# Limiting Increases to General Rates Policy

Corporate Services - Finance

CORP_07

## Purpose

The purpose of this policy is to ensure that the movement of a property from one rating band to another due to changes in valuations or any other similar action changing the Differential General Rates, does not result in steep increases in the general rates levied on individual properties.

## Scope

This policy is applicable only to Differential General Rates as identified in Council's Revenue Statement.

## Applicable Legislation

*Local Government Act 2009* (Qld) (Act)

Local Government Regulation 2012 (Qld) (Regulation)

## Policy Statement

1. Section 116(1) of the Regulation provides that when a Local Government resolves to levy rates and charges, it also may resolve to limit the increase of those rates or charges.
2. Where Council has identified in its annual Revenue Statement that limitations in increases (**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 maximum percentage.
3. However, the Capping does not apply in the following instances:
    - 3.1. where the assessment is levied the Minimum General Rates for the current year.
    - 3.2. where the area of land for the assessment changes.
    - 3.3. where there is a change to the differential general rate category other than those categories related by their valuation bands.
    - 3.4. where the general rate was calculated on a valuation issued pursuant to Section 50 of the *Land Valuation Act 2010* (Qld) (i.e., developer concession).
    - 3.5. 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; or
    - 3.6. where rates were not levied in the previous financial year (e.g., newly subdivided land).
4. 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 on which the limitation of increase is to be applied, in accordance with Section 116(2)(b)(ii) of the Regulation.

5. Section 116A of the Regulation provides that if part of the rateable land is:
   (a) compulsory acquired by a government entity; or
   (b) otherwise acquired by the department administering the *Transport Planning and Coordination Act 1994.*

   until Council resolves otherwise, the rates and charges levied on the remainder are reduced to the Divided Amount.

## Definitions

**Capping** refers to the maximum percentage increase in general rates permitted for the financial year for a given differential rate category as identified in Council's Revenue Statement.

**Council** refers to the Whitsunday Regional Council.

**Differential General Rates** refers to differential general rates as defined in sections 80 and 81 of the Local Government Regulation 2012 (Qld).

**Divided Amount** refers to the amount referred to in section 116A (4) of the Local Government Regulation 2012 (Qld), worked out by:

(a) dividing the amount of the rates or charges levied on the rateable land by the number of square metres of the rateable land; and

(b) multiplying the amount calculated under paragraph (a) by the number of square metres of the remainder.

**Minimum General Rates** refers to minimum general rates as defined in sections 77, 78 and 79 of the Local Government Regulation 2012 (Qld).

## Related Documents

Revenue Statement 2022/23

## Human Rights Compatibility Statement

This Policy has been assessed as compatible with the Human Rights protected under the *Human Rights Act 2019.*

| COUNCIL POLICY | | | |
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| **Date Adopted by Council** | 24 June 2022 | **Council Resolution** | 2022/06/24.17 |
| **Effective Date** | 01 July 2022 | **Next Review Date** | 30 June 2023 |
| **Responsible Officer(s)** | Manager Financial Services | **Revokes** | LSP_CORP_48 |