

Our Budget

2026-2027 Financial Year

Frequently Asked Questions



Why do I have to pay rates?

While Council receives some grant funding from the State and Federal Governments, its main source of income is from rates which are levied on all rateable properties across the region in accordance with the Local Government Act 2009 and the supporting Local Government Regulation 2012. Council sets rates at a sufficient level to pay expenses over time. Quite simply, if our communities did not pay rates, Council could not afford to provide essential services and infrastructure.

Why does property value impact the rates I pay?

Under the Local Government Act 2009, Council must levy general rates on all rateable land and under the Local Government Regulation 2012, the value of the property must be used as the basis of this calculation.

Like most councils, Somerset Regional Council uses differential rating, which means the general rates charged vary for different categories of land types and uses.

The value of each property, and the rating category of the property, is used as the basis for calculating what each property owner pays. Each rating category has a different rate in the dollar applied to the property value to calculate the general rate, which is outlined on every rates notice.

Within each rating category a minimum general rate is applied to ensure that all owners contribute a minimum amount towards the costs of delivering infrastructure and services.

Why do my rates need to increase?

Just as your household budget varies over time, and is affected by changes in supply and demand, so does Council's. Cost increases, changing service expectations, increases in population and infrastructure, and the availability of materials and suppliers all drive Council's costs.

Somerset Regional Council is in a sound financial position compared to many Councils. However, to remain financially sustainable, rates need to keep pace with the changes in costs for Council to continue to afford to provide services at the standard the community expects.

I don't use all of Council's services so why should I have to pay for them?

Council has a responsibility to deliver services for our town centres and across our vast region. Just as income taxes are used to fund services and infrastructure across the country, rates paid by property owners fund the cost of services and infrastructure across the whole of Somerset.

They are not collected and acquitted for each local area or individual.

Under the Local Government Act 2009, a Council must represent the current and future interests of the residents of the entire local government area. As such, when considering operational and capital budgets each year, Council must consider both the needs and priorities of the region, balanced with the needs of town centres. These discussions must also consider the affordability of rates for our communities and Council's financial sustainability.

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Who determines land value?

Land valuations are calculated by the Queensland State Government's Valuer-General. Land valuation is usually based on site value. Site value is the market value of the land in its present state. It includes the value of any improvements made to the land including filling, clearing, levelling and drainage works. The site value does not, however, include structural improvements such as houses, sheds, and other buildings. The land valuation for each property is provided to Council. Councils do not influence the calculation or timing of the property valuation.

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Why is the budget in deficit this year?

Council is forecasting an operating deficit of \$4.1 million in 2026-27. This is due largely to a timing difference in the payment of the Federal Financial Assistance Grant, with 80% (\$3.9M) of the 2026-27 grant being paid before 1 July 2026. This is a timing difference only and does not impact the financial sustainability of Council.

Contributing to the deficit is a deliberate investment in Council's long-term operational health, directly attributable to the \$3.5 million implementation of new corporate strategic systems, partly funded from cash reserves.

Why does Council need to upgrade its systems now?

Council has delayed this upgrade for as long as practical to reduce cost pressures on the community. But there comes a point where waiting longer creates greater risk and cost.

Acting now allows Council to make the change in a planned, manageable way and helps protect services into the future.

What is this system investment actually for?

It's for the core systems that help Council manage finances, payroll, assets, customer service and day-to-day operations.

In simple terms, these are the systems behind many of the services the community relies on. Replacing them now is a more responsible option than waiting until they become more expensive or difficult to manage.

How will this systems upgrade benefit ratepayers?

Better systems will help Council work more efficiently, improve decision-making and strengthen accountability.

Over time, that means better value for ratepayers, more reliable services and stronger protection for the personal information Council holds.

How does this new system help protect the community?

Modern systems are an important part of keeping Council services reliable and protecting the information the community entrusts to Council.

They help reduce cybersecurity risks and support the safe handling of personal and financial information for more than 12,400 ratepayers and hundreds of businesses.

Why is this upgrade happening in the same year rates are increasing?

Council understands the timing is difficult. The rate increase this year is being driven by broader cost pressures such as fuel, materials and labour.

This investment is separate to those pressures, but it can no longer be delayed without creating bigger costs and risks in the future.

Will Council be borrowing money for this systems upgrade?

No. Council is not borrowing for this investment.

The project will be delivered in stages, with \$3.5 million planned in 2026-27 and \$2.3 million in 2027-28, funded through Council's cash reserves and income.

Why isn't Council just paying for the systems upgrade from savings?

That's exactly what Council is doing. This investment will be funded from cost reductions, cash reserves and income, not through borrowing.

Using reserves for a planned, one-off project like this is a responsible way to fund important long-term improvements.

Why does Council still have cash reserves if the budget is in deficit?

Having a budget deficit and having cash reserves are not the same thing. Council keeps reserves for major planned investments like this, so it can fund important projects without borrowing.

Those reserves are managed carefully and reported transparently.

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