

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

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The proposed general land rating structure included in the Draft 2023/24 Statement of Revenue Policy provided at Attachment 3 is proposed as follows:

Category, Sub-Category or Reduced Minimum Rate	Estimated Number of Properties	Rate in the Dollar (\$)	Minimum Rate (\$)	Total Estimated Income (\$)	Proportional Contribution of Yield (%)	Estimated Average Rate
Residential	14,084	0.1073	1,014	21,777,512	73.93%	1,547
Residential – Flood/Coastal	28	0.1073	507	19,978	0.07%	714
Business	1,157	0.1979	1,014	3,682,466	12.50%	3,145
Business - Byron Bay CBD	357	0.2894	1,014	2,504,018	8.50%	7,009
Mining	0	0.1979	1,014	0	0.00%	0
Farmland	536	0.0828	1,014	1,473,075	5.00%	2,757
Farmland – Flood/Coastal	2	0.0828	507	1,014	0.00%	507
TOTALS	16,164			29,458,063	100.00%	1,822

5 Following the presentation to the 2 March 2023 Councillor Workshop, Councillors sought further modelling on two scenarios being:

- Scenario 1 – retain the 2022/23 minimum rate of \$969 and not increase this by the 4.6% rate peg to \$1,014 as proposed.
- Scenario 2 – retain the 2022/23 minimum rate but further reduce it by 2% or \$19 to \$950.

10 Scenario 2 was not modelled as the differences throughout the rating structure from Scenario 1 would be so small.

Scenario 1 was modelled, and this created the following outcomes as discussed at the Councillor Workshop on 6 April 2023:

- 15 • Reducing the minimum rate from \$1,014 to \$969 reduces the number of properties subject to the minimum rate by 726 assessments being 706 residential, 19 business and 1 farmland.
- Land value where the ad valorem rate applies for residential category reduces from \$945,014 to \$885,740.
- 20 • Given the high proportion of strata titled properties, 33.9%, the reduction in the minimum rate for Scenario 1 only seems to have impact in the urban areas of the Shire but not the rural areas.
- The reduction of the minimum rate from \$1,014 to \$969 requires the redistribution of \$318,225 in general land rate income through needing to change the ad valorem

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rate. There would be 7,325 out of 16,164 assessments paying the minimum rate and of the 7,325 paying the minimum 2,486 of these are strata titled assessments.

- The maximum benefit any property subject to a minimum rate would receive is \$45 i.e. the difference between the proposed minimum of \$1,014 and the minimum of Scenario 1 \$969.
- The maximum additional rates any one property would pay through the redistribution is an additional \$567 in the residential category with this assessment having a land value of \$27million.

Should Council wish to adopt the general land rating structure outlined in Scenario 1, it would need to alter the proposed Draft 2023/24 Statement of Revenue Policy provided at Attachment 3 through resolution prior to public exhibition to incorporate the following values for minimum rates and ad valorem rates designated with the heading Scenario 1 with the proposed in the Draft 2023/24 Statement of Revenue Policy provided as comparison:

Category, Sub-Category or Reduced Minimum Rate	Estimated Number of Properties	Ad valorem Rate in the Dollar (\$) Scenario 1	Minimum Rate (\$) Scenario 1	Ad valorem Rate in the Dollar (\$) Proposed	Minimum Rate (\$) Scenario Proposed
Residential	14,084	0.1094	969	0.1073	1,014
Residential – Flood/Coastal	28	0.1094	485	0.1073	507
Business	1,157	0.1992	969	0.1979	1,014
Business - Byron Bay CBD	357	0.2898	969	0.2894	1,014
Mining	0	0.1992	969	0.1979	1,014
Farmland	536	0.0828	969	0.0828	1,014
Farmland – Flood/Coastal	2	0.0828	485	0.0828	507
TOTALS	16,164				

The following graph tries to illustrate the comparison of the two general land rating scenarios to identify possible general land rates payable depending upon rating category and land value, however as the overall redistribution is small compared to the quantum of general land rates able to be levied, it does not illustrate any significant difference between the two scenarios but does outline indicative general land rates payable for each category and each scenario depending upon land value: