

Average rates

There is an immaterial difference between the Average Rates exhibited at the time of consultation and the time of application submission, however it is important to note that despite the small difference in averages, the rating approach did not change – the equity relationship between the total yields of each category did not shift.

Year 1 forecasted average rate for the Residential category at the time of consultation was presented as \$1,679.55, whereas WS7 in this application calculates the Year 1 Residential average rate as \$1,681.26, that's \$1.71 higher than exhibited.

The following routine rating events impact the average rate:

- Council receives supplementary land values from the Valuer General on a weekly basis.
- Land throughout the city is subdivided on an almost daily basis.
- Properties change rating category based on use (e.g. from Business to Residential, etc.).
- Properties become exempt from Rates, or previously exempt properties become rateable.

The average rate will vary immaterially once again by the time the final rates are set in June 2025 for the 2025/2026 rating year, in direct relation to shifts in underlying total land values and corresponding property counts.

Other than the routine shifts, a unique event occurred between consultation and application submission, where Council's land value base contracted, by the cancellation of 35 Residential properties with a combined land value of \$14,126,000. These land values, on Commonwealth Land, had been on our books for years but were cancelled (removed entirely and not replaced) from our land value base by the Valuer General late last year. This event can be partially seen by comparing the Residential property count on WS3 and WS4, which shows a reduction from 56,675 (notional) to 56,645 (permissible). It is unusual for a growing Council's Residential property count to contract from one year to the next.

It is also important to note that \$1,111,175.24 of the total \$1,424,260 special variation expiry amount that will reduce Council's total rate base on 30 June 2025 (before the 2025/2026 rates are levied), was expired from across the Residential category, reducing all Residential rates payable (in comparison to Year 0, current year) before the 2025/2026 rates increase (of 3.8% rate-peg or 12% SRV) is applied. This relief for Residential ratepayers was highlighted during consultation, a quote from our Rates Calculator tool provided below:

“The expiration of a temporary special variation (10-years from 2015 - 2025) reduces Council's overall rate base on 30/06/2025; notionally reducing 2024/2025 rates for Residential ratepayers, prior to the 01/07/2025 rates levy for 2025/2026. The notional impact of this expiration is a \$19.52 reduction of the average Residential rate for 2024/25 (from \$1,519.12 to \$1,499.60) on 30/06/2025 prior to any increase is applied for the 2025/2026 rating year.”

[Special Rate Variation calculator | Shoalhaven City Council](#)

Regarding the Part B discussion of average rates at 5.1 *showing the impact of rate rises*, please note that the Year 0 2024/25 Average Rate shown for Residential \$1,499.60 was reduced for the removal of the 30/06/2025 expiring special rate. This was necessary to present meaningful data to the community and to inform meaningful calculations in the special variation calculator. The accurate average rates for Year 0 2024/25 are shown in Part A WS7, cell J101 shows Residential average of \$1,519.69 (a figure unadjusted for the impending expiry).

This concept was also highlighted in Council's 5 November 2024 Council report with a footnote to the Table of average rates on page 8 as follows:

“The 2024/25 average residential rate as levied 01/07/2024 was \$1,519.12. The average residential rate drops by \$19.52 to \$1,499.60 on 30/06/2025 due to an expiring special rate. (the expiry forming a new baseline). This provides a financial benefit to each residential rate payer.”

Table 1: Average rate increases in each rating category under proposed scenarios

Options Being Considered	Average FY2024/25	Average FY2024/25 + Base (3.8%)	Average FY2024/25 + 8%	Average FY2024/25 + 12%
Residential	1,499.60	1,556.58	1,619.57	1,679.55
Residential non urban	131.17	136.15	141.66	146.91
Business ordinary	43.10	44.73	46.54	48.27
Business Nowra	4,529.64	4,701.77	4,892.02	5,073.20
Business Industrial Commercial	2,424.19	2,516.31	2,618.12	2,715.09
Business Major Retail Nowra	78,795.10	81,789.31	85,098.71	88,250.51
Business Major Retail Vincentia	41,159.50	42,723.56	44,452.26	46,098.64
Farmland	3,078.83	3,195.82	3,325.13	3,448.29
Farmland dairy	2,289.75	2,376.76	2,472.93	2,546.52

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