 2012*, the minimum general rate to be made and levied for each differential general rate category, is as follows:

| Category | Rate in the Dollar | | Minimum Differential General Rate |
|-----------------------|--------------------|---------------------|-----------------------------------|
| 1 - Residential – PPR | .70120 | cents in the dollar | \$1,118 |
| 2 - Residential – PPR | .55030 | cents in the dollar | \$5,100 |
| 3 - Residential – PPR | .53130 | cents in the dollar | \$7,462 |

| Category | Rate in the Dollar | | Minimum Differential General Rate |
|----------------------------------|--------------------|---------------------|-----------------------------------|
| 4 - Residential – PPR | .40000 | cents in the dollar | \$11,069 |
| 5 - Residential – NPPR | .70810 | cents in the dollar | \$1,218 |
| 6 - Residential – NPPR | .55360 | cents in the dollar | \$5,200 |
| 7 - Residential – NPPR | .53310 | cents in the dollar | \$7,562 |
| 8 - Residential – NPPR | .40200 | cents in the dollar | \$11,169 |
| 9 - Residential Units – PPR | .79800 | cents in the dollar | \$1,118 |
| 10 - Residential Units – NPPR | 1.05380 | cents in the dollar | \$1,218 |
| 11 - Residential Flats 2 | .90850 | cents in the dollar | \$1,674 |
| 12 - Residential Flats 3-4 | .90850 | cents in the dollar | \$2,163 |
| 13 - Residential Flats 5-6 | .90850 | cents in the dollar | \$2,652 |
| 14 - Residential Flats 7+ | .90850 | cents in the dollar | \$3,217 |
| 15 - Residential – Section 50 | .70810 | cents in the dollar | Nil |
| 16 - Rural Productive | 1.24440 | cents in the dollar | \$1,218 |
| 17 - All Other Land | 0.70810 | cents in the dollar | \$1,218 |
| 18 - Commercial North | 1.12120 | cents in the dollar | \$1,218 |
| 19 - Commercial South | .78490 | cents in the dollar | \$1,218 |
| 20 - Commercial NFP | .72710 | cents in the dollar | \$1,118 |
| 21 - Commercial Marina | 3.79780 | cents in the dollar | \$335,402 |
| 22 - Heavy Industry (Sugar Mill) | 1.16330 | cents in the dollar | \$1,218 |

4. Pursuant to s 116 of the *Local Government Regulation 2012*, for the 2022-2023 financial year, Council has not made, and will not make, a resolution limiting an increase of Rates and Charges.

EXECUTIVE SUMMARY

Council included an objective in the Operational Plan 2021-2022 to perform a review of the General Rates structure, to ensure the model provides equity to ratepayers and work through the issues associated with the general rates structure, as raised by officers and the community. The purpose was to provide Council with an analysis of its 2022-2023 land revaluations and provide decision support in determining its approach to general rates for the 2022-2023 budget.

Council undertook an extensive review and developed the proposed General Rates Model. Comparative information on differing approaches taken by other Local Governments in Queensland was considered. Feedback from organisations and ratepayers were taken into consideration when undertaking the review. The Department of Resources carried out revaluations in the Douglas Shire with the new valuations effective from 30 June 2022.

These valuations have also been factored into the rates model review.

The results of the review were workshopped with Councillors on 22 and 29 March 2022 and a report outlining the proposed amendments to the general rates model was adopted on 26 April 2022.

For a property in residential rating category 1 “PPR \$1 to \$695,000”, the median increase for ratepayers is \$43 per year. For a property in residential rating category “NPPR \$1 to \$695,000”, the median rate increase for ratepayers is \$93 per year.

This report provides the recommended resolutions required in relation to the adoption of the Differential General Rates for the 2022/23 financial year.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 3 – *We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.*

COUNCIL’S ROLE

Council can play several distinct roles in certain circumstances, and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council’s involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

| | |
|-------------------------|--|
| Regulator | Council has several statutory obligations detailed in many regulations and legislative Acts. Council also makes local laws to ensure the Shire is well governed. In fulfilling its role as regulator, Council will use an outcomes-based approach to balance the needs of the community with social and natural justice. |
| Service Provider | Council provides many services to the community from roads and waste services to libraries and recreational facilities. Services evolve over time and it is the Council’s mission to ensure that these services are appropriate, delivered efficiently, and designed with the customer at the centre. |

ATTACHMENTS

Nil