

# 2025 - 2030 RATING STRATEGY

## What are council rates?

Council Rates are a tax that Council imposes on the land for essential services and facilities that are supplied or undertaken by Whitsunday Regional Council (or someone on behalf of the local government) that benefits the whole community for example, a providing access to parks or waste collection.

These are made up of:

1. General Rates
2. Special Charges (e.g. rural fire levies)
3. Utility Charges (Water, Sewerage & Waste)

## Why do councils charge rates?

Rates are calculated each year during the budget process and are used to recover the cost of providing a wide range of facilities and services across the Whitsunday Region.

Councils collect rates and charges from property owners to fund programs, services and infrastructure that have broad community benefit, and which cannot be funded through fees and charges. Programs and infrastructure for the community such as sport and recreation, water, waste, stormwater, community events, roads, parks and gardens and much, more.

## What are general rates?

General Rates are a levy charged based on the valuation of land to cover Council's general operations such as roads, parks and gardens, libraries, community services and events.

## How are rates calculated?

After identifying how much it needs to collect for general operations in its budget, Council calculates the total amount required to fund the utility services that are provided eg; waste & recycling, sewerage, water, the State Government fire levy and landfill rehabilitation services leaving the balance required from General Rates.

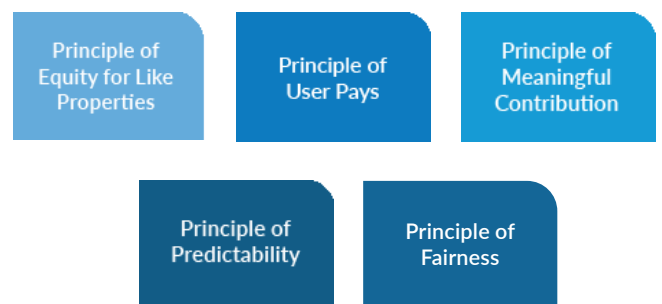
General Rates are calculated based on land use and land valuations, as advised by the Queensland Department of Resources (DoR).

The value of land is determined by DoR as either:

1. Unimproved value for rural land and
2. Site value for all other land under the Valuation Act 2010

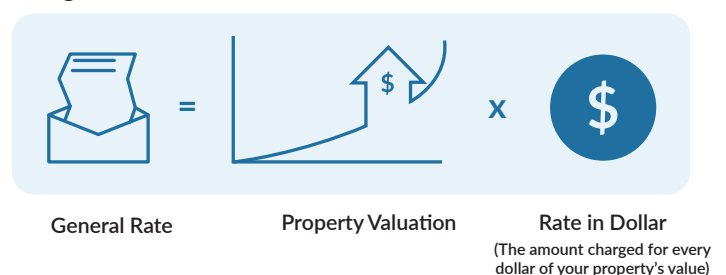
DoR also provides land use codes for each assessment in the region and Council may use these codes as a reference point to categorise properties for rating purposes into a differential rating category which have a set 'Rate in the Dollar' under Council's Revenue Statement each year.

In June 2017, the then Queensland Government Department of Infrastructure, Local Government and Planning released a "Guideline on equity and fairness in rating for Queensland local governments" which referred to a number of principles of equity and fairness that should be considered by Councils in setting general rates, including:



Council sets general rates and minimum charges for each category at the beginning of each financial year.

To establish the amount to be paid by each property owner, the rate in the dollar for each differential general rate is then multiplied by the valuation of the property, however, if the amount is below the minimum rate set for that category, the minimum is charged.



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## What is a rating strategy?

A rating strategy is the method by which councils consider decisions about how rates will be raised from different properties in the Council Region.

A rating strategy doesn't consider how much the Council needs to raise from rates, this is calculated in the Council's budget. It instead determines how rates and charges will be equitably distributed amongst the Council Regions property owners and supports long-term financial sustainability and infrastructure our community relied on every day.

## Why is the Whitsunday Regional Council reviewing its rating strategy?

We're reviewing our current approach to ensure it reflects the community needs, growth trends and evolving service expectations.

The purpose of the review is to:

- Determine the most appropriate strategy for the Whitsunday Region, which will fund the provision of programs and services for the community and the infrastructure required of a growing region now and into the future.
- Ensure that the money raised through rates in conjunction with other revenue sources will ensure the long-term financial sustainability of the Whitsunday Region.

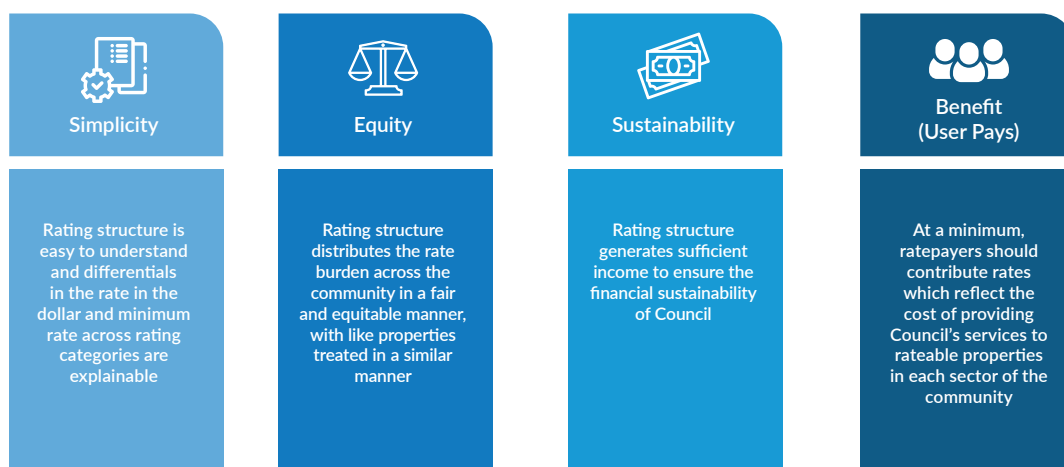
- Determine a fair and equitable method of raising revenue from rates.
- Determine how different properties should share the amount of rates to be paid.
- Ensure that the Whitsunday Region is an attractive place to do business and stimulates development activity and economic activity.

## What are we trying to achieve with our new rating strategy?

The key objectives our Rating Strategy aims to achieve are show in the diagram below.

We need to ensure that we:

- Ensure we have More Transparency and Clarity: Having a rating structure that is simple to understand and easy/cost effective to administer
- Have a Fairer Outcome for Everyone: Having a rating structure to distribute the rate burden across the different sectors of the economy and community.
- Plan for the Future, Not just the Past: Having a medium-term plan on how it expects to raise general rate revenue over the next five years to assist in maintaining financial sustainability



For more information on Council rates and charges please contact Council's Rates Team on:

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