

3.1. ADOPTION OF DIFFERENTIAL GENERAL RATES FOR FINANCIAL YEAR 2023-2024

REPORT AUTHOR Tara Killeen, Chief Financial Officer

MANAGER Rachel Brophy, Chief Executive Officer

DEPARTMENT Finance and Corporate Services

RECOMMENDATION

That Council resolves to:

- 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	Rating Categories	Criteria	Primary Land Use Applicable
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.	02, 05, 09
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.	02, 05, 09
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.	02, 05, 09
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.	02, 05, 09

Category	Rating Categories	Criteria	Primary Land Use Applicable
5	Residential – Non-Principal place of residence (NPPR)	<u>Description</u> 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.	01, 02, 04, 05, 06, 09, 94 Excluding properties in Commercial Categories 18 and 19
6	Residential – Non-Principal place of residence (NPPR)	<u>Description</u> 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.	01, 02, 04, 05, 06, 09, 94 Excluding properties in Commercial Categories 18 and 19
7	Residential – Non-Principal place of residence (NPPR)	<u>Description</u> 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.	01, 02, 04, 05, 06, 09, 94 Excluding properties in Commercial Categories 18 and 19
8	Residential – Non-Principal place of residence (NPPR)	<u>Description</u> 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.	01, 02, 04, 05, 06, 09, 94 Excluding properties in Commercial Categories 18 and 19
9	Residential Building Units - Principal place of residence (PPR)	<u>Description</u> 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.	08
10	Residential Building Units - Non-Principal place of residence (NPPR)	<u>Description</u> 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.	08

Category	Rating Categories	Criteria	Primary Land Use Applicable
11	Residential – Flats 2	<u>Description</u> Properties that are used for multi residential purposes (flats) and contain 2 independent living flats.	03
12	Residential – Flats 3-4	<u>Description</u> Properties used for multi residential purposes (flats) and contain 3 or 4 independent living flats.	03
13	Residential – Flats 5-6	<u>Description</u> Properties used for multi residential purposes (flats) and contain 5 or 6 independent living flats	03
14	Residential – Flats 7+	<u>Description</u> Properties used for multi residential purposes (flats) and contain 7 or more independent living flats	03
15	Residential Section 50	<u>Description</u> Subdivider land which is subject to s 50 of the <i>Land Valuation Act 2010</i> .	72
16	Rural Productive	<u>Description</u> Properties which are used predominately for primary production.	60, 61, 64, 65, 66,67, 68, 69, 70, 71,73, 74, 75, 76, 77,78, 79, 80, 81, 82, 83, 84, 85, 86, 87,88, 89, 93
17	All Other Land	All land which is not otherwise categorised.	
18	Commercial - North of McClelland Road	<u>Description</u> 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 included as Commercial and Industry Planning Areas in the 2018 Douglas Shire Planning Scheme Version 1.0.	01, 04, 06, 07, 08,09, 10, 11, 12,13,14, 15, 16, 17, 18;19, 20, 22, 23, 24,25, 26, 27, 28, 29, 30, 31, 32, 33, 34,35, 36, 37, 38, 39,40, 41, 42, 43, 44,45, 46, 47, 48, 49,50, 51, 52, 55, 56,57, 58, 72, 91, 92,95, 96, 97, 99

Category	Rating Categories	Criteria	Primary Land Use Applicable
19	Commercial – South of McClelland Road	<p>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)</p> <p>(i) that are used, or capable of being used, for commercial/industrial purposes; or</p> <p>(ii) included as Commercial and Industry Planning Areas in 2018 Douglas Shire Planning Scheme Version 1.0.</p>	01, 04, 06, 07, 08,09, 10, 11, 12,13,14, 15, 16, 17, 18;19, 20, 22, 23, 24,25, 26, 27, 28, 29, 30, 31, 32, 33, 34,35, 36, 37, 38, 39,40, 41, 42, 43, 44,45, 46, 47, 48, 49,50, 51, 52, 55, 56,57, 58, 72, 91, 92, 95, 96, 97, 99
20	Commercial - Not for Profit	<p>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.</p>	
21	Commercial - Marina	<p>Description Properties which are predominantly used or intended for use as a shopping centre, with a secondary use of a marina, which:</p> <p>(a) Have an area in excess of 1.5 ha; and</p> <p>(b) Contain a building or group of buildings comprising more than six shops.</p>	12 With a secondary land use of: 20
22	Heavy Industry - Sugar Mill	<p>Description Properties that are used or have the potential to be used for a sugar mill or co-generation plant.</p>	35

LAND USE CODES

Land Use Codes (LUC)			
01	Vacant urban land;	48	Sports Clubs/Facilities;
02	Single unit dwelling - urban and rural;	49	Caravan Parks;
03	Multi Unit Dwelling (Flats)	50	Other Clubs Non-Business;
04	Large Homesite vacant;	51	Religious;
05	Large homesite - dwelling;	52	Cemeteries (including
06	Outbuildings;		Crematoria);
07	Guest House/Private Hotel;	55	Library;
08	Building Units;	56	Showgrounds/Racecourses
09	Group Titles;		/Airfields;
10	Combined Multi Dwelling and Shops;	57	Parks and Gardens;
11	Shop - Single;	58	Educational - including
12	Shops group (more than 6 shops);		Kindergartens;
13	Shopping group (2 to 6 shops);	60	Sheep Grazing - Dry;
14	Shops - Main Retail;	61	Sheep Breeding;
15	Shops - Secondary Retail;	64	Cattle Grazing - Breeding;
16	Drive In Shopping Centre;	65	Cattle Breeding and Fattening;
17	Restaurant;	66	Cattle Fattening;
18	Special Tourist Attraction;	67	Goats;
19	Walkway;	68	Milk - Quota;
20	Marina;	69	Milk - No Quota;
21	Residential Institution (Non-medical centre);	70	Cream;
22	Car Park;	71	Oil Seeds;
23	Retail Warehouse;	72	Subdivider land subject to s 50
24	Sales Area Outdoor;		of the <i>Land Valuation Act 2010</i> .
25	Professional Offices;	73	Grains;
26	Funeral Parlours;	74	Turf Farms;
27	Hospitals; Convalescent Homes (Medical	75	Sugar Cane;
	Care) (Private);	76	Tobacco;
28	Warehouses and Bulk Stores;	77	Cotton;
29	Transport Terminal;	78	Rice;
30	Service Station;	79	Orchards;
31	Oil Depot and Refinery;	80	Tropical Fruits;
32	Wharves;	81	Pineapples;
33	Builders Yard/Contractors Yard;	82	Vineyards;
34	Cold Stores - Ice works;	83	Small Crops and Fodder
35	General Industry;		Irrigated;
36	Light Industry;	84	Small Crops Fodder Non-
37	Noxious/Offensive Industry;		irrigated;
38	Advertising - Hoarding;	85	Pigs;
39	Harbour Industries;	86	Horses;
40	Extractive;	87	Poultry;
41	Child Care; ex K/garten	88	Forestry and Logs;
42	Hotel/Tavern;	89	Animals Special;
43	Motel;	91	Transformers;
44	Nurseries;	92	Defence Force establishments;
45	Theatres and Cinemas;	93	Peanuts.
46	Drive-In Theatres;	94	Vacant rural land.(excl 01 & 04)
47	Licensed Clubs;	95	Reservoir, Dam, Bores;
		96	Public Hospital;
		97	Welfare Homes/Institutions;
		99	Community Protection Centre.

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	.72855	cents in the dollar	\$1,162
2 - Residential – PPR	.57176	cents in the dollar	\$5,300
3 - Residential – PPR	.55202	cents in the dollar	\$7,755
4 - Residential – PPR	.41560	cents in the dollar	\$11,500
5 - Residential – NPPR	.76497	cents in the dollar	\$1,362
6 - Residential – NPPR	.60035	cents in the dollar	\$5,617
7 - Residential – NPPR	.57962	cents in the dollar	\$8,297
8 - Residential – NPPR	.43638	cents in the dollar	\$12,420
9 - Residential Units – PPR	.77725	cents in the dollar	\$1,162
10 - Residential Units – NPPR	.98274	cents in the dollar	\$1,362
11 - Residential Flats 2	.94393	cents in the dollar	\$1,740
12 - Residential Flats 3-4	.94393	cents in the dollar	\$2,248
13 - Residential Flats 5-6	.94393	cents in the dollar	\$2,756
14 - Residential Flats 7+	.94393	cents in the dollar	\$3,343
15 - Residential – Section 50	.76497	cents in the dollar	Nil
16 - Rural Productive	1.29293	cents in the dollar	\$1,266
17 - All Other Land	.76497	cents in the dollar	\$1,266
18 - Commercial North	1.16493	cents in the dollar	\$1,362
19 - Commercial South	.87426	cents in the dollar	\$1,362
20 - Commercial NFP	.75546	cents in the dollar	\$1,162
21 - Commercial Marina	3.94591	cents in the dollar	\$348,483
22 - Heavy Industry (Sugar Mill)	1.29293	cents in the dollar	\$1,362

4. Pursuant to s 116 of the *Local Government Regulation 2012*, for the 2023-2024 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 2022-2023 to perform a review of the General Rates structure, to ensure the model provides equity to ratepayers. The purpose was to provide Council with support in determining its approach to general rates for the 2023-2024 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.

The results of the review were workshopped with Councillors on 21 February, 28 March and 18 April 2023 and a report outlining the proposed amendments to the general rates model was drafted by Mead Perry Group.

For a property in residential rating category 1 "PPR \$1 to \$695,000", the median increase for ratepayers is \$49 per year. For a property in residential rating category "NPPR \$1 to \$695,000", the median rate increase for ratepayers is \$144 per year.

This report provides the recommended resolutions required in relation to the adoption of the Differential General Rates for the 2023-2024 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.*

Operational Plan 2022-2023 Actions:

General Rates Model Review stage 3 - *Continue review of Douglas Shire General Rates model.*

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.

CONSULTATION

Internal: Workshop with Councillors held 21 February, 28 March, 18 April and 27 June 2023.
Rates Team, Chief Executive Officer.

External: Mead Perry Group

COMMUNITY ENGAGEMENT

This proposal will fall within the 'inform' category of Council's Community Engagement Framework.

ATTACHMENTS

Nil