

Information on Land revaluation

A revaluation was conducted in Indigo Shire in January 2010 which showed land values had risen by an average of 5%. *(This does not mean rates go up by this amount. The annual change in rates that is set by the Council when it adopts its yearly budget is a separate process.)*

When land is revalued the total amount of rates Council collects does not change. Rather, the burden is redistributed to all properties according to their new value. This means some people will pay more if their property value has risen by more than the 5% average and others will pay less. This process balances out the rate burden across all rating categories so that the total amount collected does not change.

In Indigo, rates are levied on the Capital Improved Value (CIV) - the land and house and other improvements.

For example:

House 1 in Town A is valued at \$300,000 before the revaluation.

House 2 in Town B is also valued at \$300,000 before the revaluation.

As part of the revaluation process, House 1 increases in value by 8% to \$324,000 and House 2 increases in value by 3% to \$309,000. The effect on the rates as a result of these changes can be seen in Table A below.

TABLE A

	Rates before revaluation	Rates after revaluation
House 1	\$1,291 (House value \$300,000)	\$1,311 (House value \$324,000)
House 2	\$1,291 (House value \$300,000)	\$1,270 (House value \$309,000)

As mentioned earlier, the change in rates that occurs when Council adopts its annual budget is a separate process. This year, the Council considered a 6.5% rate increase and dropped it to 5.75%. When that 5.75% is added to the example above the total rates are as set out below in Table B.

TABLE B:

	Rates before revaluation	Rates after revaluation	Rates after revaluation and 5.75% rate increase
House 1	\$1,291	\$1,311	\$1,386
House 2	\$1,291	\$1,270	\$1,343

You can object to a revaluation. If you want to do this, you must do so within two months of the date of your rate notice, where the new valuations appear for the first time. There are more details on the back of your rate notice. Objections should be made to Council on a form you can obtain from Customer Service Centres in Beechworth, Yackandandah, Rutherglen and Chiltern.

This is a simple overview of the revaluation process. If you have further questions in relation to your specific property, please contact the Senior Rates Officer Graeme Pool on 03 5728 8000.