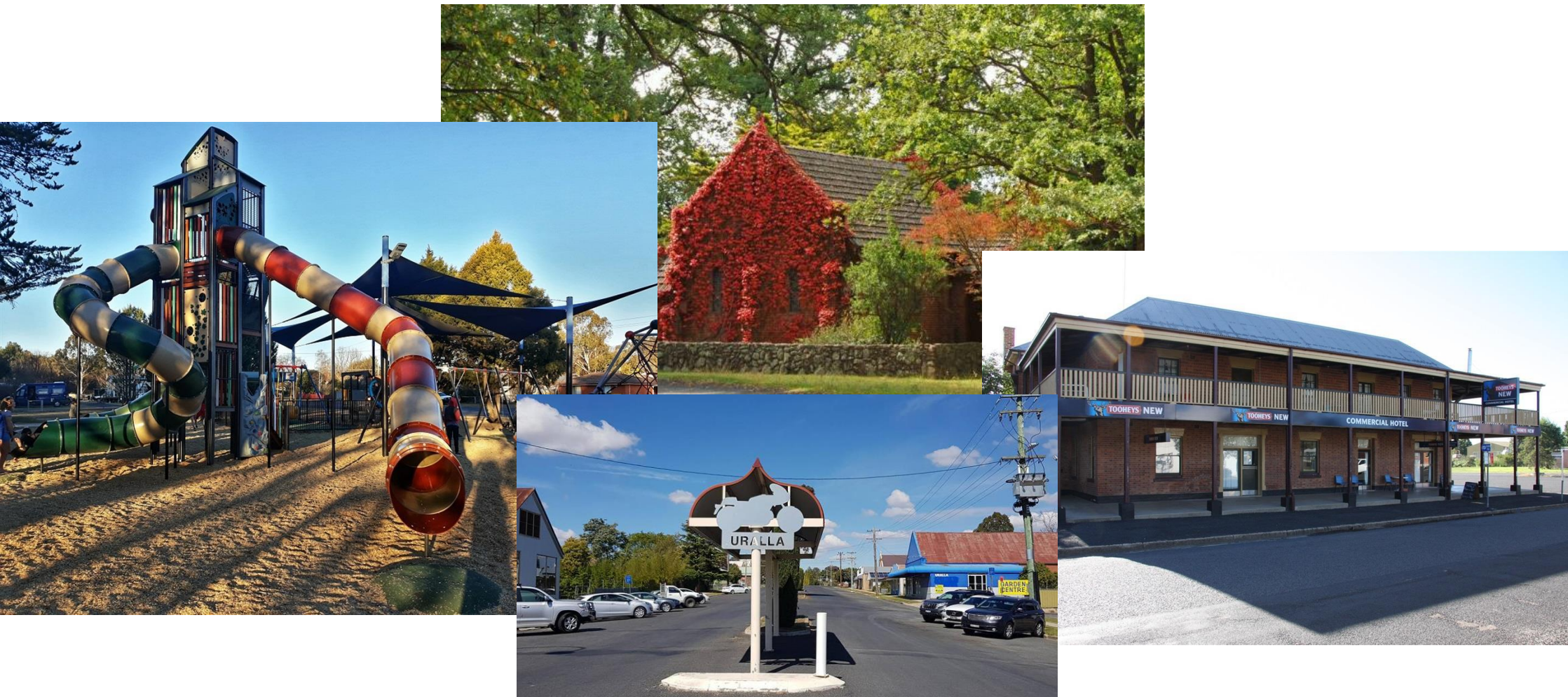


# AEC

## RATES MODELLING

Uralla Shire Council

April 2023



## MEETING AGENDA



**01** Project Overview

**02** Rating Considerations

**03** Scenarios Modelling

**04** Next Step



# 01

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## PROJECT OVERVIEW



## PROJECT OBJECTIVES & OUTPUTS



The objective of this project is to model rating options to enable Council to make a decision on appropriate rating categorisation and ad valorem that include the impact of changes to land use of existing farmland properties as a result of the New England Renewable Energy Zone.

The required deliverables of the project include:

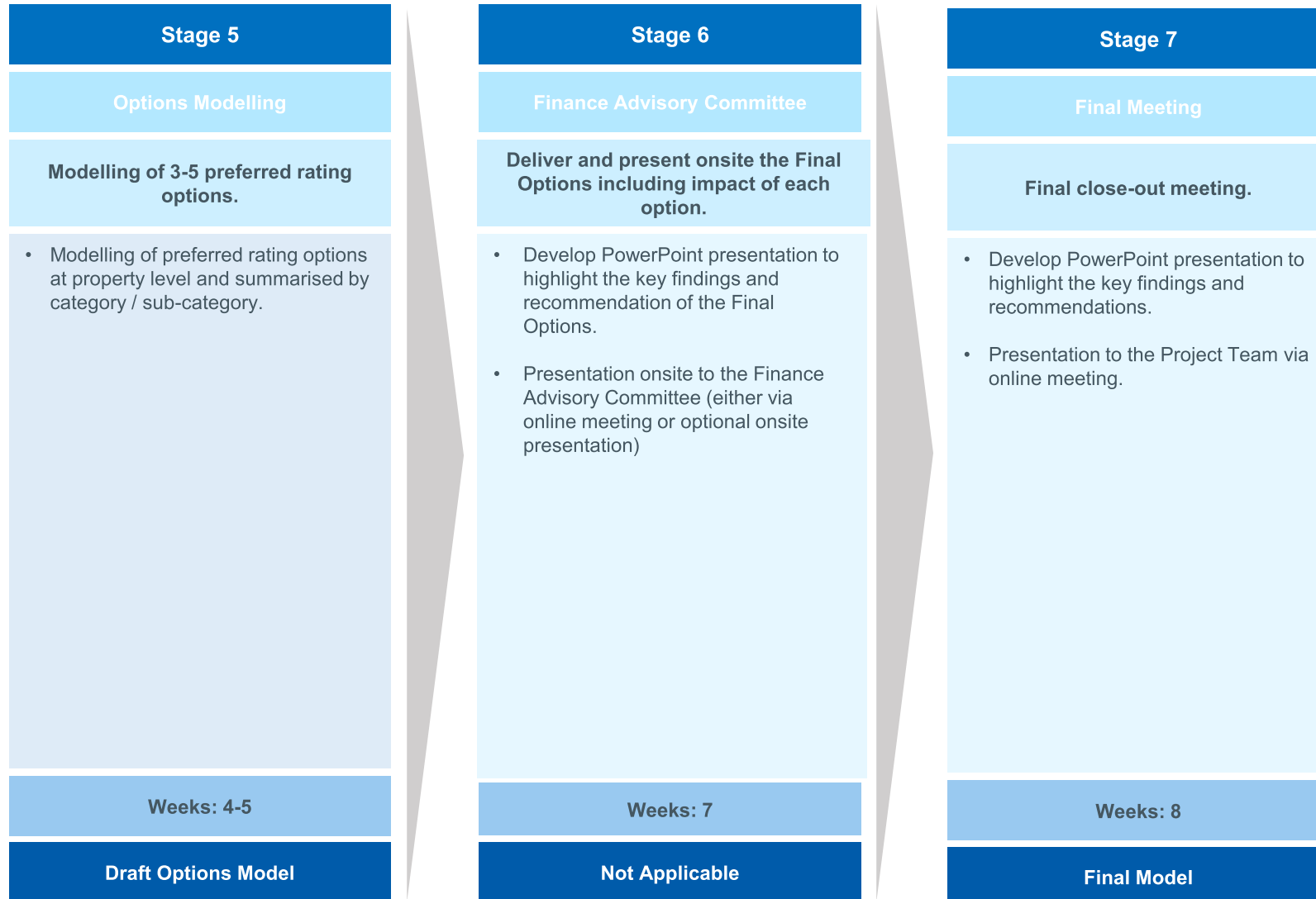


- ☐ Undertake rate modelling using the existing general rating structure.
- ☐ Scenario modelling of recommended changes to rating structures resulting from changes in land use with overall increases limited to forecast rate peg.
- ☐ Presentation of preliminary findings and options to the Finance Advisory Committee. (March 2023)
- ☐ Presentation of models to the Finance Advisory Committee (April 2023).

## AGREED APPROACH



## AGREED APPROACH



# 02

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## RATING CONSIDERATIONS



### Section 493 Categories of ordinary rates and categories of land



- (1) There are 4 categories of an ordinary rate and 4 categories of rateable land –
- farmland
  - residential
  - mining
  - business.
- (2) These categories may, at a council's discretion, be divided into sub-categories in accordance with section 529.

### **Section 529 - Rate may be the same or different within a category**



- (1) Before making an ordinary rate, a council may determine a sub-category or sub-categories for one or more categories of rateable land in its area.
- (2) A sub-category may be determined as follows—
  - (a) for the category “farmland”—according to—
    - (i) the location of the land, or
    - (ii) the intensity of land use, or
    - (iii) the irrigability of the land, or
    - (iv) economic factors affecting the land,
  - (b) for the category “residential”—according to—
    - (i) whether the land is rural residential land, or
    - (ii) whether the land is in a centre of population, or
    - (iii) whether the land is in a residential area or in part of a residential area,
  - (c) for the category “mining”—according to the kind of mining involved,
  - (d) for the category “business”—according to a centre of activity.

## RATING CONSIDERATION OUTSIDE THE ACT



While the Act does not specify that council rates must be levied in a way that is “fair” and “equitable”, one of the accepted principles of taxation is that taxpayers should contribute according to their capacity to pay. The use of land values as a basis for determining rates reflects the view that land values provide a reasonable proxy for “capacity to pay”.

This capacity to pay principle should be balanced, however, with the “benefit principle” – that is, those who receive the greatest benefit from the provision of council services should pay a greater share.

**Ultimately it is a matter for councils to develop a rating structure that is perceived by their community as “fair” and “equitable”.**

# 03

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## **RATING SCENARIOS MODELLING**



## BASE MODELS & SIX (6) SCENARIO OPTIONS

### BASE MODELS

2022/2023 Budget (based on 2019 land valuations)

2022/2023 Budget (if 2022 land valuations were applied)



### SCENARIOS *(all options have rate peg of 3.7%)*

#### **Option 1**

Maintaining yield per current 2022-23 budget.

#### **Option 2**

Maintaining yield with percentage based on 2022 valuations split

#### **Option 3**

Maintaining yield (current budget) increase of base rate from \$310 to \$350

#### **Option 4**

Maintaining yield (current budget) reduction of base rate from \$310 to \$250

#### **Option 5**

Increase residential, rural, and business yield and reduce farmland yield.

#### **Option 6** *(late addition)*

Maintain same base rate and ad valorem (rate in a dollar) for all rating categories

# MODELLING – BASE RATE COMPARISON

Description of scenario	BASE MODELS		SCENARIO ONE	SCENARIO TWO	SCENARIO THREE	SCENARIO FOUR	SCENARIO FIVE	SCENARIO SIX
	CURRENT [2022/23 BUDGET WITH 2019 VALUATIONS]	2022 VALUATIONS IMPACT TO 2022/23 BUDGET ALLOCATION	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED	RATE PEG & MAINTAINING YIELD PERCENTAGE BASED ON 2022 VALUATIONS SPLIT	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & INCREASE BASE RATE TO \$350	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & DECREASE BASE RATE TO \$250	INCREASE RESIDENTIAL & BUSINESS BURDEN 0.2% & REDUCE FARMLAND 1.2%	MAINTAIN SAME BASE RATE & AD VALOREM
<b>Base Rate</b>								
Residential	310.00	310.00	310.00	310.00	350.00	250.00	310.00	282.00
Rural Residential	310.00	310.00	310.00	310.00	350.00	250.00	310.00	282.00
Business	310.00	310.00	310.00	310.00	350.00	250.00	310.00	282.00
Farmland	310.00	310.00	310.00	310.00	350.00	250.00	310.00	282.00
Mining	310.00	310.00	310.00	310.00	350.00	250.00	310.00	282.00
<b>Change in Base Rate (\$)</b>								
Residential		-	-	-	40.00	(60.00)	-	(28.00)
Rural Residential		-	-	-	40.00	(60.00)	-	(28.00)
Business		-	-	-	40.00	(60.00)	-	(28.00)
Farmland		-	-	-	40.00	(60.00)	-	(28.00)
Mining		-	-	-	40.00	(60.00)	-	(28.00)
<b>Base Rate of TOTAL YIELD (%)</b>								
Residential	50.2%	53.9%	48.5%	51.9%	54.7%	39.0%	47.4%	49.7%
Rural Residential	33.9%	36.2%	32.7%	34.9%	36.9%	26.4%	31.9%	32.5%
Business	45.6%	49.7%	43.1%	47.9%	48.7%	35.5%	40.1%	45.5%
Farmland	7.6%	7.3%	7.4%	7.0%	8.3%	5.9%	7.5%	6.2%
Mining	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>TOTAL</b>	<b>22.6%</b>	<b>22.6%</b>	<b>21.8%</b>	<b>21.8%</b>	<b>24.6%</b>	<b>17.6%</b>	<b>21.8%</b>	<b>19.8%</b>

## MODELLING – AD VALOREM COMPARISON

	BASE MODELS		SCENARIO ONE	SCENARIO TWO	SCENARIO THREE	SCENARIO FOUR	SCENARIO FIVE	SCENARIO SIX
Description of scenario	CURRENT [2022/23 BUDGET WITH 2019 VALUATIONS]	2022 VALUATIONS IMPACT TO 2022/23 BUDGET ALLOCATION	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED	RATE PEG & MAINTAINING YIELD PERCENTAGE BASED ON 2022 VALUATIONS SPLIT	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & INCREASE BASE RATE TO \$350	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & DECREASE BASE RATE TO \$250	INCREASE RESIDENTIAL & BUSINESS BURDEN 0.2% & REDUCE FARMLAND 1.2%	MAINTAIN SAME BASE RATE & AD VALOREM
<b>Rate in Dollar (Ad Valorem)</b>								
Residential	0.32860000	0.19356624	0.24022400	0.20908600	0.21107700	0.28464142	0.25116600	0.20791890
Rural Residential	0.32860000	0.19356624	0.22586500	0.20479100	0.21169600	0.24713936	0.23484000	0.20791890
Business	0.32860000	0.19356624	0.25158800	0.20779300	0.22695000	0.28013941	0.28562900	0.20791890
Farmland	0.32860000	0.19356624	0.19103600	0.20128900	0.18908000	0.19402828	0.18672500	0.20791890
Mining	0.32860000	0.19356624	0.24022400	0.20908600	0.21107700	0.28464142	0.25116600	0.20791890
<b>Change in Ad Valorem (%)</b>								
Residential		-41.1%	-26.9%	-36.4%	-35.8%	-13.4%	-23.6%	-36.7%
Rural Residential		-41.1%	-31.3%	-37.7%	-35.6%	-24.8%	-28.5%	-36.7%
Business		-41.1%	-23.4%	-36.8%	-30.9%	-14.7%	-13.1%	-36.7%
Farmland		-41.1%	-41.9%	-38.7%	-42.5%	-41.0%	-43.2%	-36.7%
Mining		-41.1%	-26.9%	-36.4%	-35.8%	-13.4%	-23.6%	-36.7%
<b>Ad Valorem % to Residential</b>								
Residential	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Rural Residential	100.0%	100.0%	94.0%	97.9%	100.3%	86.8%	93.5%	100.0%
Business	100.0%	100.0%	104.7%	99.4%	107.5%	98.4%	113.7%	100.0%
Farmland	100.0%	100.0%	79.5%	96.3%	89.6%	68.2%	74.3%	100.0%
Mining	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

# MODELLING – REVENUE COMPARISON

Description of scenario	BASE MODELS		SCENARIO ONE	SCENARIO TWO	SCENARIO THREE	SCENARIO FOUR	SCENARIO FIVE	SCENARIO SIX
	CURRENT [2022/23 BUDGET WITH 2019 VALUATIONS]	2022 VALUATIONS IMPACT TO 2022/23 BUDGET ALLOCATION	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED	RATE PEG & MAINTAINING YIELD PERCENTAGE BASED ON 2022 VALUATIONS SPLIT	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & INCREASE BASE RATE TO \$350	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & DECREASE BASE RATE TO \$250	INCREASE RESIDENTIAL 0.5%, RURAL 0.5% & BUSINESS BURDEN 0.2% & REDUCE FARMLAND 1.2%	MAINTAIN SAME BASE RATE & AD VALOREM
<b>Rates Revenue</b>								
Residential	\$903,802	\$842,165	\$935,843	\$873,326	\$935,844	\$937,243	\$957,812	\$830,018
Rural Residential	\$792,343	\$742,553	\$821,609	\$770,027	\$821,609	\$821,661	\$843,577	\$753,407
Business	\$108,066	\$99,257	\$114,234	\$102,929	\$114,235	\$112,065	\$123,022	\$98,510
Farmland	\$2,432,655	\$2,552,892	\$2,521,944	\$2,647,349	\$2,521,942	\$2,522,662	\$2,469,220	\$2,711,696
Mining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Rates Revenue</b>	<b>\$4,236,867</b>	<b>\$4,236,867</b>	<b>\$4,393,631</b>	<b>\$4,393,631</b>	<b>\$4,393,631</b>	<b>\$4,393,631</b>	<b>\$4,393,631</b>	<b>\$4,393,631</b>
<b>% of Total Rates Revenue (Rates Burden)</b>								
Residential	21.3%	19.9%	21.3%	19.9%	21.3%	21.3%	21.8%	18.9%
Rural Residential	18.7%	17.5%	18.7%	17.5%	18.7%	18.7%	19.2%	17.1%
Business	2.6%	2.3%	2.6%	2.3%	2.6%	2.6%	2.8%	2.2%
Farmland	57.4%	60.3%	57.4%	60.3%	57.4%	57.4%	56.2%	61.7%
Mining	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total Rates Revenue</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Revenue increase (Rate Peg)</b>		<b>0.00%</b>	<b>3.70%</b>	<b>3.70%</b>	<b>3.70%</b>	<b>3.70%</b>	<b>3.70%</b>	<b>3.70%</b>
<b>Average rate increase/(decrease)</b>								
Residential		(\$48)	\$26	(\$23)	\$26	\$27	\$45	(\$48)
Rural Residential								
Business		(\$55)	\$39	(\$32)	\$39	\$25	\$94	(\$60)
Farmland		\$201	\$149	\$359	\$149	\$151	\$61	\$467
Mining		\$0	\$0	\$0	\$0	\$0	\$0	\$0

# MODELLING – LAND VALUATION COMPARISON

Description of scenario	BASE MODELS		SCENARIO ONE	SCENARIO TWO	SCENARIO THREE	SCENARIO FOUR	SCENARIO FIVE	SCENARIO SIX
	CURRENT [2022/23 BUDGET WITH 2019 VALUATIONS]	2022 VALUATIONS IMPACT TO 2022/23 BUDGET ALLOCATION	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED	RATE PEG & MAINTAINING YIELD PERCENTAGE BASED ON 2022 VALUATIONS SPLIT	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & INCREASE BASE RATE TO \$350	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & DECREASE BASE RATE TO \$250	INCREASE RESIDENTIAL 0.5%, RURAL 0.5% & BUSINESS BURDEN 0.2% & REDUCE FARMLAND 1.2%	MAINTAIN SAME BASE RATE & AD VALOREM
<b>Land Value</b>								
Residential	\$137,027,490	\$200,776,480	\$200,776,480	\$200,776,480	\$200,776,480	\$200,776,480	\$200,776,480	\$200,776,480
Rural Residential	\$159,334,420	\$244,765,250	\$244,765,250	\$244,765,250	\$244,765,250	\$244,765,250	\$244,765,250	\$244,765,250
Business	\$17,886,847	\$25,813,800	\$25,813,800	\$25,813,800	\$25,813,800	\$25,813,800	\$25,813,800	\$25,813,800
Farmland	\$683,893,900	\$1,223,101,500	\$1,223,101,500	\$1,223,101,500	\$1,223,101,500	\$1,223,101,500	\$1,223,101,500	\$1,223,101,500
Mining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Land Value</b>	<b>\$998,142,657</b>	<b>\$1,694,457,030</b>	<b>\$1,694,457,030</b>	<b>\$1,694,457,030</b>	<b>\$1,694,457,030</b>	<b>\$1,694,457,030</b>	<b>\$1,694,457,030</b>	<b>\$1,694,457,030</b>
<b>% of Land Value</b>								
Residential	14%	12%	12%	12%	12%	12%	12%	12%
Rural Residential	16%	14%	14%	14%	14%	14%	14%	14%
Business	2%	2%	2%	2%	2%	2%	2%	2%
Farmland	69%	72%	72%	72%	72%	72%	72%	72%
Mining	0%	0%	0%	0%	0%	0%	0%	0%
<b>Total Land Value</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Change in proportion of land value</b>								
Residential		-2%	-2%	-2%	-2%	-2%	-2%	-2%
Rural Residential		-2%	-2%	-2%	-2%	-2%	-2%	-2%
Business		0%	0%	0%	0%	0%	0%	0%
Farmland		4%	4%	4%	4%	4%	4%	4%
Mining		0%	0%	0%	0%	0%	0%	0%
		<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

# MODELLING – MEDIAN & QUARTILES BY RATING CATEGORIES

	BASE MODELS		SCENARIO ONE	SCENARIO TWO	SCENARIO THREE	SCENARIO FOUR	SCENARIO FIVE	SCENARIO SIX
Description of scenario	CURRENT [2022/23 BUDGET WITH 2019 VALUATIONS]	2022 VALUATIONS IMPACT TO 2022/23 BUDGET ALLOCATION	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED	RATE PEG & MAINTAINING YIELD PERCENTAGE BASED ON 2022 VALUATIONS SPLIT	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & INCREASE BASE RATE TO \$350	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & DECREASE BASE RATE TO \$250	INCREASE RESIDENTIAL & BUSINESS BURDEN 0.2% & REDUCE FARMLAND 1.2%	MAINTAIN SAME BASE RATE & AD VALOREM
<b>Rating Median and Quartiles by Category</b>								
<b>Residential</b>								
Minimum	\$312.76	\$310.00	\$310.00	\$310.00	\$350.00	\$250.00	\$310.00	\$282.00
First Quartile	\$557.11	\$522.92	\$574.25	\$539.99	\$582.18	\$563.11	\$586.28	\$510.71
Median	\$612.31	\$565.51	\$627.10	\$585.99	\$628.62	\$625.73	\$641.54	\$556.45
Third Quartile	\$671.46	\$619.71	\$694.36	\$644.54	\$687.72	\$705.43	\$711.87	\$614.67
Maximum	\$1,893.85	\$1,728.84	\$2,070.84	\$1,842.60	\$1,897.19	\$2,336.42	\$2,151.05	\$1,806.05
<b>Rural Residential</b>								
Minimum	\$310.00	\$310.00	\$310.00	\$310.00	\$350.00	\$250.00	\$310.00	\$282.00
First Quartile	\$812.76	\$716.49	\$784.32	\$740.06	\$794.56	\$768.99	\$803.16	\$718.63
Median	\$894.91	\$836.50	\$924.35	\$867.03	\$925.81	\$922.22	\$948.76	\$847.54
Third Quartile	\$1,016.49	\$956.51	\$1,064.39	\$994.00	\$1,057.06	\$1,075.45	\$1,094.37	\$976.45
Maximum	\$3,135.96	\$2,826.36	\$3,246.25	\$2,972.28	\$3,102.05	\$3,462.81	\$3,362.92	\$2,984.95
<b>Business</b>								
Minimum	\$310.58	\$310.48	\$310.63	\$310.52	\$350.57	\$250.70	\$310.71	\$282.52
First Quartile	\$402.99	\$385.10	\$407.62	\$390.62	\$438.06	\$358.69	\$420.82	\$362.67
Median	\$671.46	\$613.90	\$704.99	\$636.24	\$706.31	\$689.82	\$758.44	\$608.43
Third Quartile	\$793.04	\$737.78	\$866.01	\$769.22	\$851.56	\$869.11	\$941.24	\$741.50
Maximum	\$2,137.02	\$1,796.59	\$2,242.20	\$1,905.85	\$2,092.98	\$2,401.47	\$2,503.63	\$1,878.82
<b>Farmland</b>								
Minimum	\$340.89	\$310.00	\$310.00	\$310.00	\$350.00	\$250.00	\$310.00	\$282.00
First Quartile	\$1,237.47	\$1,227.50	\$1,215.51	\$1,264.11	\$1,246.24	\$1,169.69	\$1,195.08	\$1,267.54
Median	\$2,294.74	\$2,390.84	\$2,363.64	\$2,473.86	\$2,382.61	\$2,335.80	\$2,317.29	\$2,517.13
Third Quartile	\$5,107.56	\$5,115.28	\$5,052.47	\$5,307.00	\$5,043.91	\$5,066.75	\$4,945.45	\$5,443.59
Maximum	\$49,600.00	\$52,572.88	\$51,889.72	\$54,658.03	\$51,401.60	\$52,637.64	\$50,725.75	\$56,420.10

## MODELLING – CHANGES TO MEDIAN & QUARTILES BY RATING CATEGORIES (AGAINST 2022/2023 BUDGET)

Description of scenario	BASE MODELS		SCENARIO ONE	SCENARIO TWO	SCENARIO THREE	SCENARIO FOUR	SCENARIO FIVE	SCENARIO SIX
	CURRENT [2022/23 BUDGET WITH 2019 VALUATIONS]	2022 VALUATIONS IMPACT TO 2022/23 BUDGET ALLOCATION	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED	RATE PEG & MAINTAINING YIELD PERCENTAGE BASED ON 2022 VALUATIONS SPLIT	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & INCREASE BASE RATE TO \$350	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & DECREASE BASE RATE TO \$250	INCREASE RESIDENTIAL & BUSINESS BURDEN 0.5% & REDUCE FARMLAND 1.2%	MAINTAIN SAME BASE RATE & AD VALOREM
<b>Change in Rating Median and Quartiles by Category</b>								
<b>Residential</b>								
Minimum		-\$2.76	-\$2.76	-\$2.76	\$37.24	-\$62.76	-\$2.76	-\$30.76
First Quartile		-\$34.18	\$17.14	-\$17.11	\$25.08	\$6.00	\$29.18	-\$46.40
Median		-\$46.80	\$14.78	-\$26.32	\$16.31	\$13.41	\$29.23	-\$55.86
Third Quartile		-\$51.75	\$22.90	-\$26.92	\$16.26	\$33.97	\$40.41	-\$56.79
Maximum		-\$165.01	\$176.99	-\$51.25	\$3.34	\$442.57	\$257.19	-\$87.81
<b>Rural Residential</b>								
Minimum		\$0.00	\$0.00	\$0.00	\$40.00	-\$60.00	\$0.00	-\$28.00
First Quartile		-\$96.27	-\$28.44	-\$72.70	-\$18.20	-\$43.77	-\$9.59	-\$94.13
Median		-\$58.41	\$29.44	-\$27.88	\$30.91	\$27.31	\$53.86	-\$47.37
Third Quartile		-\$59.98	\$47.90	-\$22.49	\$40.57	\$58.96	\$77.88	-\$40.04
Maximum		-\$309.60	\$110.29	-\$163.68	-\$33.91	\$326.85	\$226.96	-\$151.01
<b>Business</b>								
Minimum		-\$0.10	\$0.05	-\$0.06	\$39.99	-\$59.88	\$0.13	-\$28.06
First Quartile		-\$17.89	\$4.62	-\$12.37	\$35.06	-\$44.30	\$17.83	-\$40.32
Median		-\$57.56	\$33.53	-\$35.22	\$34.85	\$18.36	\$86.98	-\$63.03
Third Quartile		-\$55.26	\$72.97	-\$23.82	\$58.52	\$76.07	\$148.20	-\$51.54
Maximum		-\$340.43	\$105.18	-\$231.17	-\$44.04	\$264.45	\$366.61	-\$258.20
<b>Farmland</b>								
Minimum		-\$30.89	-\$30.89	-\$30.89	\$9.11	-\$90.89	-\$30.89	-\$58.89
First Quartile		-\$9.97	-\$21.96	\$26.64	\$8.77	-\$67.78	-\$42.40	\$30.06
Median		\$96.09	\$68.89	\$179.11	\$87.87	\$41.06	\$22.55	\$222.38
Third Quartile		\$7.72	-\$55.09	\$199.44	-\$63.65	-\$40.81	-\$162.11	\$336.03
Maximum		\$2,972.88	\$2,289.72	\$5,058.03	\$1,801.60	\$3,037.64	\$1,125.75	\$6,820.10

# MODELLING – RATEPAYER [RESIDENTIAL] IMPACT

	BASE MODELS		SCENARIO ONE	SCENARIO TWO	SCENARIO THREE	SCENARIO FOUR	SCENARIO FIVE	SCENARIO SIX
Description of scenario	CURRENT [2022/23 BUDGET WITH 2019 VALUATIONS]	2022 VALUATIONS IMPACT TO 2022/23 BUDGET ALLOCATION	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED	RATE PEG & MAINTAINING YIELD PERCENTAGE BASED ON 2022 VALUATIONS SPLIT	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & INCREASE BASE RATE TO \$350	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & DECREASE BASE RATE TO \$250	INCREASE RESIDENTIAL & BUSINESS BURDEN 0.2% & REDUCE FARMLAND 1.2%	MAINTAIN SAME BASE RATE & AD VALOREM
<b>Ratepayer Impact Assessment</b>								
<b>Residential (Assessments)</b>								
Increase		119	1,432	304	1,337	1,110	1,441	87
No Change		-	-	-	-	-	-	-
Decrease		1,344	31	1,159	126	353	22	1,376
<u>Reduction</u>								
>\$1k		-	-	-	-	-	-	-
\$600 - \$1k		-	-	-	-	-	-	-
\$400 - \$600		1	-	-	-	-	-	-
\$200 - \$400		8	3	7	4	3	2	8
\$100 - \$200		41	5	5	4	5	6	27
\$0 - \$100		1,294	23	1,147	118	345	14	1,341
<u>No Change</u>								
Zero		-	-	-	-	-	-	-
<u>Increase</u>								
\$0 - \$100		116	1,380	300	1,314	1,002	1,360	84
\$100 - \$200		3	48	3	21	94	75	3
\$200 - \$400		-	4	1	2	13	6	-
\$400 - \$600		-	-	-	-	1	-	-
\$600 - \$1k		-	-	-	-	-	-	-
\$1k - \$2k		-	-	-	-	-	-	-
\$2k - \$3k		-	-	-	-	-	-	-
\$3k - \$5K		-	-	-	-	-	-	-
>\$5k		-	-	-	-	-	-	-

# MODELLING – RATEPAYER [RURAL RESIDENTIAL] IMPACT

	BASE MODELS		SCENARIO ONE	SCENARIO TWO	SCENARIO THREE	SCENARIO FOUR	SCENARIO FIVE	SCENARIO SIX
Description of scenario	CURRENT [2022/23 BUDGET WITH 2019 VALUATIONS]	2022 VALUATIONS IMPACT TO 2022/23 BUDGET ALLOCATION	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED	RATE PEG & MAINTAINING YIELD PERCENTAGE BASED ON 2022 VALUATIONS SPLIT	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & INCREASE BASE RATE TO \$350	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & DECREASE BASE RATE TO \$250	INCREASE RESIDENTIAL & BUSINESS BURDEN 0.2% & REDUCE FARMLAND 1.2%	MAINTAIN SAME BASE RATE & AD VALOREM
<b>Ratepayer Impact Assessment</b>								
<b>Residential Rural (Assessments)</b>								
Increase		144	725	206	716	557	764	170
No Change		1	1	1	-	-	1	-
Decrease		722	141	660	151	310	102	697
<u>Reduction</u>								
>\$1k		-	-	-	-	-	-	-
\$700 - \$1k		-	-	-	-	-	-	-
\$400 - \$700		-	-	-	-	-	-	-
\$200 - \$400		6	-	1	-	1	-	3
\$100 - \$200		152	11	43	3	18	1	106
\$0 - \$100		564	130	616	148	291	101	588
<u>No Change</u>								
Zero		1	1	1	-	-	1	-
<u>Increase</u>								
\$0 - \$100		139	595	194	594	396	571	160
\$100 - \$200		3	117	10	118	138	164	8
\$200 - \$400		2	13	2	4	23	29	2
\$400 - \$700		-	-	-	-	-	-	-
\$700 - \$1k		-	-	-	-	-	-	-
\$1k - \$2k		-	-	-	-	-	-	-
\$2k - \$3k		-	-	-	-	-	-	-
\$3k - \$5K		-	-	-	-	-	-	-
>\$5k		-	-	-	-	-	-	-

# MODELLING – RATEPAYER [BUSINESS] IMPACT

	BASE MODELS		SCENARIO ONE	SCENARIO TWO	SCENARIO THREE	SCENARIO FOUR	SCENARIO FIVE	SCENARIO SIX
Description of scenario	CURRENT [2022/23 BUDGET WITH 2019 VALUATIONS]	2022 VALUATIONS IMPACT TO 2022/23 BUDGET ALLOCATION	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED	RATE PEG & MAINTAINING YIELD PERCENTAGE BASED ON 2022 VALUATIONS SPLIT	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & INCREASE BASE RATE TO \$350	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & DECREASE BASE RATE TO \$250	INCREASE RESIDENTIAL & BUSINESS BURDEN 0.2% & REDUCE FARMLAND 1.2%	MAINTAIN SAME BASE RATE & AD VALOREM
<b>Ratepayer Impact Assessment</b>								
<b>Business (Assessments)</b>								
Increase		7	142	11	145	101	149	7
No Change		-	-	-	-	-	-	-
Decrease		152	17	148	14	58	10	152
<u>Reduction</u>								
>\$1k		-	-	-	-	-	-	-
\$1100 - \$1k		-	-	-	-	-	-	-
\$400 - \$1100		-	-	-	-	-	-	-
\$200 - \$400		8	1	3	1	1	1	4
\$100 - \$200		18	1	9	1	2	-	17
\$0 - \$100		126	15	136	12	55	9	131
<u>No Change</u>								
Zero		-	-	-	-	-	-	-
<u>Increase</u>								
\$0 - \$100		5	127	9	140	76	83	5
\$100 - \$200		2	13	1	3	20	46	2
\$200 - \$400		-	2	1	2	5	20	-
\$400 - \$1100		-	-	-	-	-	-	-
\$1100 - \$1k		-	-	-	-	-	-	-
\$1k - \$2k		-	-	-	-	-	-	-
\$2k - \$3k		-	-	-	-	-	-	-
\$3k - \$5K		-	-	-	-	-	-	-
>\$5k		-	-	-	-	-	-	-

# MODELLING – RATEPAYER [FARMLAND] IMPACT

	BASE MODELS		SCENARIO ONE	SCENARIO TWO	SCENARIO THREE	SCENARIO FOUR	SCENARIO FIVE	SCENARIO SIX
Description of scenario	CURRENT [2022/23 BUDGET WITH 2019 VALUATIONS]	2022 VALUATIONS IMPACT TO 2022/23 BUDGET ALLOCATION	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED	RATE PEG & MAINTAINING YIELD PERCENTAGE BASED ON 2022 VALUATIONS SPLIT	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & INCREASE BASE RATE TO \$350	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & DECREASE BASE RATE TO \$250	INCREASE RESIDENTIAL & BUSINESS BURDEN 0.2% & REDUCE FARMLAND 1.2%	MAINTAIN SAME BASE RATE & AD VALOREM
<b>Ratepayer Impact Assessment</b>								
<b>Farming (Assessments)</b>								
Increase		326	308	416	345	261	277	412
No Change		-	-	-	-	-	-	-
Decrease		272	290	182	253	337	321	186
<u>Reduction</u>								
>\$1k		10	10	7	13	10	18	6
\$900 - \$1k		9	12	-	12	10	17	1
\$400 - \$900		14	21	5	19	19	21	-
\$200 - \$400		35	35	20	33	44	49	12
\$100 - \$200		41	57	30	36	118	73	20
\$0 - \$100		163	155	120	140	136	143	147
<u>No Change</u>								
Zero		-	-	-	-	-	-	-
<u>Increase</u>								
\$0 - \$100		101	99	124	126	70	108	92
\$100 - \$200		57	53	64	61	36	37	60
\$200 - \$400		55	59	76	59	55	51	81
\$400 - \$900		32	26	42	30	24	26	47
\$900 - \$1k		37	29	47	27	33	23	46
\$1k - \$2k		26	26	33	27	26	20	50
\$2k - \$3k		10	9	17	10	8	7	19
\$3k - \$5K		6	5	10	3	7	3	10
>\$5k		2	2	3	2	2	2	7

# 04

## NEXT STEPS



AEC will provide the modelling and rating calculation data in an excel version to Council management.

It is recommended that Council undertake a review of its rating and property information to ensure completeness.

**Action:** Final handover meeting, Date to be determined

URALLA SHIRE COUNCIL RATES MODELLING SCENARIOS SUMMARY									
Description of scenario	BASE MODELS		SCENARIO ONE	SCENARIO TWO	SCENARIO THREE	SCENARIO FOUR	SCENARIO FIVE	INCREASE	
	CURRENT 2022/23 BUDGET WITH 2019 VALUATIONS	2022 VALUATIONS IMPACT TO 2022/23 BUDGET ALLOCATION	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & INCREASE BASE RATE TO \$350	RATE PEG & MAINTAINING YIELD PERCENTAGE FROM 2022/23 BUDGETED & DECREASE BASE RATE TO \$250	RURAL 0.5% & BUSINESS 1.2%	BURDEN & REDUCE FARMLAND 1.2%	
<b>Base Rate</b>									
Residential	310.00	310.00	310.00	310.00	350.00	250.00	310.00		
Rural Residential	310.00	310.00	310.00	310.00	350.00	250.00	310.00		
Business	310.00	310.00	310.00	310.00	350.00	250.00	310.00		
Farmland	310.00	310.00	310.00	310.00	350.00	250.00	310.00		
Mining	310.00	310.00	310.00	310.00	350.00	250.00	310.00		
<b>Change in Base Rate (\$)</b>									
Residential	-	-	-	-	40.00	(60.00)	-		
Rural Residential	-	-	-	-	40.00	(60.00)	-		
Business	-	-	-	-	40.00	(60.00)	-		
Farmland	-	-	-	-	40.00	(60.00)	-		
Mining	-	-	-	-	40.00	(60.00)	-		
<b>Rate in Dollar (Ad Valorem)</b>									
Residential	0.3286000	0.19356624	0.24022400	0.20908000	0.21107700	0.28464142	0.25116600		
Rural Residential	0.3286000	0.19356624	0.22586500	0.20479100	0.21169600	0.24713936	0.23484000		
Business	0.3286000	0.19356624	0.25158800	0.20779300	0.22695000	0.28013941	0.28626000		
Farmland	0.3286000	0.19356624	0.19103800	0.20128900	0.16900000	0.19402636	0.18672500		
Mining	0.3286000	0.19356624	0.24022400	0.20908000	0.21107700	0.28464142	0.25116600		
<b>Change in Ad Valorem (%)</b>									
Residential	-41.1%	-26.9%	-36.4%	-35.8%	-35.8%	-13.4%	-23.6%		
Rural Residential	-41.1%	-31.3%	-37.7%	-35.6%	-35.6%	-24.8%	-28.5%		
Business	-41.1%	-23.4%	-38.9%	-30.9%	-30.9%	-14.7%	-13.1%		
Farmland	-41.1%	-41.9%	-38.7%	-42.6%	-41.0%	-43.2%	-43.2%		
Mining	-41.1%	-26.9%	-36.4%	-35.8%	-35.8%	-13.4%	-23.6%		
<b>Ad Valorem % to Residential</b>									
Residential	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Rural Residential	100.0%	100.0%	94.0%	97.9%	100.3%	86.8%	93.9%		
Business	100.0%	100.0%	104.7%	99.4%	107.5%	88.4%	113.7%		
Farmland	100.0%	100.0%	79.5%	66.3%	89.6%	68.2%	74.3%		
Mining	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
<b>Rates Revenue</b>									
Residential	\$903,802	\$842,165	\$935,843	\$873,326	\$935,844	\$937,243	\$957,812		
Rural Residential	\$792,343	\$742,553	\$821,609	\$770,027	\$821,661	\$821,661	\$843,577		
Business	\$108,066	\$99,207	\$114,234	\$102,926	\$114,235	\$112,965	\$123,022		
Farmland	\$2,432,655	\$2,552,892	\$2,521,944	\$2,647,349	\$2,521,942	\$2,522,662	\$2,469,220		
Mining	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
<b>Total Rates Revenue</b>	<b>\$4,236,867</b>	<b>\$4,236,867</b>	<b>\$4,393,631</b>	<b>\$4,393,631</b>	<b>\$4,393,631</b>	<b>\$4,393,631</b>	<b>\$4,393,631</b>		
<b>% of Total Rates Revenue (Rates Burden)</b>									
Residential	21.3%	19.9%	21.3%	19.9%	21.3%	21.3%	21.8%		
Rural Residential	18.7%	17.5%	18.7%	17.5%	18.7%	18.7%	19.2%		
Business	2.6%	2.3%	2.6%	2.3%	2.6%	2.6%	2.8%		
Farmland	60.3%	60.3%	57.4%	60.3%	57.4%	57.4%	56.2%		
Mining	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
<b>Total Rates Revenue</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>Check revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>Revenue increase (Rate Peg)</b>	<b>0.00%</b>	<b>3.70%</b>	<b>3.70%</b>	<b>3.70%</b>	<b>3.70%</b>	<b>3.70%</b>	<b>3.70%</b>		
<b>Average rate increase(decrease)</b>									
Residential	(\$48)	\$26	(\$23)	\$26	\$27	\$27	\$45		
Rural Residential	(\$55)	\$39	(\$32)	\$39	\$39	\$39	\$94		
Business	\$201	\$149	\$369	\$149	\$149	\$151	\$61		
Farmland	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Mining	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
<b>Land Value</b>									
Residential	\$137,027,490	\$200,776,480	\$200,776,480	\$200,776,480	\$200,776,480	\$200,776,480	\$200,776,480		
Rural Residential	\$159,334,420	\$244,765,250	\$244,765,250	\$244,765,250	\$244,765,250	\$244,765,250	\$244,765,250		
Business	\$17,186,147	\$26,813,800	\$26,813,800	\$26,813,800	\$26,813,800	\$26,813,800	\$26,813,800		
Farmland	\$683,893,800	\$1,223,101,500	\$1,223,101,500	\$1,223,101,500	\$1,223,101,500	\$1,223,101,500	\$1,223,101,500		
Mining	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
<b>Total Land Value</b>	<b>\$998,142,857</b>	<b>\$1,694,457,030</b>	<b>\$1,694,457,030</b>	<b>\$1,694,457,030</b>	<b>\$1,694,457,030</b>	<b>\$1,694,457,030</b>	<b>\$1,694,457,030</b>		
<b>% of Land Value</b>									
Residential	14%	12%	14%	12%	14%	14%	14%		
Rural Residential	16%	14%	14%	14%	14%	14%	14%		
Business	2%	2%	2%	2%	2%	2%	2%		
Farmland	69%	72%	72%	72%	72%	72%	72%		
Mining	0%	0%	0%	0%	0%	0%	0%		
<b>Total Land Value</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		
<b>Change in proportion of land value</b>									
Residential	-2%	-2%	-2%	-2%	-2%	-2%	-2%		
Rural Residential	-2%	-2%	-2%	-2%	-2%	-2%	-2%		
Business	0%	0%	0%	0%	0%	0%	0%		
Farmland	4%	4%	4%	4%	4%	4%	4%		
Mining	0%	0%	0%	0%	0%	0%	0%		

PROPERTY DETAILS	CURRENT GENERAL RATES				SCENARIO 2				IMPACT ASSESSMENT	
	Category	Ad Valorem	Base Amount	Net Rates (after discount)	Proposed Category	Ad Valorem	Base Amount	Net Rates (after discount)	\$ Change	% Change
	Assess ment No.									
7733	Farmland	\$ 0.328600	\$ 310.00	\$ 20,486.04	Farmland	\$ 0.193566	\$ 310	\$ 20,053.76	\$ (432.28)	-2.1%
7734	Farmland	\$ 0.328600	\$ 310.00	\$ 1,857.71	Farmland	\$ 0.193566	\$ 310	\$ 1,800.46	\$ (57.25)	-3.1%
7735	Farmland	\$ 0.328600	\$ 310.00	\$ 4,943.26	Farmland	\$ 0.193566	\$ 310	\$ 5,071.73	\$ 128.47	2.6%
7736	Farmland	\$ 0.328600	\$ 310.00	\$ 16,411.40	Farmland	\$ 0.193566	\$ 310	\$ 15,872.73	\$ (538.67)	-3.3%
7737	Farmland	\$ 0.328600	\$ 310.00	\$ 1,131.50	Farmland	\$ 0.193566	\$ 310	\$ 1,062.33	\$ (69.17)	-6.1%
7738	Farmland	\$ 0.328600	\$ 310.00	\$ 2,146.87	Farmland	\$ 0.193566	\$ 310	\$ 2,146.94	\$ 0.07	0.0%
7739	Farmland	\$ 0.328600	\$ 310.00	\$ 2,252.03	Farmland	\$ 0.193566	\$ 310	\$ 310.00	\$ (1,942.03)	-86.2%
7740	Farmland	\$ 0.328600	\$ 310.00	\$ 3,365.98	Farmland	\$ 0.193566	\$ 310	\$ 3,852.26	\$ 486.28	14.4%
7741	Farmland	\$ 0.328600	\$ 310.00	\$ 980.34	Farmland	\$ 0.193566	\$ 310	\$ 902.31	\$ (78.03)	-8.0%
7742	Farmland	\$ 0.328600	\$ 310.00	\$ 760.18	Farmland	\$ 0.193566	\$ 310	\$ 1,051.36	\$ 291.18	38.3%
7743	Farmland	\$ 0.328600	\$ 310.00	\$ 1,828.13	Farmland	\$ 0.193566	\$ 310	\$ 1,732.71	\$ (95.42)	-5.2%
7744	Rural Residential	\$ 0.328600	\$ 310.00	\$ 894.91	Rural Reside	\$ 0.193566	\$ 310	\$ 900.38	\$ 5.47	0.6%
7745	Farmland	\$ 0.328600	\$ 310.00	\$ 2,225.74	Farmland	\$ 0.193566	\$ 310	\$ 2,632.79	\$ 407.06	18.3%
7747	Rural Residential	\$ 0.328600	\$ 310.00	\$ 1,170.93	Rural Reside	\$ 0.193566	\$ 310	\$ 1,182.98	\$ 12.05	1.0%
7748	Rural Residential	\$ 0.328600	\$ 310.00	\$ 1,170.93	Rural Reside	\$ 0.193566	\$ 310	\$ 1,182.98	\$ 12.05	1.0%
7749	Rural Residential	\$ 0.328600	\$ 310.00	\$ 1,558.68	Rural Reside	\$ 0.193566	\$ 310	\$ 1,481.08	\$ (77.60)	-5.0%
7753	Farmland	\$ 0.328600	\$ 310.00	\$ 6,882.00	Farmland	\$ 0.193566	\$ 310	\$ 7,355.81	\$ 473.81	6.9%
7759	Rural Residential	\$ 0.328600	\$ 310.00	\$ 894.91	Rural Reside	\$ 0.193566	\$ 310	\$ 850.05	\$ (44.86)	-5.0%
7759	Residential	\$ 0.328600	\$ 310.00	\$ 983.63	Residential	\$ 0.193566	\$ 310	\$ 942.96	\$ (40.67)	-4.1%
7760	Residential	\$ 0.328600	\$ 310.00	\$ 983.63	Residential	\$ 0.193566	\$ 310	\$ 942.96	\$ (40.67)	-4.1%
7761	Residential	\$ 0.328600	\$ 310.00	\$ 963.91	Residential	\$ 0.193566	\$ 310	\$ 915.86	\$ (48.05)	-5.0%
7762	Residential	\$ 0.328600	\$ 310.00	\$ 963.91	Residential	\$ 0.193566	\$ 310	\$ 923.60	\$ (40.31)	-4.2%
7763	Residential	\$ 0.328600	\$ 310.00	\$ 947.48	Residential	\$ 0.193566	\$ 310	\$ 910.06	\$ (37.43)	-4.0%
7764	Residential	\$ 0.328600	\$ 310.00	\$ 947.48	Residential	\$ 0.193566	\$ 310	\$ 910.06	\$ (37.43)	-4.0%
7765	Residential	\$ 0.328600	\$ 310.00	\$ 947.48	Residential	\$ 0.193566	\$ 310	\$ 910.06	\$ (37.43)	-4.0%
7766	Residential	\$ 0.328600	\$ 310.00	\$ 947.48	Residential	\$ 0.193566	\$ 310	\$ 910.06	\$ (37.43)	-4.0%

