

1. BACKGROUND AND PRINCIPLES

A local authority must calculate the rates for land by using the rateable value of the land.

Where a whole of region revaluation is undertaken by the Department of Natural Resources and Mines, Valuation Section, the resulting valuations can realise steep increases in values for various classes of property, and decreases or no changes for other classes of property. An increase in general rates payable for some properties may occur where the differential general rate that is to be levied remains unchanged or increases.

Where new differential general rate categories are introduced, the changes may cause an assessment to now be charged a different rate of charge and therefore a steep increase in the differential general rate that is to be levied could occur.

The *Local Government Regulation 2012* provides that when a Local Government resolves to levy rates and charges, it also may resolve to limit the increase in the rates or charges.

2. SCOPE

The limitation of increase in rates or charges levied will only be applied to those differential general rate categories as identified in Council's Revenue Statement.

3. POLICY OBJECTIVES

Council seeks to lessen the impact of changes in differential categories for a new financial year, and lessen the impact of a steep increase in property valuation on the amount of the general rate to be levied in a new financial year.

4. POLICY STATEMENT

- 4.1 Where Council has identified in its annual Revenue Statement that capping will be applied to a specified differential general rate category, Council will limit any increase in differential general rates for the current financial year in those specified categories, to the amount of the differential general rates levied for the last financial year increased by the stated percentage.
- 4.2 The limitation of increase in the differential general rate, however, **does not apply** in the following instances:
 - (a) where the assessment is levied the Minimum General Rate for the current year;
 - (b) where the area of land for the assessment changes;
 - (c) where there is a change to the differential general rate category other than those categories related by their valuation bands;
 - (d) where the general rate was calculated on a valuation issued pursuant to Section 50 of the *Land Valuation Act 2010* (i.e. developers concession); or
 - (e) where there has been a change in the valuation (other than the revaluation of the whole of the region) during the current or previous financial year.
- 4.3 For assessments where the general rate levied for the last year was for a period less than the full year, the corresponding annualised amount for the general rate for the last

financial year, will be the amount for the limitation of increase to be applied, in accordance with Section 116 (2) (b) (ii) of the *Local Government Regulation 2012*.

5. RELEVANT LEGISLATION

Local Government Act 2009

Local Government Regulation 2012

6. DEFINITIONS

Cap/Capping shall mean the limitation of increase of a full annual charge.

Council shall mean the Whitsunday Regional Council.

7. RELATED DOCUMENTS

Council's Revenue Statement

8. DATE REVIEWED

June 2017

9. NEXT REVIEW

June 2018