

## HOW DO OUR COUNCIL RATES COMPARE?

South Burnett Regional Council recently released a document comparing S.B. rates with other Regional and neighbouring Councils. The conclusion of this document stated that compared to neighbouring councils the South Burnett was "mid-range" and measured up as "among the lowest in regional Queensland" when compared to 10 other Councils from the Gold Coast to Cairns. If this comparison is fair and correct then why do so many Ratepayers have the opinion that rates in the South Burnett are high?

In a recent survey of members of the South Burnett Residents Action Group there was a clear majority of members (77%) who consider Council rates are far too high. A 2004 rate notice for a residential block in Tingoora shows an increase in rates and charges from \$387.81 (after deducting a 15% discount) to \$2,038.60 (discount now only 10%) in 2014. Some services have increased but that's more than a 500% increase in 10 years. Is it any wonder ratepayers are feeling the pinch? Much of this exorbitant increase is due to rate notices being loaded up with an array of charges and levies that in many cases far exceed the amount for actual rates.

An objective and honest comparison of rates requires a deal of research. The State Government publish Regional Council Rate Comparisons on the web so these are the figures which will be used throughout this comparison.

All rates are set in direct relationship to the designated "Rateable Value." This is why all Rate Notices state the lands rateable value. (Eg Valuation \$50,000) Council sets a level of cents in the dollar that must be paid in relation to your lands valuation. There are numerous categories of rateable levels – residential/ commercial/ rural etc. For the purpose of this comparison only the "Residential" category will be used as this is a common category across all regions. Because our Rates are charged in direct relationship to "Rateable Value," any genuine comparison must begin with a comparison of land with similar rateable value.

The Council comparison has chosen to ignore the "valuation of land" factor and therefore their comparisons are misleading. They have compared Wondai (average residential valuation of \$50,716 and rates of \$1920) with Mackay (average residential valuation of \$183,672 and rates of \$2215) A residential block in Mackay is valued at \$132,956 more than a Wondai block but Mackay is paying just \$295 more. The land is worth 360% more but the rates are only 15% more.

It gets worse. Our Council has compared Wondai with places such as Nerang (average residential valuation \$204,000) and Surfers Paradise (average residential valuation \$818,000). Surfers residential land is worth 16 times more than Wondai land but the Rates are only \$5,069 or 2.6 times more. These are the Councils own figures being quoted. There can be no honest comparison of land in Wondai with land in Gold Coast Cities. You can't compare apples with oranges or sand castles with bricks and mortar castles.

Let's compare from another direction.

**Kingaroy** residential land has an average valuation of \$82,279 (2012 – 2013) There are 7 other towns on the Government web site with a similar valuation. (between \$80,000 and \$85,378) Moura, Alpha, Home Hill, Imbil, Clermont, Forest Hill, Killarney. When we take an average of General Rates payable per annum in these towns it is \$870. Kingaroy pays \$1093 or 20% more on average.

**Nanango** (average residential valuation \$65,122) when compared to other towns with a similar valuation like Crows Nest, Barcaldine, Giru reveals Nanango pays \$876 while the other towns average \$730. Nanango pays 15% more. Note: Charters Towers (valuation \$65,099) but has been omitted because it is a city.

**Blackbutt** (valuation \$58,687) is paying 20% more than towns listed with similar residential land valuations such as St. George, Barcaldine, Giru, Middle Mount, Crows Nest.

**Murgon** (valuation \$38,742) pays 10% more than similar valued residential blocks. (Texas, Ilfracombe, Charleville, Tara, Collinsville)

One Council table attempts to show our rate charges are mid-range for both lowest and highest residential categories compared to our neighbouring Councils. Instead of cherry picking it is more accurate to compare overall rate payment averages and we must factor in valuations.

Below are the results.

**Average Value Residential Land / Average General Rates per Annum / \$ Paid per \$1000 of Value**

South Burnett \$59,109	\$828	\$14.00
Somerset \$125,509	\$743	\$5.92
Western Downs \$72,427	\$828	\$11.43
North Burnett \$38,722	\$580	\$14.98
Gympie* \$98,026	\$957	\$9.76
Toowoomba* \$98,026	\$934	\$9.57

Only North Burnett is marginally higher while all others are much lower. Nothing mid-range about this! South Burnett Rates are high in comparison.

Note;\*The actual cities themselves were not included in these figures, just the towns within the region (eg for Gympie; Tin Can Bay, Imbil, Kilkivan) because there are no comparable cities in the other Council regions. If they were included it would distort the results and make the South Burnett compare even worse.

At first glance the figures displayed under the "General Rates per Annum" column may seem lower than you thought but on many Rate Notices the extra levies and charges more than double the actual Rate amount.

Let's do one further comparison. How about we compare the actual cents in the dollar being charged by South Burnett and its neighbouring councils? The most honest and accurate comparison is revealed through averages of the towns listed on the State Government Comparison web site rather than selectively picking a particular town here and there.

**GENERAL RATE 2013/14**

<u>Regional Council</u>	<u>Average Cents in the Dollar Residential Land</u>
South Burnett	1.506
North Burnett	1.0075
Western Downs	0.7881
Somerset	0.6676

The South Burnett rate in the dollar is 50% higher than the next highest.

Both Toowoomba and Gympie have not supplied enough information on their various rating categories to make an accurate comparison.

## SUMMARY

The above report makes two points very clear.

1. The comparison issued by South Burnett Regional Council is flawed and misleading.
2. The results of the South Burnett Residents Action Group survey has correctly identified that residents in this region are paying very expensive rates. (77% of members named rates as a major concern)

Our Mayor may be disappointed that the Federal Government and South Burnett residents are complaining about these higher rates but it's the struggling homeowners, businesses and farmers that have to find the money. They are the ones suffering financial hardship. On the above figures it's no surprise the Federal Government is telling Mayor Kratzmann that South Burnett rates are high.

Directly comparing Rates between different towns and regions is never entirely straight forward because no two regions are exactly the same. Given this, we have endeavoured to use "Averages" and "Rateable Values" as the best and most accurate methodology.

Nevertheless, it is hard to argue against the conclusion that our rates are well above comparable regions. Something must be done to rectify this injustice. The first step is to make residents well aware of the problem. S-BRAG will certainly be doing its best to inform residents. Secondly, S-BRAG will also provide leadership in the hope of producing a much fairer and reasonable outcome for Ratepayers.

This Rate Comparison Report has been compiled by the S-BRAG Management Committee and unanimously endorsed by Wondai S-BRAG membership.

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