

**HOBSONS**  
**BAY CITY**  
COUNCIL



**Hobsons Bay City Council  
Revenue and Rating Plan  
2021-22 to 2024-25**

## Contents

<b>Contents</b> .....	2
Purpose.....	3
Introduction .....	4
Community Engagement.....	5
Rates and Charges .....	6
<b>Rating Legislation</b>	7
<b>Rating Principles</b>	8
<b>Determining which Valuation base to use</b>	9
<b>Property Valuations</b>	12
<b>Supplementary Valuations</b>	12
<b>Objections to property valuations</b>	12
Rating Differentials .....	13
<b>The Objectives of Differential Rating</b>	13
<b>Ministerial Guidelines for Differential Rating</b>	13
<b>The Council's Rating System</b>	14
Annual Revaluations.....	18
Service Rates and Charges .....	19
Other parts of Council's Rating Structure .....	20
<b>Supplementary Rates</b>	20
<b>Non Ratable Properties</b>	20
<b>Municipal Charge</b>	20
<b>Special Charge Schemes</b>	21
<b>Fire Services Property Levy</b>	21
Collection and Administration of Rates and Charges .....	22
<b>Payment options</b>	22
<b>Interest</b>	22
<b>Pensioner Rebates</b>	22
<b>Financial Hardship Policy</b>	23
<b>Debt Recovery and Liability to pay Rates and Charges</b>	23
Other Revenue Items.....	24
<b>User Fees and Charges</b>	24
<b>Statutory Fees and Charges</b>	25
<b>Grants</b>	25
<b>Contributions</b>	26
<b>Interest on Investments</b>	26
<b>Borrowings</b>	26
Appendix 1 - Changes to Capital Improved Values (Averages).....	27
Appendix 2 - Revaluation Effects on Rates (Averages).....	31
Appendix 3 - Valuation and Rate fluctuations.....	37

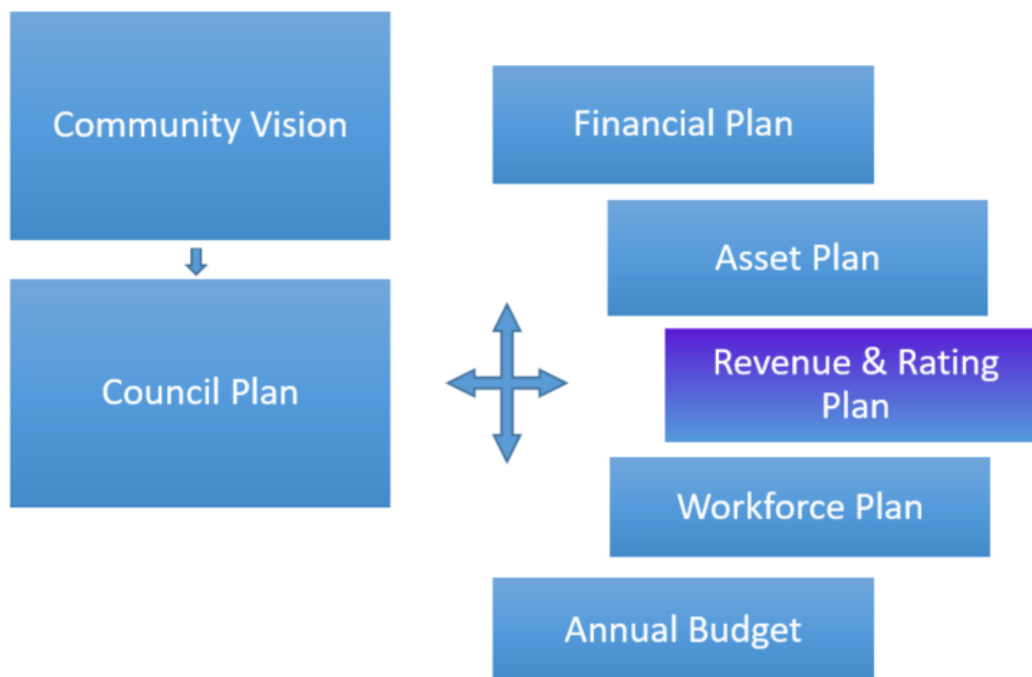
## Purpose

The *Local Government Act 2020* requires each council to prepare a Revenue and Rating Plan to cover a minimum period of four years following each Council election. The Revenue and Rating Plan establishes the revenue raising framework within which the Council proposes to work.

The purpose of the Revenue and Rating Plan is to determine the most appropriate and affordable revenue and rating approach for Hobsons Bay City Council which in conjunction with other income sources will adequately finance the objectives in the Council Plan.

This plan is an important part of Council's integrated planning framework, all of which is created to help Council achieve its vision of *"embracing our heritage, environment and diversity, we - the community of Hobsons Bay – will be an inclusive, empowered, sustainable and visionary community led and supported by a progressive Council of excellence."*

Strategies outlined in this plan align with the objectives contained in the Council Plan and will feed into our budgeting and long-term financial planning documents, as well as other strategic planning documents under our Council's strategic planning framework.



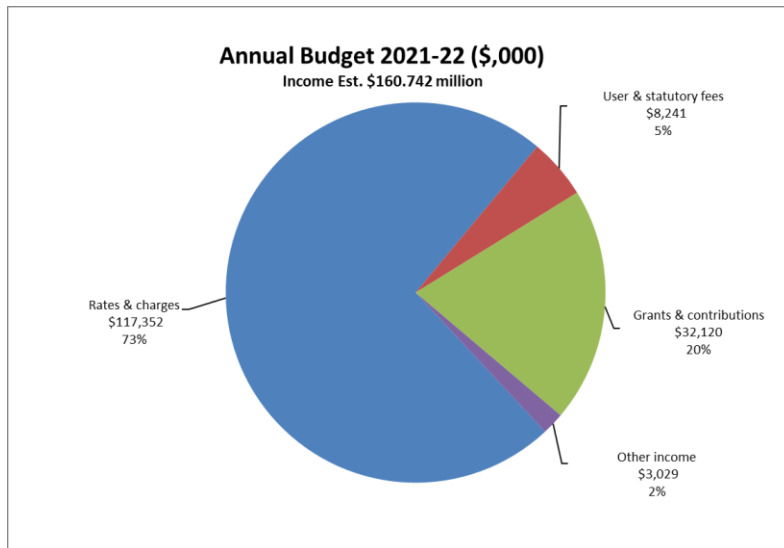
This plan will explain how Council calculates the revenue needed to fund its activities, and how the funding burden will be apportioned between ratepayers and other users of Council facilities and services.

In particular, this plan will set out decisions that Council has made in relation to rating options available to it under the *Local Government Act 2020* to ensure the fair and equitable distribution of rates across property owners. It will also set out principles that are used in decision making for other revenue sources such as fees and charges.

It is also important to note that this plan does not set revenue targets for Council, it outlines the strategic framework and decisions that inform how Council will go about calculating and collecting its revenue.

## Introduction

Council provides a number of services and facilities to our local community, and in doing so, must collect revenue to cover the cost of providing these services and facilities.



Council's revenue sources include:

- rates and charges
- waste service charges
- grants from other levels of Government
- statutory fees and fines
- user fees
- cash and non-cash contributions from other parties (ie developers, community groups)
- interest from investments
- sale of assets

Rates are the most significant revenue source for Council and make up roughly 73 per cent of annual income.

The introduction of rate capping under the Victorian Government's *Fair Go Rates System (FGRS)* has brought a renewed focus to Council's long-term financial sustainability. The FGRS continues to restrict Council's ability to raise revenue above the rate cap unless an application is made to the Essential Services Commission for a variation. Maintaining service delivery levels and investing in community assets remain key priorities for Council. This strategy will address Council's reliance on rate income and provide options to actively reduce that reliance.

Council provides a wide range of services to the community, often for a fee or charge. The nature of these fees and charges generally depends on whether they relate to statutory or discretionary services. Some of these, such as statutory planning fees are set by State Government statute and are commonly known as regulatory fees. In these cases, councils usually have no control over service pricing. However, in relation to other services, Council can set a fee or charge and should set that fee based on the principles outlined in this Revenue and Rating Plan.

Council revenue can also be adversely affected by changes to funding from other levels of government. Some grants are tied to the delivery of council services, whilst many are tied directly to the delivery of new community assets, such as roads or sports pavilions. It is important for Council to be clear about what grants it intends to apply for, and the obligations that grants create in the delivery of services or infrastructure.

## Community Engagement

The Revenue and Rating Plan outlines Council's decision-making process on how revenues are calculated and collected. The following public consultation process was followed to ensure due consideration and feedback is received from relevant stakeholders.

Revenue and Rating Plan community engagement process:

- Councillor Briefing Sessions were held to discuss the annual budget process, including items relating to revenue and rating
- these discussions contributed towards officers preparing the Proposed Revenue and Rating Plan
- the Proposed Revenue and Rating Plan was placed on public exhibition at the Council meeting on 20 April 2021 for a period of 28 days and calling for public submissions
- community engagement through local news outlets and social media
- public submissions were heard at the Council meeting held on 8 June 2021
- the recommended Revenue and Rating Plan (including revisions) is presented to the 29 June 2021 Council meeting for adoption

After consideration of any submissions following community engagement and the finality of the 2021 revaluation, Council's Revenue and Rating Plan was updated.

## Rates and Charges

Council collects rates from residents and businesses in its municipality to help fund the local community infrastructure and service obligations. Council rates are a form of property tax and Council uses property values as the basis for calculating how much each property owner pays.

Rates are a taxation system that includes flexibility for councils to utilise different tools in its rating structure to accommodate issues of equity and to ensure fairness in rating for all ratepayers.

Council has established a rating structure comprised of two key elements. These are:

- **General Rates** – Based on property values (using the Capital Improved Valuation methodology), which are indicative of capacity to pay and form the central basis of rating under the *Local Government Act 1989*.
- **Waste Service Charge** - A 'user pays' component for council services to reflect benefits provided by Council to ratepayers who benefit from the collection, disposal and processing of garbage, recycling, glass, garden and food waste and hard waste.

Striking a proper balance between these elements will help to improve equity in the distribution of the rate burden across residents.

Council makes a further distinction when applying general rates by applying rating differentials based on the purpose for which the property is used. That is, whether the property is used for residential, residential vacant land, commercial, industrial, petro-chemical or cultural and recreational (concessional) purposes. This distinction is based on the concept that different property categories should pay a fair and equitable contribution, taking into account the benefits those properties derive from the local community.

The Hobsons Bay City Council rating structure comprises six differential (including concessional) rates. These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the *Local Government Act 1989*, and the Ministerial Guidelines for Differential Rating 2013.

The differential rates for 2021-22 are set as follows:

Type or class of land	Relative to Residential
Residential	1.00
Residential Vacant land	1.60
Commercial	2.30
Industrial	3.40
Petro Chemical	4.00
Cultural & Recreational Concession	0.45

Council has determined not to levy a municipal charge, which could be levied as a minimum rate per property and declared for the purpose of covering some of the administrative costs of Council.

The formula for calculating General Rates, excluding any additional charges, arrears or additional supplementary rates is:

- Valuation (Capital Improved Value) x Rate in the Dollar (Differential Rate Type)

The rate in the dollar for each rating differential category is included in Council's annual budget.

Rates and charges are an important source of revenue, accounting for approximately 73 per cent of operating revenue received by Council. The collection of rates is an extremely important factor in funding Council services. Planning for future rate increases is therefore an essential component of the long-term financial planning process and plays a significant role in funding both additional service delivery and the increasing costs related to providing Council services.

Council is aware of the balance between rate revenue (as an important income source) and community sensitivity to rate increases. With the introduction of the State Government's *Fair Go Rates System*, all rate increases are capped to a rate declared by the Minister for Local Government, which is announced in December for the following financial year.

Council currently utilises a service charge to fully recover the cost of Council's waste services, including the collection, disposal and processing of garbage, recycling, glass, garden and food waste and hard waste. The waste service charge is not capped under the *Fair Go Rates System*, and Council will continue to allocate surplus or deficit funds from this charge towards its waste reserve for the future provision of waste services.

## Rating Legislation

There are saved provisions of the *Local Government Act 1989* that are still being used for the local government rating framework. These include: Part 8 Rates and charges on rateable land; Division 1 Declaration of rates and charges; Division 2 Payment of rates and charges; and Part 8A Rate Caps.

These sections of the *Local Government Act 1989* determine a council's ability to develop a rating system. The framework provides significant flexibility for Council to tailor a system that suits its needs.

Whilst the new *Local Government Act 2020* is generally not being used in a rating context, section 93 states that a Council must prepare and adopt a Revenue and Rating Plan by the next 30 June after a general election for a period of at least the next 4 financial years.

Section 155 of the *Local Government Act 1989* provides that a Council may declare the following rates and charges on rateable land:

- General rates under Section 158
- Municipal charges under Section 159
- Service rates and charges under Section 162
- Special rates and charges under Section 163

In raising rates, Council is required to primarily use the valuation of the rateable property to levy rates. Section 157 (1) of the *Local Government Act 1989* provides Council with three choices in terms of which valuation base to utilise. They are: Site Valuation, Capital Improved Valuation (CIV) and Net Annual Value (NAV).

These are defined in the *Valuation of Land Act 1960* as follows:

**Site value of land** means the sum which the land, if it were held for an estate in fee simple unencumbered by any lease, mortgage or other charge, might in ordinary circumstances be expected to realize at the time of the valuation if offered for sale on such reasonable terms and conditions as a genuine seller might be expected to require, and assuming that the improvements (if any) had not been made.

**Capital improved value** means the sum which land, if it were held for an estate in fee simple unencumbered by any lease, mortgage or other charge, might be expected to realize at the time of valuation if offered for sale on any reasonable terms and conditions which a genuine seller might in ordinary circumstances be expected to require.

**Net annual value** of any land means:

- (a) except in the case of the lands described in paragraphs (b) and (c):
  - (i) the estimated annual value of the land; or
  - (ii) five per centum of the capital improved value of the land (whichever is the greater); or
- (b) in the case of any rateable land which is:
  - (i) farm land; or
  - (ii) a house, flat or unit (other than an apartment house, lodging house or boarding house) in the exclusive occupation of the owner and used for residential purposes; or
  - (iii) a house or unit (other than an apartment house, lodging house or boarding house) in the exclusive occupation of a tenant and used for residential purposes; or

(iv) a residential unit in respect of which a residence right in a retirement village (as defined in the *Retirement Villages Act 1986*) exists:  
five per centum of the capital improved value of the land; or  
(c) in the case of parklands, reserves or other lands owned by the Crown or any statutory authority, occupied (other than under any lease) for pastoral purposes only—the estimated annual value of it.

The advantages and disadvantages of the respective valuation basis are discussed further in this document. Whilst this document outlines Council's strategy regarding rates revenue, rates data will be contained in the Council's Annual Budget as required by the *Local Government Act 2020*.

Section 94(2) of the *Local Government Act 2020* states that Council must adopt a budget by 30 June each year (or at another time fixed by the Minister) to include:

- a) the total amount that the Council intends to raise by rates and charges;
- b) a statement as to whether the rates will be raised by the application of a uniform rate or a differential rate;
- c) a description of any fixed component of the rates, if applicable;
- d) if the Council proposes to declare a uniform rate, the matters specified in section 160 of the *Local Government Act 1989*;
- e) if the Council proposes to declare a differential rate for any land, the matters specified in section 161(2) of the *Local Government Act 1989*;

Section 94(3) of the *Local Government Act 2020* also states that Council must ensure that, if applicable, the budget also contains a statement –

- a) that the Council intends to apply for a special order to increase the Council's average rate cap for the financial year or any other financial year; or
- b) that the Council has made an application to the ESC for a special order and is waiting for the outcome of the application; or
- c) that a special Order has been made in respect of the Council and specifying the average rate cap that applies for the financial year or any other financial year.

This plan outlines the principles and strategic framework that Council will utilise in calculating and distributing the rating burden to property owners, however, the quantum of rate revenue and rating differential amounts will be determined in the annual Hobsons Bay City Council budget.

In 2019 the Victorian State Government conducted a Local Government Rating System Review. The Local Government Rating System Review Panel presented their final report and list of recommendations to the Victorian Government in March 2020. The Victorian Government subsequently published a response to the recommendations of the Panel's report. However, at the time of publication the recommended changes have not yet been implemented, and timelines to make these changes have not been announced.

## **Rating Principles**

### **Taxation Principles:**

When developing a rating strategy with reference to differential rates, a Council should give consideration to the following good practice taxation principles:

#### **Wealth Tax**

The "wealth tax" principle implies that the rates paid are dependent upon the value of a ratepayer's real property and have no correlation to the individual ratepayer's consumption of services or the perceived benefits derived by individual ratepayers from the expenditures funded from rates.

#### **Equity**

*Horizontal equity* – ratepayers in similar situations should pay similar amounts of rates (ensured mainly by accurate property valuations, undertaken in a consistent manner, their classification into homogenous property classes and the right of appeal against valuation).



*Vertical equity* – those who are better off should pay more rates than those worse off (the rationale applies for the use of progressive and proportional income taxation. It implies a “relativity” dimension to the fairness of the tax burden).

### **Efficiency**

Economic efficiency is measured by the extent to which production and consumption decisions by people are affected by rates.

### **Simplicity**

How easily a rates system can be understood by ratepayers and the practicality and ease of administration.

### **Benefit**

The extent to which there is a nexus between consumption/benefit and the rate burden.

### **Capacity to Pay**

The capacity of ratepayers or groups of ratepayers to pay rates.

### **Diversity**

The capacity of ratepayers within a group to pay rates.

The rating challenge for Council therefore is to determine the appropriate balancing of competing considerations.

### **Rates and Charges Revenue Principles:**

Property rates will:

- be reviewed annually
- not change dramatically from one year to next, although this is subject to the annual revaluation process for different rating categories and individual properties
- be sufficient to fund current expenditure commitments and deliverables outlined in the Council Plan, Financial Plan and Asset Plan

Differential rating should be applied as equitably as is practical and will comply with the [Ministerial Guidelines for Differential Rating 2013](#).

### **Determining which Valuation base to use**

Under the *Local Government Act 1989*, Council has three options as to the valuation base it elects to use. They are:

- **Capital Improved Value (CIV)** – Value of land and improvements upon the land.
- **Site Value (SV)** – Value of land only.
- **Net Annual Value (NAV)** – Rental valuation based on CIV.

For residential and farm properties, NAV is calculated at 5 per cent of the Capital Improved Value. For commercial and industrial properties, NAV is calculated as the greater of the estimated annual rental value or 5 per cent of the CIV.

### **Capital Improved Value (CIV)**

Capital Improved Value is the most used valuation base by local government with over 90 per cent of Victorian councils, including Hobsons Bay, applying this methodology. Based on the value of both land and all improvements on the land, it is generally easily understood by ratepayers as it equates to the market value of the property.

Section 161 of the *Local Government Act 1989* provides that a Council may raise any general rates by the application of a differential rate if –

- a) It uses the capital improved value system of valuing land; and
- b) It considers that a differential rate will contribute to the equitable and efficient carrying out of its functions.

Where a council does not utilise CIV, it may only apply limited differential rates in relation to farm land, urban farm land or residential use land.

Advantages of using Capital Improved Value (CIV):

- CIV includes all property improvements, and hence is often supported on the basis that it more closely reflects “capacity to pay”. The CIV rating method takes into account the full development value of the property, and hence better meets the equity criteria than Site Value and NAV.
- with the increased frequency of valuations (previously two year intervals, now annual intervals) the market values are more predictable and has reduced the level of objections resulting from valuations
- the concept of the market value of property is more easily understood with CIV rather than NAV or SV
- most councils in Victoria have now adopted CIV which makes it easier to compare relative movements in rates and valuations across councils
- the use of CIV allows council to apply differential rates which greatly adds to council's ability to equitably distribute the rating burden based on ability to afford council rates. CIV allows council to apply higher rating differentials to the commercial and industrial sector that offset residential rates

Disadvantages of using CIV:

- The main disadvantage with CIV is the fact that rates are based on the total property value which may not necessarily reflect the income level of the property owner as with pensioners and low-income earners.

### **Site value**

There are currently no Victorian councils that use this valuation base. With valuations based simply on the valuation of land and with only very limited ability to apply differential rates, the implementation of Site Value in a Victorian City Council context would cause a shift in rate burden from the non-residential sectors onto the residential sector, and would hinder council's objective of a fair and equitable rating system.

There would be further rating movements away from modern townhouse style developments on relatively small land parcels to older established homes on quarter acre residential blocks. In many ways, it is difficult to see an equity argument being served by the implementation of site valuation in the Victorian City Council.

Advantages of Site Value:

- there is a perception that under site value, a uniform rate would promote development of land, particularly commercial and industrial developments. There is, however, little evidence to prove that this is the case
- scope for possible concessions for urban farm-land and residential use land

Disadvantages of using Site Value:

- there will be a significant shift from the non-residential sector onto the residential sector of council. The percentage increases in many cases would be in the extreme range
- is a major burden on property owners that have large areas of land. Some of these owners may have much smaller/older dwellings compared to those who have smaller land areas but well developed dwellings, but will pay more in rates. A typical example is flats, units, or townhouses which will all pay low rates compared to traditional housing styles
- can place pressure on council to give concessions to categories of landowners on whom the rating burden is seen to fall disproportionately (eg. farm land and residential use properties). Large landowners, such as farmers for example, are disadvantaged by the use of site value
- will reduce Council's rating flexibility and options to deal with any rating inequities due to the removal of the ability to levy differential rates
- The community may have greater difficulty in understanding the SV valuation on their rate notices, as indicated by many inquiries from ratepayers on this issue handled by council's customer service and property revenue staff each year

## Net annual value (NAV)

NAV, in concept, represents the annual rental value of a property. However, in practice, NAV is loosely linked to capital improved value for residential and farm properties. Valuers derive the NAV directly as 5 per cent of CIV.

In contrast to the treatment of residential and farm properties, NAV for commercial and industrial properties are assessed with regard to actual market rental. This differing treatment of commercial versus residential and farm properties has led to some suggestions that all properties should be valued on a rental basis.

Overall, the use of NAV is not largely supported. For residential and farm ratepayers, actual rental values pose some problems. The artificial rental estimate used may not represent actual market value, and means the base is the same as CIV but is harder to understand.

## Valuation base used

In choosing a valuation base, councils must decide on whether they wish to adopt a differential rating system (different rates in the dollar for different property categories) or a uniform rating system (same rate in the dollar). If a council was to choose the former, under the *Local Government Act 1989* it must adopt either of the CIV or NAV methods of rating.

Hobsons Bay City Council applies CIV to all properties within the municipality to take into account the fully developed value of the property. This basis of valuation takes into account the total market value of the land plus buildings and other improvements.

Differential rating under the CIV method allows Council to shift part of the rate burden from some groups of ratepayers to others, through different “rates in the dollar” for each class of property.

Section 161(1) of the *Local Government Act 1989* outlines the requirements relating to differential rates, which include:

- a) A Council may raise any general rates by the application of a differential rate, if Council considers that the differential rate will contribute to the equitable and efficient carrying out of its functions.
- b) If a Council declares a differential rate for any land, the Council must specify the objectives of the differential rate, which must be consistent with the equitable and efficient carrying out of the Councils functions and must include the following:
  - i. A definition of the types or classes of land which are subject to the rate and a statement of the reasons for the use and level of that rate.
  - ii. An identification of the type or classes of land which are subject to the rate in respect of the uses, geographic location (other than location on the basis of whether or not the land is within a specific ward in Council's district).
  - iii. Specify the characteristics of the land, which are the criteria for declaring the differential rate.

Once the Council has declared a differential rate for any land, the Council must:

- a) Specify the objectives of the differential rates;
- b) Specify the characteristics of the land which are the criteria for declaring the differential rate.

The purpose is to ensure that Council has a sound basis on which to develop the various charging features when determining its revenue strategies and ensure that these are consistent with the provisions of the *Local Government Act 1989*.

The general objectives of each of the differential rates are to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council. There is no limit on the number or types of differential rates that can be levied, but the highest differential rate can be no more than four times the lowest differential rate.

## Property Valuations

The *Valuation of Land Act 1960* is the principle legislation in determining property valuations. Under the *Valuation of Land Act 1960*, the Victorian Valuer-General conducts property valuations on an annual basis. Hobsons Bay City Council applies a Capital Improved Value (CIV) to all properties within the municipality to take into account the full development value of the property. This basis of valuation takes into account the total market value of the land including buildings and other improvements.

The value of land is always derived by the principal of valuing land for its highest and best use at the relevant time of valuation.

Council needs to be mindful of the impacts of revaluations on the various property types in implementing the differential rating strategy outlined in the previous section to ensure that rises and falls in council rates remain affordable and that rating 'shocks' are mitigated to some degree.

## Supplementary Valuations

Supplementary valuations are carried out for a variety of reasons including rezoning, subdivisions, amalgamations, renovations, new constructions, extensions, occupancy changes and corrections. The Victorian Valuer-General is tasked with undertaking supplementary valuations and advises council on a monthly basis of valuation and Australian Valuation Property Classification Code (AVPCC) changes.

Supplementary valuations bring the value of the affected property into line with the general valuation of other properties within the municipality. Objections to supplementary valuations can be lodged in accordance with Part 3 of the *Valuation of Land Act 1960*. Any objections must be lodged with Council within two months of the issue of the supplementary rate notice.

## Objections to property valuations

Part 3 of the *Valuation of Land Act 1960* provides that a property owner may lodge an objection against the valuation of a property or the Australian Valuation Property Classification Code (AVPCC) within two months of the issue of the original or amended (supplementary) Rates and Valuation Charges Notice (Rates Notice), or within four months if the notice was not originally issued to the occupier of the land.

A property owner must lodge their objection to the valuation or the AVPCC in writing to Hobsons Bay City Council. Property owners also have the ability to object to the site valuations on receipt of their Land Tax Assessment. Property owners can appeal their land valuation within two months of receipt of their Council Rate Notice (via Council) or within two months of receipt of their Land Tax Assessment (via the State Revenue Office).

## Rating Differentials

### The Objectives of Differential Rating

Under section 161 of the *Local Government Act 1989*, Council can levy either a uniform rate or one or more differential rates. A uniform rate is where all rateable properties in a municipality are charged based on the same rate in the dollar. Differential rates are where councils set different rates in the dollar for different categories of rateable land. Council believes that each differential rate set out below will contribute to the equitable and efficient carrying out of council functions.

Section 3A (1) of the *Local Government Act 1989* provided that the primary objective of a municipal Council is to 'endeavor to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions.' In seeking to achieve its primary objective, a council must have regard to a number of facilitating objectives including the objective that was in section 3C (2) (f) of the Act to 'ensure the equitable imposition of rates and charges'.

Pursuant to section 161 of the Act a Council may raise any general rates by the application of a differential rate if it uses the Capital Improved Value system of valuing land. When declaring general rates, a Council must consider how the use of differential rating contributes to the equitable and efficient carrying out of its functions compared to the use of uniform rates. Such a determination and its rationale should be disclosed in the Council's proposed budget and any revised budget or referenced in the Council's Revenue and Rating Plan.

In specifying the objective of each differential rate, a Council should be able to provide evidence of having had regard to:

- good practice taxation principles and their assessment against a particular differential rate objective and determination
- modeling or consideration of the impact of the rating decision on those rated differentially and the consequential impact upon the broader municipality
- rating strategies or related Council documents
- the Victorian Government's *Developing a Rating Strategy: A Guide for Councils*, as amended from time to time

In specifying objectives of differential rates, a council should also have regard to the strategic objectives set out in the Council Plan to ensure its objectives for differential rates (and thereby a percentage of Council revenue) accords with the strategic objectives.

Other documents a council may have regard to in order to specify the objectives of a differential rate include issuing specific Council plans and Council policies. Where such documents have been incorporated into determining the objectives of each differential rate, a council should provide evidence through disclosure in their annual budget documents.

### Ministerial Guidelines for Differential Rating

The Ministerial Guidelines for Differential Rating were published in the Government Gazette in April 2013. The guidelines were prepared to guide councils in the application of differential rates under section 161 of the Act. Councils must have regard to these guidelines before declaring a differential rate for any land.

The Minister may recommend, the Governor in Council by Order in Council to prohibit any council from making a declaration of a differential rate in respect of a type or class of land, if the Minister considers that the declaration would be inconsistent with any guidelines.

## The Council's Rating System

Hobsons Bay City Council adopted the Capital Improved Valuation (CIV) system in 2000 for rating purposes. CIV represents the market value of a property as at a specific date, including the value of the land and any improvements on that land. Utilising CIV as the basis for rates allows the Council to adopt differential rating, which better reflects capacity to pay than the alternatives and provides the Council with the flexibility to levy differential rates. The vast majority of Victorian Councils use CIV as the basis for levying rates and charges.

Differential rating has been used by Council since 2000 and apart from the inclusion of vacant residential land in 2006, the differential rating categories have remained unchanged. Each differential rate is determined by multiplying the CIV of each rateable land (categorised by the characteristics described below) by the relevant rate in the dollar.

Details of the objectives of each differential rate, the classes of land which are subject to each differential rate and the uses of each differential rate for the 2021-22 year are set out below.

### Commercial land

Commercial land is any land:

- which is used primarily for the sale of goods or services
- which is used primarily for other commercial purposes; or
- on which no building is erected but which, by reason of its locality and zoning under the relevant Planning Scheme, would - if developed - be or be likely to be used primarily for:
  - the sale of goods or services; or
  - other commercial purposes

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- construction and maintenance of infrastructure assets
- development and provision of health, environmental, conservation and community services
- provision of strategic and economic management and general support services; and
- promotion of cultural, heritage and tourism aspects of Council's municipal district

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the differential rate is the level, which Council considers is necessary to achieve the objectives specified above.

The geographic location of the land within this differential rate is wherever located within the municipal district.

The use of the land within this differential rate, is any use permitted under the relevant planning scheme.

The planning scheme zoning, is the zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

The types of buildings on the land are, all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2021-22 financial year.

### Industrial Land

Industrial land is any land:

- which is not petrochemical land, but is used primarily for industrial purposes; or
- which no building is erected but which, by reason of its locality and zoning under the relevant Planning Scheme, would - if developed - be or be likely to be used primarily for industrial purposes

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- construction and maintenance of infrastructure assets
- development and provision of health, environmental, conservation and community services
- provision of strategic and economic management and general support services; and
- promotion of cultural, heritage and tourism aspects of Council's municipal district

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the differential rate is the level, which Council considers is necessary to achieve the objectives specified above.

The geographic location of the land within this differential rate is wherever located within the municipal district.

The use of the land within this differential rate, is any use permitted under the relevant planning scheme.

The planning scheme zoning, is the zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

The types of buildings on the land are, all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2021-22 financial year.

### **Petro Chemical Land**

Petro Chemical land is any land which is used primarily for the:

- manufacture
- production; or
- conveyance of:
  - petroleum or any like substance; or
  - petrochemicals or any like substances

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- construction and maintenance of infrastructure assets
- development and provision of health, environmental, conservation and community services
- provision of strategic and economic management and general support services; and
- promotion of cultural, heritage and tourism aspects of Council's municipal district

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the differential rate is the level, which Council considers is necessary to achieve the objectives specified above.

The geographic location of the land within this differential rate is wherever located within the municipal district.

The use of the land within this differential rate is any use permitted under the relevant planning scheme.

The planning scheme zoning, is the zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

The types of buildings on the land are, all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2021-22 financial year.

### **Vacant Residential Land**

Vacant Residential land is any land:

- on which no dwelling is erected but which, by reason or its locality and zoning under the relevant Planning Scheme, would – if developed – be or be likely to be used primarily for residential purposes
- which is not
  - commercial land
  - industrial land; or
  - petrochemical land

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- construction and maintenance of infrastructure assets
- development and provision of health, environmental, conservation and community services
- provision of strategic and economic management and general support services; and
- promotion of cultural, heritage and tourism aspects of Council's municipal district

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the differential rate is the level, which Council considers is necessary to achieve the objectives specified above.

The geographic location of the land within this differential rate is wherever located within the municipal district.

The use of the land within this differential rate is any use permitted under the relevant planning scheme.

The planning scheme zoning is the zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

The types of buildings on the land are all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2021-22 financial year.

### **Other Land (including Residential Land)**

Other land (including residential land) is any land:

- which is used primarily for residential purposes;
- which is not
  - vacant residential land
  - commercial land
  - industrial land; or
  - petrochemical land

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- construction and maintenance of infrastructure assets
- development and provision of health, environmental, conservation and community services
- provision of strategic and economic management and general support services; and
- promotion of cultural, heritage and tourism aspects of Council's municipal district

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.



The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the differential rate is the level, which Council considers is necessary to achieve the objectives specified above.

The geographic location of the land within this differential rate is wherever located within the municipal district.

The use of the land within this differential rate is any use permitted under the relevant planning scheme.

The planning scheme zoning is the zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

The types of buildings on the land are all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2021-22 financial year.

### **Rate Concession for Rateable Cultural and Recreational Properties**

The Cultural and Recreational Lands Act of 1963 provides for a Council to grant a rating concession to any "recreational lands" which meet the test of being rateable land under the *Local Government Act 1989*.

The definition of recreational lands under the *Cultural and Recreational Lands Act 1963*, Section 2 means lands, which are:

*Vested in or occupied by anybody corporate or unincorporated body which exist for the purpose of providing or promoting cultural or sporting recreational or similar facilities or objectives and which applies its profits in promoting its objects and prohibits the payment of any dividend or amount to its members: and*  
*used for outdoor sporting recreational or cultural purposes or similar outdoor activities; or*  
*Lands which are used primarily as agricultural showgrounds.*

Section 169 of the *Local Government Act 1989*, provides an opportunity for Council to grant a concession for properties described by definition as a sporting club under the *Cultural and Recreational Lands Act 1963*. For the rating year 2018-19 Council provides a concession to 40 properties coded with a description of "sporting club" in Council's rate records. The residential rate is applied to these properties and then a 55 per cent discount on rates is apportioned to each property. It is considered that these clubs provide a benefit to the general community and their activities assist in the proper development of the municipal district.

## Annual Revaluations

Under section 11 of the *Valuation of Land Act* 1960, Council is required, for rating purposes, to undertake a general revaluation of all properties within the municipality every year. The legislation has recently been changed and 2021 is the third year that the revaluation has occurred annually. Revaluations result in varying levels of valuation movements across the municipality, which sometimes results in major shifts in the rates burden and large increases in rates for individual properties.

Changes in property values between revaluations directly affect the distribution of rates. Whilst property rates within individual rating differential categories have been influenced by changes in property values in the past, the true impact of the valuations have not always been passed on to all differential categories, creating issues of equity.

There is a common misconception that as properties are revalued, Council receives a 'windfall gain' of additional revenue. This is not the case, as the revaluation process results in a redistribution of the rate burden across all properties in the municipality. Total income from rates (excluding waste service charges) is determined by the rate cap. In simple terms, as property values increase, the rate in the dollar is reduced.

The 2021-22 rates will be based on new 1 January 2021 valuations. As such, rate increases (and decreases) will vary considerably across the differential rating categories and individual properties. Council has limited scope to rectify this, although adjustments may be made to the Council's differential rating structure, in an effort to reduce any fluctuations between rating categories.

Changes to the average capital improved values for each rating category and residential suburb in 2021-22 are outlined in **Appendix 1**.

The impact of the valuation changes on the average rates paid for each rating category and residential suburb in 2021-22 are outlined in **Appendix 2**.

The impact of the valuation can vary dramatically between rating categories and residential suburbs. A snapshot in relation to the varying valuations, their movements and the impact on rates for properties is provided in **Appendix 3**, which provides a statistical analysis of the number of properties that have had valuation or rating movements in percentage increments of 10 per cent.

## Service Rates and Charges

Section 162 of the *Local Government Act* 1989 provides council with the opportunity to raise service rates and charges for any of the following services:

- The provision of a water supply;
- The collection and disposal of refuse;
- The provision of sewage services;
- Any other prescribed service.

Council levies service charges on properties for the collection, disposal and processing of garbage, recycling, glass, garden and food waste and hard waste.

The waste service charges are not subject the rate cap set by the State Government, rather the level of a service rate or charge should correlate to the level of service provided and therefore the funds raised should equate to the cost of the service provided.

Until 2019-20, Council generally achieved surpluses when comparing income and expenditure. Actual costs have been less than budgeted, mainly due to contract savings and carbon price (\$1.37 million) that was included in previous budgeted expenditure calculations. Additional income was also previously received for the recycling contract. The result is that previous waste service charges have been higher than what was required. The surpluses achieved until 2019-20 were transferred to a 'waste management' reserve, which totaled \$4.689 million at 30 June 2019.

Council made a considerable investment in updating its waste service during 2019-20 and 2020-21 by rolling out the four bin system including food and garden waste and glass recycling services. As a result, it is anticipated that the 'waste management' reserve will be in deficit of approximately \$3. million by 30 June 2021.

The budget in 2021-22 includes an amount of \$13.505 million (\$12.79 forecast million in 2020-21) for the collection, disposal and processing of garbage, recycling, glass, garden and food waste and hard waste. The waste service charges included in the 2021-22 budget, and the preceding two years, have not covered the cost of providing the service as Council has decided to re-coup its considerable investment in both 2019-20 and 2020-21 to expand its waste service over a number of years. The waste charges for the four bin system in 2021-22 are set as follows:

Type of Charge	Per Rateable Property 2021/22 \$
(ST) Base Waste Service Charge for four bins (120L green - food & garden, 120L waste, 240L mixed recycle, 120L glass)	<b>250.00</b>
(S) Waste Service Charge for properties in MUDs/apartment blocks/villages with shared bins	<b>212.00</b>
(U1) Upsize waste to 240L	<b>99.00</b>
(U2) Upsize green - food & garden to 240L	<b>33.00</b>
(A1) Additional 240L waste	<b>253.00</b>
(A2) Additional 120L waste	<b>154.00</b>
UF1 Free Upsize Waste	-
UF2 Free Upsize Med	-
(A3) Additional 240L recycle	<b>99.00</b>
(A4) Additional 240L green - food & garden	<b>154.00</b>
(A5) Additional 120L green - food & garden	<b>121.00</b>
(A6) Additional 120L glass	<b>66.00</b>

Council has elected to retain the existing waste service charge model, rather than raise the same amount by way of an increased general rate. The alternative would mean that residents in higher valued properties would substantially pay for the waste service of lower valued properties.

Whilst this same principle applies for rates in general, the mix of having a single fixed charge combined with valuation driven rates for the remainder of the rate invoice provides a balanced and equitable outcome.

## Other parts of Council's Rating Structure

### Supplementary Rates

Each year the Council receives additional income from supplementary rates, which are an additional source of income derived from property value growth not originally included in the valuation data used to raise rates at the beginning of the rating year. An example is extensions to existing dwellings that increase the value of the property.

Increases of supplementary rates in future years may arise from the changing use of land such as industrial properties to residential, industrial land developed as a potential inland port and the remediation of petro-chemical land to a different use. As the city changes and applications are approved the Council will monitor and consider the financial impacts in future rating strategies.

The budget in 2021-22 includes an amount of \$400,000 for supplementary rates. This is an increase from 2020-21 (\$342,000 forecast), which was impacted by a delay in adopting the budget and therefore raising the rates.

### Non Ratable Properties

Section 154 of the *Local Government Act* 1989 provides for properties where the use is exclusively charitable, to be non-rateable. Charitable uses include those providing education, religion and services to the needy.

The number of organisations seeking and qualifying for exemption from rates has increased significantly in the past 10 years. The annual process continues to survey rate exempt properties to verify their continuing eligibility for rate exemption.

### Municipal Charge

Another principle rating option available to Councils is the application of a municipal charge. Under Section 159 of the *Local Government Act* 1989, Council may declare a municipal charge to cover some of the administrative costs of the Council. The legislation is not definitive on what comprises administrative costs and does not require Council to specify what is covered by the charge.

The application of a municipal charge represents a choice to raise a portion of the rates by a flat fee for all properties, rather than sole use of the CIV valuation method.

Under the *Local Government Act* 1989, a council's total revenue from a municipal charge in a financial year must not exceed 20 per cent of the combined sum total of the Council's total revenue from the municipal charge and the revenue from general rates (total rates).

The municipal charge applies equally to all properties and is based upon the recovery of a fixed cost of providing administrative services irrespective of valuation. The same contribution amount per assessment to cover a portion of councils administrative costs can be seen as an equitable method of recovering these costs.

Hobsons Bay City Council does not currently levy a municipal charge on rateable properties.

## Special Charge Schemes

The *Local Government Act 1989* recognises that councils need help to provide improved infrastructure for their local communities. Legislation allows councils to pass on the cost of capital infrastructure to the owner of a property that generally receives a unique benefit from the construction works. The technical explanation of a Special Charge comes from legislation (under the *Local Government Act 1989*) that allows councils to recover the cost of works from property owners who will gain special benefit from that work.

The purposes for which special rates and special charges may be used include road construction, kerb and channelling, footpath provision, drainage, and other capital improvement projects.

The special rate or special charges may be declared on the basis of any criteria specified by the council in the rate (Section 163 (2)). In accordance with Section 163 (3), council must specify:

- a. the wards, groups, uses or areas for which the special rate or charge is declared; and
- b. the land in relation to which the special rate or special charge is declared;
- c. the manner in which the special rate or special charge will be assessed and levied; and
- d. details of the period for which the special rate or special charge remains in force.

The special rates and charges provisions are flexible and can be used to achieve a wide range of community objectives. The fundamental principle of special rates and charges is proof “special benefit” applies to those being levied. For example, they could be used to fund co-operative fire prevention schemes. This would ensure that there were no ‘free-riders’ reaping the benefits but not contributing to fire prevention.

Landscaping and environmental improvement programs that benefit small or localised areas could also be funded using special rates or charges.

Hobsons Bay City Council does not currently levy special rates or charge on any rateable properties. These charges are excluded from the rates cap.

## Fire Services Property Levy

In 2016 the Victorian State Government passed legislation requiring the Fire Services Property Levy to be collected from ratepayers. Previously this was collected through building and property insurance premiums. The Fire Services Property Levy helps fund the services provided by the Metropolitan Fire Brigade (MFB) and Country Fire Authority (CFA), and all levies collected by Council are passed through to the State Government.

The Fire Services Property Levy is based on two components; a fixed charge, and a variable charge which is linked to the Capital Improved Value of the property. This levy is not included in the rate cap and increases in the levy are at the discretion of the State Government.

## Collection and Administration of Rates and Charges

The purpose of this section is to outline the rate payment options, processes, and the support provided to ratepayers facing financial hardship.

### Payment options

In accordance with section 167(1) of the *Local Government Act 1989* ratepayers have the option of paying rates and charges by way of four instalments. Payments are due on the prescribed dates below:

- 1st Instalment: 30 September
- 2nd Instalment: 30 November
- 3rd Instalment: 28 February
- 4th Instalment: 31 May

Council offers a range of payment options including:

- in person at Council offices (cheques, money orders, EFTPOS, credit/debit cards and cash)
- online via Council's ratepayer portal, BPoint Credit cards, Aust Post and BPay links
- direct debit (on prescribed instalment due dates or fortnightly, monthly and 10 monthly)
- BPAY, (online or phone)
- Australia Post (over the counter, over the phone via credit card and on the internet)
- by mail (cheques and money orders only)

### Interest

Under section 172 of the *Local Government Act 1989*, Council may charge interest for any account balance that is overdue. The interest rate used is calculated at the rate fixed under section 2 of the Penalty Interest Rates Act 1983, which is determined by the Minister and published by notice in the Government Gazette. The rate for the year is set as per the rate enforced on the first day of July in any financial year.

This interest rate is 10 per cent for the 2020-21 financial year but is subject to change each year. The budget in 2021-22 includes an amount of \$450,000 for interest on rates. Council will continue to support the community by providing interest free deferrals to anyone impacted because of COVID-19.

### Pensioner Rebates

Under section 171 of the *Local Government Act 1989*, Council can apply a pension rebate to a property rate account to ratepayers eligible under the State Concessions Act 2004. Property owners must be the holder of an approved pension card and can only claim a rebate for their principal place of residence.

Holders of a Centrelink or Veteran Affairs Pension Concession card or a Veteran Affairs Gold card which stipulates TPI or War Widow may claim a rebate on their sole or principal place of residence. Upon initial application, ongoing eligibility is maintained, unless rejected by Centrelink or the Department of Veteran Affairs during the annual verification procedure. Upon confirmation of an eligible pensioner concession status, the pensioner rebate is deducted from the rate account before payment is required by the ratepayer.

With regards to new applicants, after being granted a Pensioner Concession Card (PCC), pensioners can then apply for the rebate at any time throughout the rating year. Retrospective claims up to a maximum of one previous financial year can be approved by Council on verification of eligibility criteria, for periods prior to this, claims may be approved by the relevant government department.

At the time of developing the Revenue and Rating Plan 6,101 ratepayers claim \$241.00 (indexed in line with CPI on an annual basis) and the department of Human Services reimburses the Council for these amounts claimed each year. In addition, pensioners receive a \$50 discount for the State Government fire services property levy.

In addition to the annual pension rebate, during 2021-22 Hobsons Bay City Council will also waive an additional \$75 of rates to approved pension card holders and \$100 for holders of a Gold Card from the Department of Veteran Affairs. The budget in 2021-22 includes an amount of \$445,150 for additional pensioner rebates.

## **Financial Hardship Policy**

It is acknowledged at the outset that various ratepayers may experience financial hardship for a whole range of issues and that meeting rate obligations constitutes just one element of a number of difficulties that may be faced. Ratepayers may elect to either negotiate a rate payment plan or apply for a rate deferral. The purpose of the Financial Hardship Policy is to provide options for ratepayers facing such situations to deal with the situation positively and reduce the strain imposed by financial hardship.

Under Section 170 of the *Local Government Act 1989*, Council may defer the payment of any rate or charge, allowing ratepayers an extended period of time to make payments or alternatively to forestall payments on an indefinite basis until the ratepayer ceases to own or occupy the land in respect of which rates and charges are to be levied.

Under Section 171 of the *Local Government Act 1989*, Council may waive the whole or part of any rate or charge or interest on the grounds of financial hardship.

When developing the Revenue and Rating Plan, Council had 47 ratepayers registered under Council's Financial Hardship Policy, on interest free payment arrangements. Also under the Financial Hardship Policy, ratepayers in receipt of a Centrelink pension can apply to have rate payments deferred, although this continues to incur interest. No ratepayers are currently using this option, which assists those who are asset rich, but only receive limited income. At the time of developing the Revenue and Rating Plan, Council had \$334,618 outstanding under the Policy.

In addition, the COVID-19 pandemic has seen a further 947 ratepayers provided with an interest free payment deferral after applying for assistance under Council's Community Support Packages. This equates to outstanding rates being deferred of about \$2.938 million with an estimated interest waiver of \$190,000. More applications are expected to follow.

Council waived a small amount of rates and charges during 2020-21 due to financial hardship experienced by ratepayers because of the COVID-19 pandemic. Further provisions have been included within the 2021-22 budget for this to continue.

## **Debt Recovery and Liability to pay Rates and Charges**

Council makes every effort to contact ratepayers at their correct address but it is the ratepayers' responsibility to properly advise Council of their contact details. The *Local Government Act 1989* Section 230 and 231 requires both the vendor and buyer of property, or their agents (e.g. solicitors and or conveyancers), to notify Council by way of notice of disposition or acquisition of an interest in land.

In the event that an account becomes overdue, Council will issue an overdue reminder notice which will include accrued penalty interest. In the event that the account remains unpaid, Council may take legal action without further notice to recover the overdue amount. All fees and court costs incurred will be recoverable from the ratepayer.

If an amount payable by way of rates in respect to land has been in arrears for three years or more, Council may take action to sell the property in accordance with the *Local Government Act 1989* Section 181.

Under section 156 of the *Local Government Act 1989*, the owner of any rateable land is liable to pay the rates and charges on that land as set by Council. If the owner cannot be found the occupier is liable to pay. If rates are unpaid they are regarded as the first charge on the land and are recoverable by legal proceedings. Council may sell the land in order to recover any debt as a result of the non-payment of rates and charges including the costs of the legal action.

## Other Revenue Items

### User Fees and Charges

User fees relate mainly to the recovery of service delivery costs through charging fees to users of Council's services. These include community care service contributions from clients (i.e. food services, planned activity groups, respite, family day care and occasional care), use of parks, recreation facilities and sporting reserves.

The provision of infrastructure and services form a key part of council's role in supporting the local community. In providing these, council must consider a range of 'Best Value' principles including service cost and quality standards, value-for-money, and community expectations and values. Council must also balance the affordability and accessibility of infrastructure and services with its financial capacity and in the interests of long-term financial sustainability.

Councils must comply with the government's Competitive Neutrality Policy for significant business activities they provide and adjust their service prices to neutralise any competitive advantages when competing with the private sector.

In providing services to the community, council should determine the extent of cost recovery for particular services consistent with the level of both individual and collective benefit that the services provide and in line with the community's expectations.

Services are provided on the basis of one of the following pricing methods:

- a. **Market Price**
- b. **Full Cost Recovery Price**
- c. **Subsidised Price**

**Market pricing** is where Council sets prices based on the benchmarked competitive prices of alternate suppliers. In general market price represents full cost recovery plus an allowance for profit. Market prices will be used when other providers exist in the given market, and Council needs to meet its obligations under the government's Competitive Neutrality Policy.

It should be noted that if a market price is lower than Council's full cost price, then the market price would represent council subsidising that service. If this situation exists, and there are other suppliers existing in the market at the same price, this may mean that Council is not the most efficient supplier in the marketplace. In this situation, Council should consider whether there is a community service obligation and whether council should be providing this service at all.

**Full cost recovery price** aims to recover all direct and indirect costs incurred by Council. This pricing should be used, in particular where a service provided by Council benefits individual customers specifically, rather than the community as a whole. In principle, fees and charges should be set at a level that recovers the full cost of providing the services unless there is an overriding policy or imperative in favour of subsidisation.

**Subsidised pricing** is where Council subsidises a service by not passing the full cost of that service onto the customer. Subsidies may range from full subsidies (i.e. Council provides the service free of charge) to partial subsidies, where Council provides the service to the user with a discount. The subsidy can be funded from Council's rate revenue or other sources such as Commonwealth and State funding programs. Full Council subsidy pricing and partial cost pricing should always be based on knowledge of the full cost of providing a service.



Further works is required before Council can develop a User Fee Pricing Policy to help guide the fair and equitable setting of prices, as per the Victorian Auditor General's Office report "*Fees and charges – cost recovery by local government*" recommendations. The policy will outline the process for setting fee prices and includes such principles as:

- both direct and indirect costs to be taken into account when setting prices
- accessibility, affordability and efficient delivery of services must be taken into account
- competitive neutrality with commercial providers.

Council develops a table of fees and charges as part of its annual budget each year. Proposed pricing changes are included in this table and is communicated to stakeholders before the budget is adopted, giving them the chance to review and provide valuable feedback before the fees are locked in.

## Statutory Fees and Charges

Statutory fees and fines are those which council collects under the direction of legislation or other government directives. The rates used for statutory fees and fines are generally advised by the state government department responsible for the corresponding services or legislation, and generally Council has limited discretion in applying these fees.

Examples of statutory fees and fines include:

- planning and subdivision fees
- building and inspection fees
- infringements and fines
- land information certificate fees

Penalty and fee units are used in Victoria's Acts and Regulations to describe the amount of a fine or a fee.

**Penalty units** are used to define the amount payable for fines for many offences. For example, the fine for selling a tobacco product to a person aged under 18 is four penalty units.

One penalty unit is currently \$165.22, from 1 July 2020 to 30 June 2021. The rate for penalty units is indexed each financial year so that it is generally raised in line with inflation. Any change to the value of a penalty unit will happen on 1 July each year.

**Fee units** are used to calculate the cost of a certificate, registration or licence that is set out in an Act or Regulation. For example, the cost of depositing a Will with the supreme court registrar of probates is 1.6 fee units.

The value of one fee unit is currently \$14.81. This value may increase at the beginning of a financial year, at the same time as penalty units. The cost of fees and penalties is calculated by multiplying the number of units by the current value of the fee or unit. The exact cost may be rounded up or down.

## Grants

Grant revenue represents income usually received from other levels of government. Some grants are singular and attached to the delivery of specific projects, whilst others can be of a recurrent nature and may or may not be linked to the delivery of projects.

Council pro-actively advocates to other levels of government for grant funding support to deliver important infrastructure and service outcomes for the community. Council may use its own funds to leverage higher grant funding and maximise external funding opportunities.

When preparing its Financial Plan, Council considers its project proposal pipeline, advocacy priorities, upcoming grant program opportunities, and co-funding options to determine what grants to apply for. Council will only apply for and accept external funding if it is consistent with the Community Vision and does not lead to the distortion of Council Plan priorities.

Grant assumptions are then clearly detailed in council's budget document. No project that is reliant on grant funding will proceed until a signed funding agreement is in place.

## Contributions

Contributions represent funds received by Council, usually from non-government sources, and are usually linked to projects.

Contributions can be made to Council in the form of either cash payments or asset hand-overs. Examples of contributions include:

- monies collected from developers under planning and development agreements
- monies collected under developer contribution plans and infrastructure contribution plans
- contributions from user groups towards upgrade of facilities
- assets handed over to council from developers at the completion of a subdivision, such as roads, drainage, and streetlights

Contributions should always be linked to a planning or funding agreement. Council will not undertake any work on a contribution-funded project until a signed agreement outlining the contribution details is in place.

Contributions linked to developments can be received well before any Council expenditure occurs. In this situation, the funds will be identified and held separately for the specific works identified in the agreements.

## Interest on Investments

Council receives interest on funds managed as part of its investment portfolio, where funds are held in advance of expenditure, or for special purposes. The investment portfolio is managed per Council's Investment Policy, which seeks to earn the best return on funds, whilst minimising risk.

## Borrowings

Whilst not a source of income, borrowings can be an important cash management tool in appropriate circumstances. Loans can only be approved by Council resolution. The following financial sustainability principles must be adhered to with new borrowings:

- only applied for where it can be proven that repayments can be met in the Financial Plan
- regarded as appropriate for funding large capital works, where the benefits are provided to future generations and/or a positive financial return is expected on the initial investment
- not to be used to fund ongoing operations (although may be required to fund Defined Benefit Superannuation calls)
- maintained at acceptable levels to ensure that debt is in-line with the Victorian Auditor General's Office's financial sustainability indicators

The table below shows predicted borrowings over the duration of the Revenue and Rating Plan:

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	2022/23 \$0'000	Projections 2023/24 \$'000	2024/25 \$'000
Amount borrowed as at 30 June of the prior year	14,200	14,200	12,000	12,000	12,000
Amount proposed to be borrowed	-	7,000	-	-	-
Amount projected to be redeemed	-	9,200	-	-	-
<b>Amount of borrowings as at 30 June</b>	<b>14,200</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>

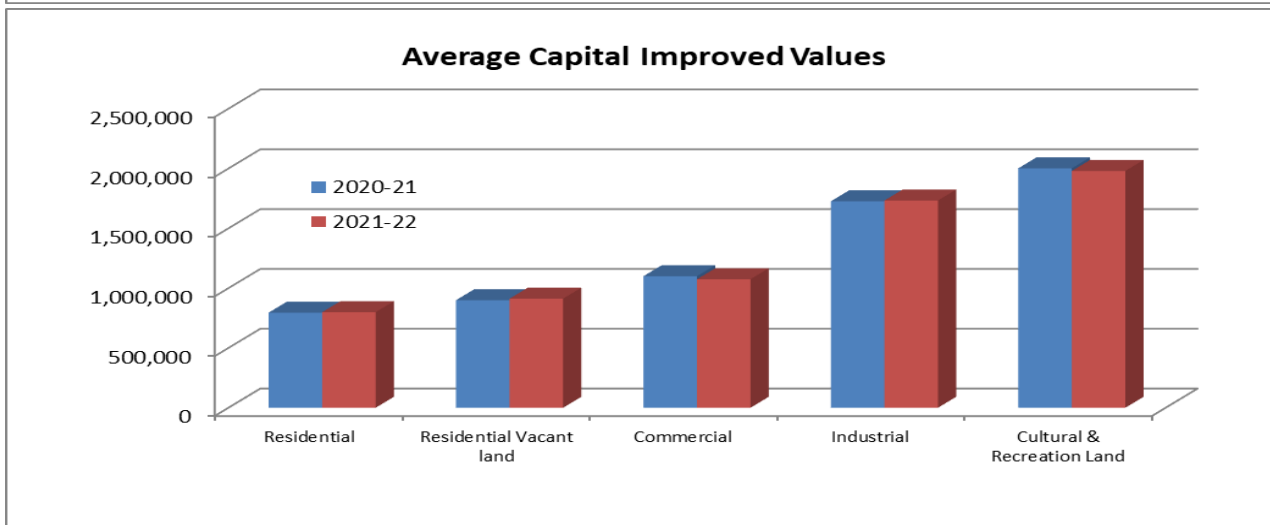
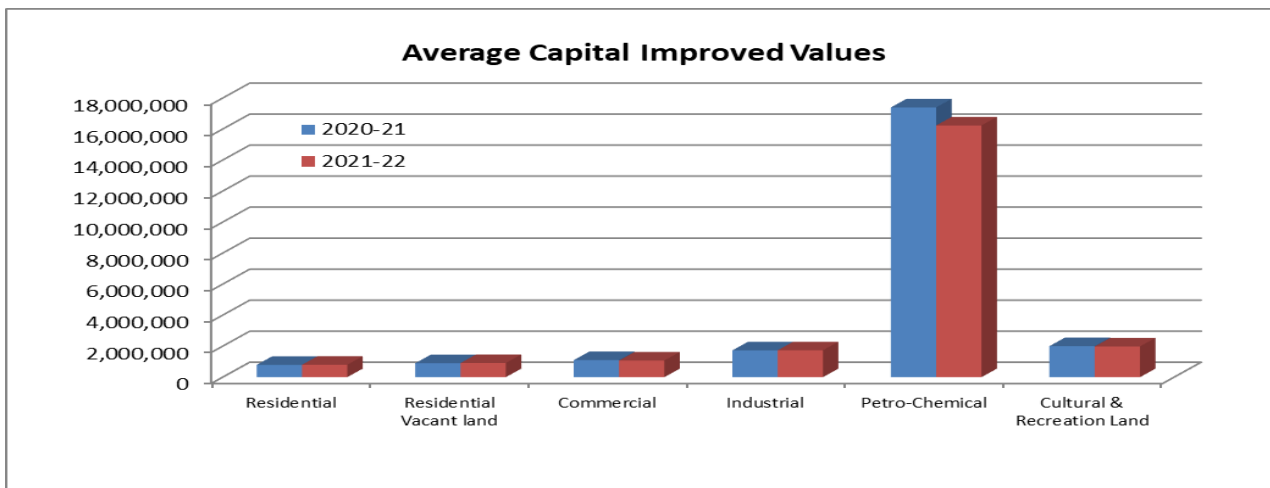
## Appendix 1 - Changes to Capital Improved Values (Averages)

### Average Capital Improved Values

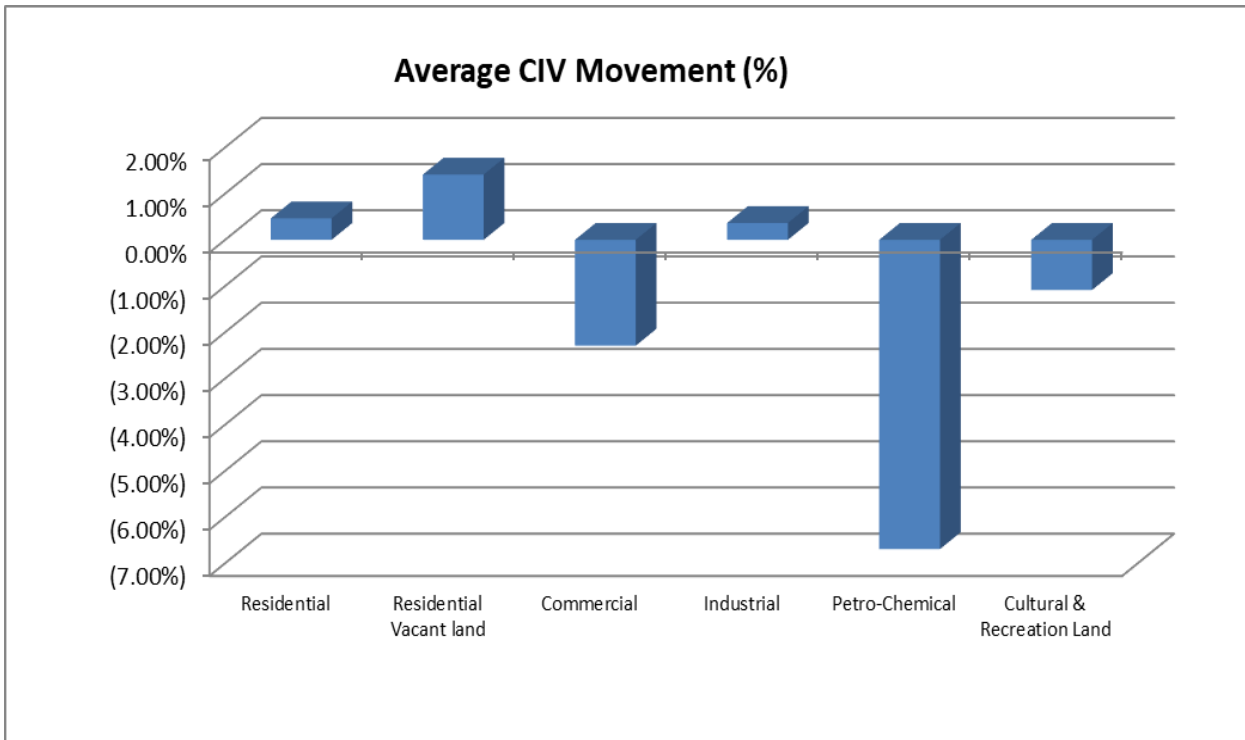
The following table and graphs show the movements to the average Capital Improved Value (CIV) for each rating category. The movements indicate that:

- the average value of all properties has increased slightly (0.28 per cent)
- the average value of residential properties has increased slightly (0.46 per cent)
- the average value of residential vacant land, and industrial properties have also slightly increased
- the average values of petro-chemical (6.69 per cent), commercial (2.29 per cent) and cultural and recreational properties (1.09 per cent) have all decreased

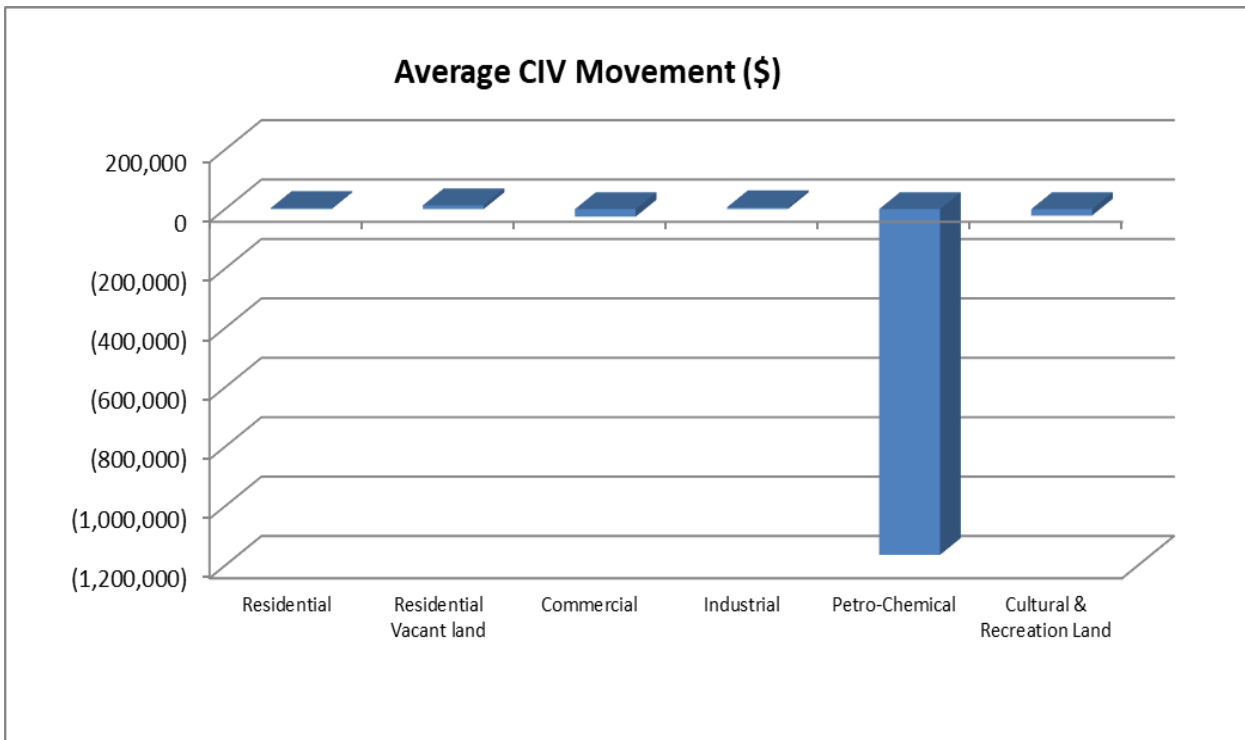
Rating Category	2020-21	2021-22	Change	Change %
Residential	795,021	798,714	3,693	0.46%
Residential Vacant land	899,457	912,162	12,706	1.41%
Commercial	1,099,725	1,074,538	(25,188)	(2.29%)
Industrial	1,725,917	1,732,196	6,279	0.36%
Petro-Chemical	17,395,222	16,230,944	(1,164,278)	(6.69%)
Cultural & Recreation	2,001,525	1,979,788	(21,738)	(1.09%)
<b>Total</b>	<b>855,242</b>	<b>857,614</b>	<b>2,372</b>	<b>0.28%</b>



The following graph shows the movements to the average properties CIV for each rating category after the 2021 revaluation in percentage terms.



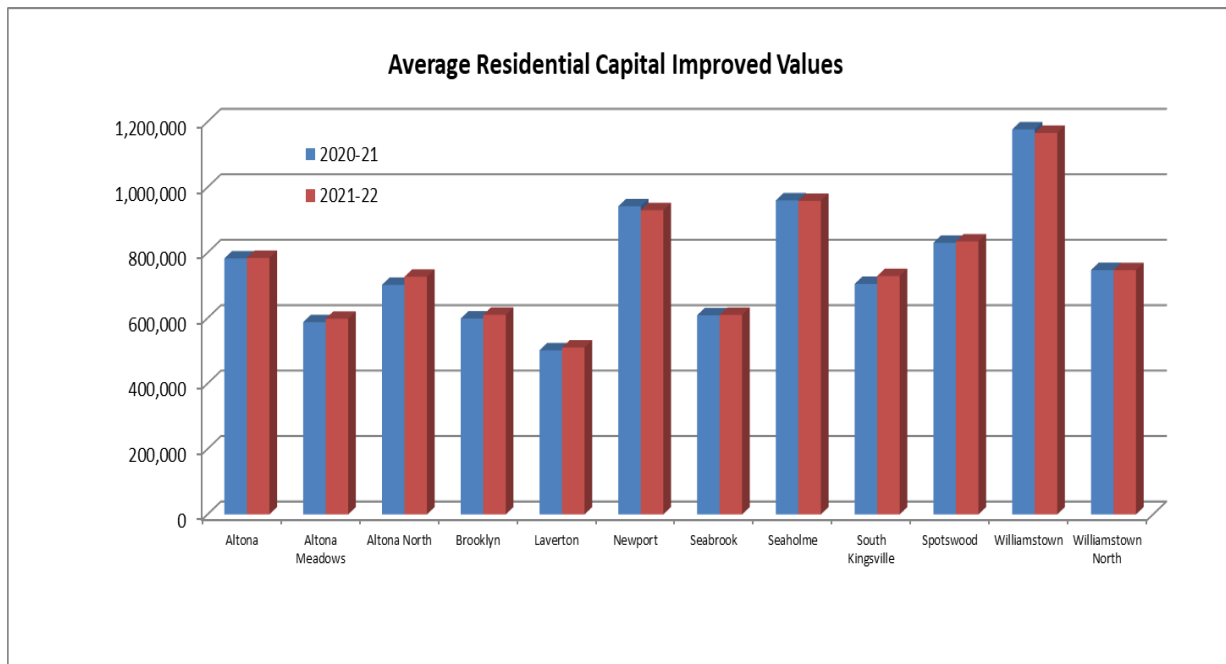
The following graph shows the movements to the average properties CIV for each rating category after the 2021 revaluation in dollar terms.



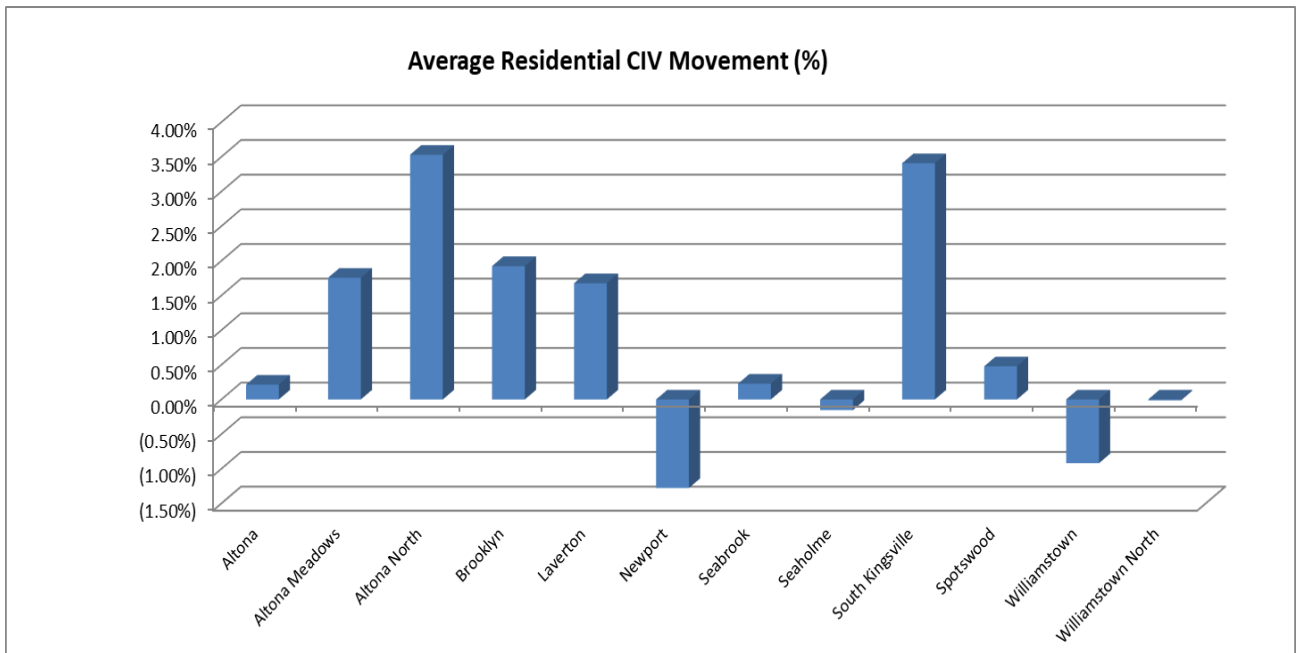
## Average Residential Capital Improved Values

The following table and graph show the movements to the average residential property CIV after the 2021 revaluation, for each suburb.

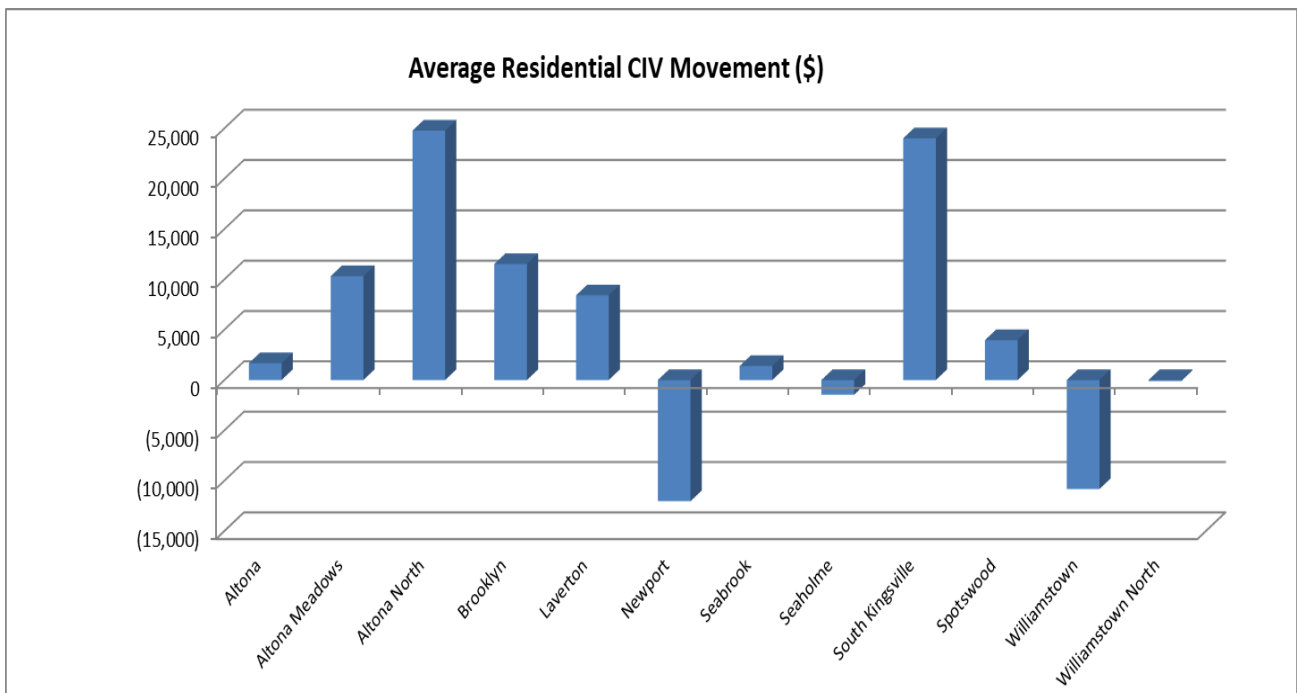
Suburb	2020-21	2021-22	Change \$	Change %
Altona	782,680	784,351	1,671	0.21%
Altona Meadows	587,844	598,160	10,316	1.75%
Altona North	701,697	726,470	24,773	3.53%
Brooklyn	598,795	610,315	11,519	1.92%
Laverton	501,787	510,199	8,412	1.68%
Newport	941,958	929,921	(12,037)	(1.28%)
Seabrook	608,783	610,170	1,387	0.23%
Seaholme	959,994	958,530	(1,464)	(0.15%)
South Kingsville	704,589	728,596	24,007	3.41%
Spotswood	830,483	834,447	3,964	0.48%
Williamstown	1,177,052	1,166,218	(10,833)	(0.92%)
Williamstown North	746,974	746,873	(101)	(0.01%)
<b>Total</b>	<b>795,021</b>	<b>798,714</b>	<b>3,693</b>	<b>0.46%</b>



The following graph shows the movements to the average residential property CIV after the 2021 revaluation, for each suburb in percentage terms. All suburbs have experienced average CIV increases, except for Newport (1.28 per cent), Williamstown (0.92 per cent), Seaholme (0.15 per cent) and Williamstown North (0.01%).



The following graph shows the movements to the average residential property CIV after the 2021 revaluation, for each suburb in dollar terms. This again indicates that the suburbs to experience average CIV declines were Newport (\$12,037), Williamstown (\$10,833), Seaholme (\$1,464) and Williamstown North (\$101).



## Appendix 2 - Revaluation Effects on Rates (Averages)

Council can influence the effects that the valuations have on rates by making adjustments to the Council's rating structure if it contributes to the equitable and efficient carrying out of the Council's functions.

The next section provides an analysis of the impact of valuations and rating structure adjustments have on each of Council's rating categories and residential suburbs. The average general rate increase is 1.5 per cent in-line with the rate cap. Due to the revaluation process, rate increases varied considerably across differential rating categories and individual properties.

Council has determined that there are no changes required to its differential rating structure.

The one-off rate adjustment in 2020-21 for all residential and other (selected commercial and industrial) properties most impacted by the COVID-19 pandemic has been removed in 2021-22. The removal of the adjustment is not considered in the calculations and is not included in the rate cap. It is acknowledged that its removal increases the overall rate increase in 2021-22.

In summary, the average rate increases for each rating category are expected to be:

- |                             |                          |
|-----------------------------|--------------------------|
| ➤ residential               | ▲ 1.93 per cent increase |
| ➤ residential vacant land   | ▲ 2.86 per cent increase |
| ➤ commercial                | ▼ 0.89 per cent decrease |
| ➤ industrial                | ▲ 1.79 per cent increase |
| ➤ petrochemical             | ▼ 5.33 per cent decrease |
| ➤ cultural and recreational | ▲ 0.32 per cent increase |

The following table shows the number of properties, the differentials, and the rates in the dollar for each rating category in 2020-21 and 2021-22.

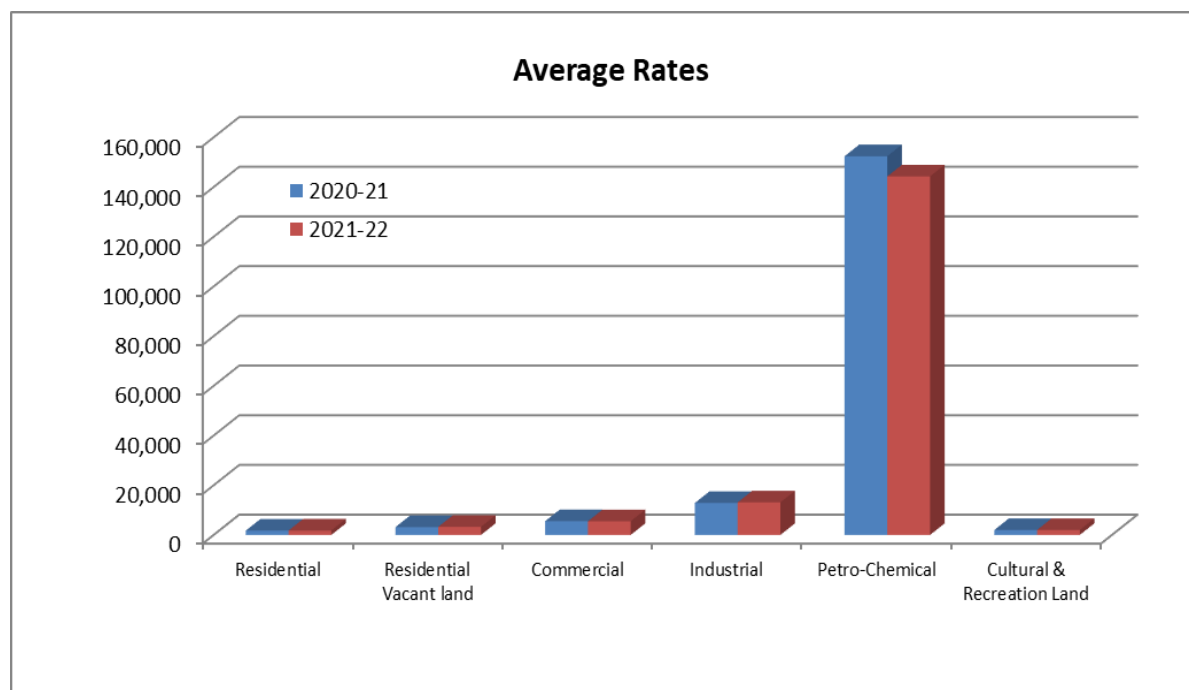
Rating Category	No of Props	2020-21		2021-22	
		Relative to Residential	Rate in \$	Relative to Residential	Rate in \$
Residential	39,590	1.00	0.002190	1.00	0.002222
Residential Vacant land	231	1.60	0.003505	1.60	0.003555
Commercial	1,460	2.30	0.005039	2.30	0.005110
Industrial	1,922	3.40	0.007449	3.40	0.007554
Petro Chemical	18	4.00	0.008760	4.00	0.008887
Cultural & Recreational Concession	40	0.45	0.000986	0.45	0.001000
	<b>43,261</b>				

### Average Rates

The following table and graphs highlight the anticipated movements to the average general rate for each rating category, in alignment with the 1.5 per cent rate cap.

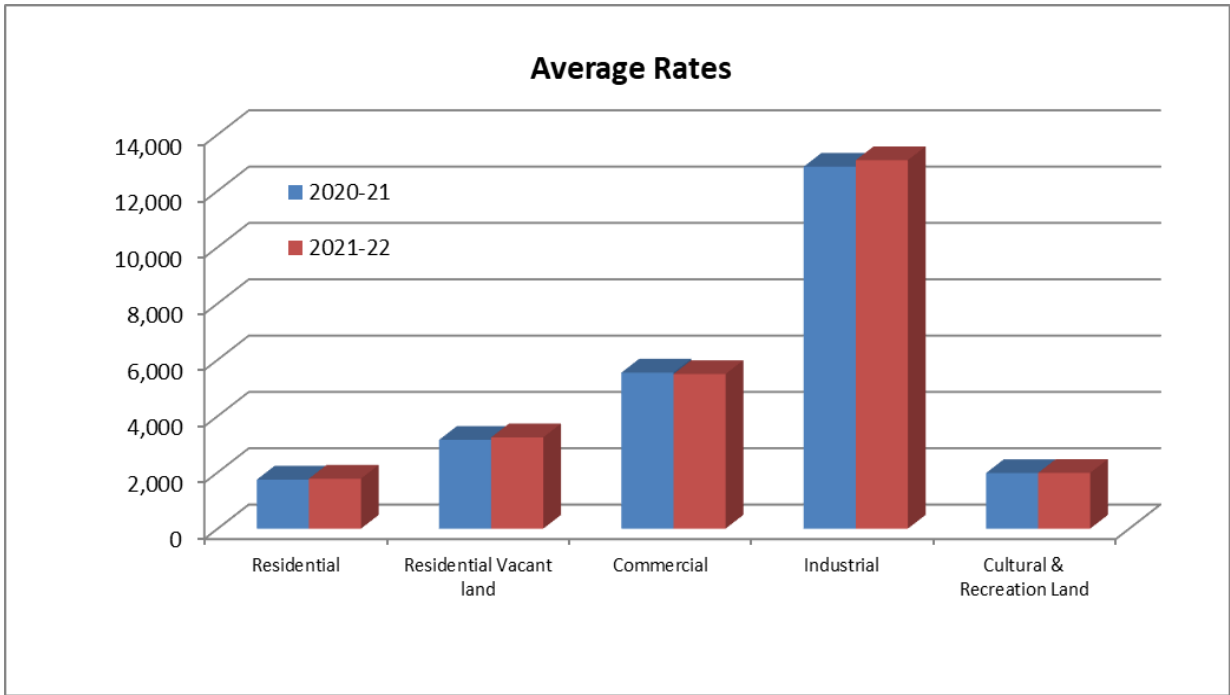
There are differences in both dollar and percentage terms between each of the rating categories and individual properties. This is caused by valuation movements.

Rating Category	2020-21	2021-22	Change \$	Change %
Residential	1,741	1,775	34	1.93%
Residential Vacant land	3,153	3,243	90	2.86%
Commercial	5,542	5,492	(50)	(0.89%)
Industrial	12,856	13,087	230	1.79%
Petro-Chemical	152,382	144,261	(8,122)	(5.33%)
Cultural & Recreation Land	1,974	1,980	6	0.32%
<b>Total</b>	<b>2,434</b>	<b>2,470</b>	<b>36</b>	<b>1.50%</b>

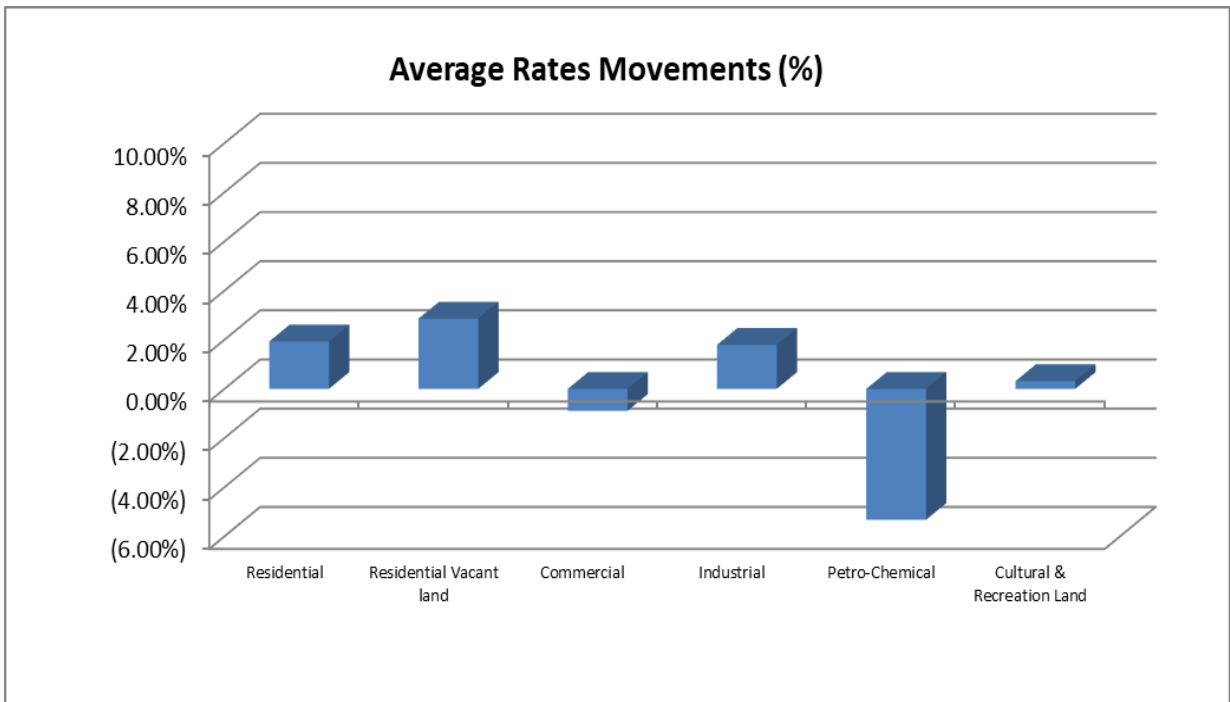


Due to the significant rates paid by the average petro-chemical property the following graph provides the same information, but with the average petro-chemical property removed.

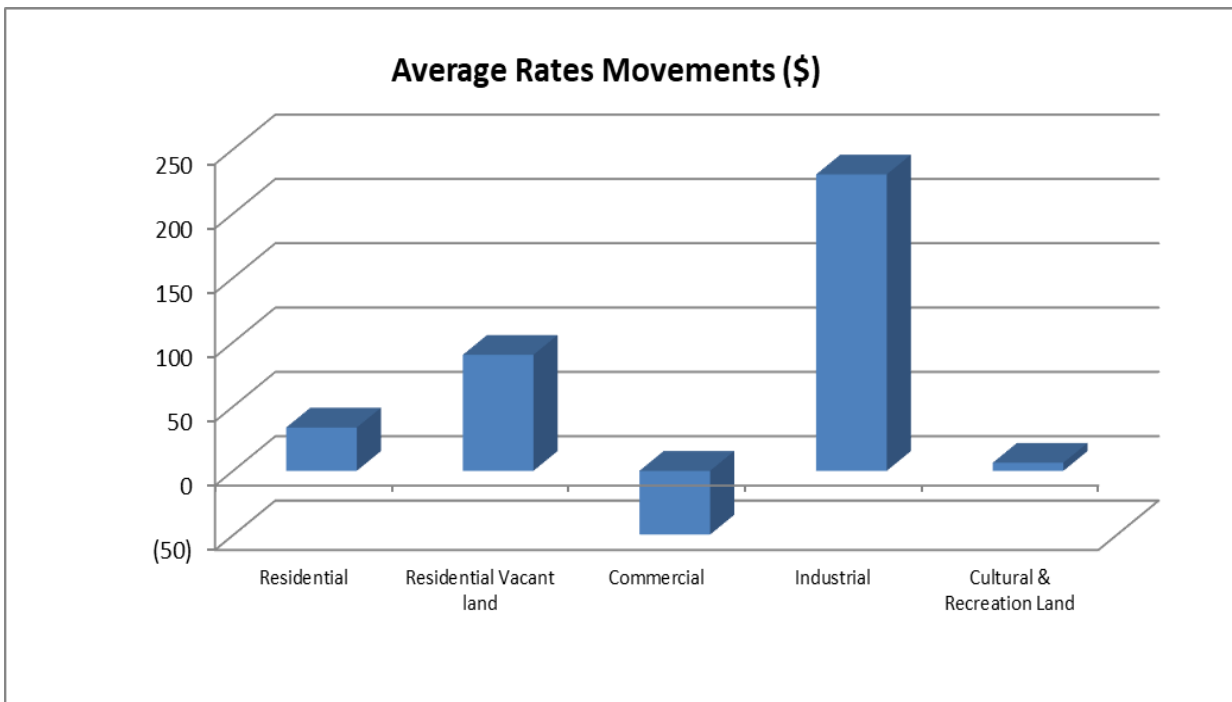
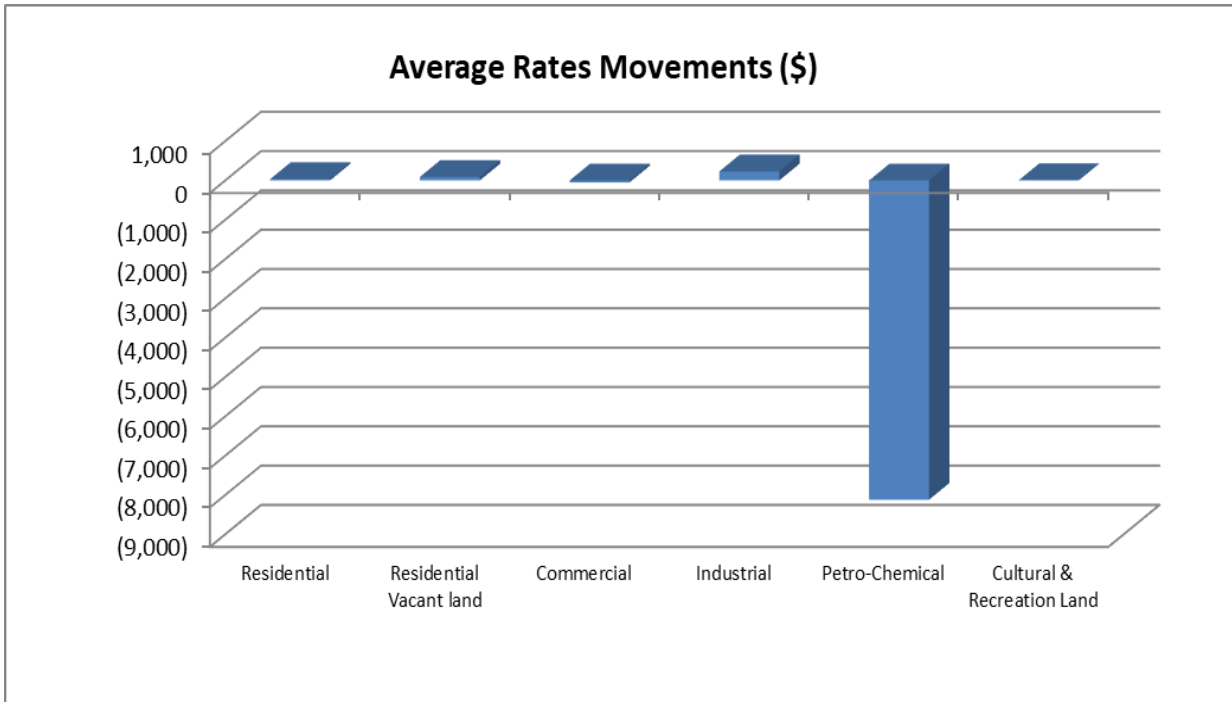




The following graph highlights the average general rate movement in percentage terms.



The following graphs highlights the average general rate movement in dollar terms, for each rating category. The second graph provides the same information, but with the average petro-chemical property removed.



## Average Residential Rates

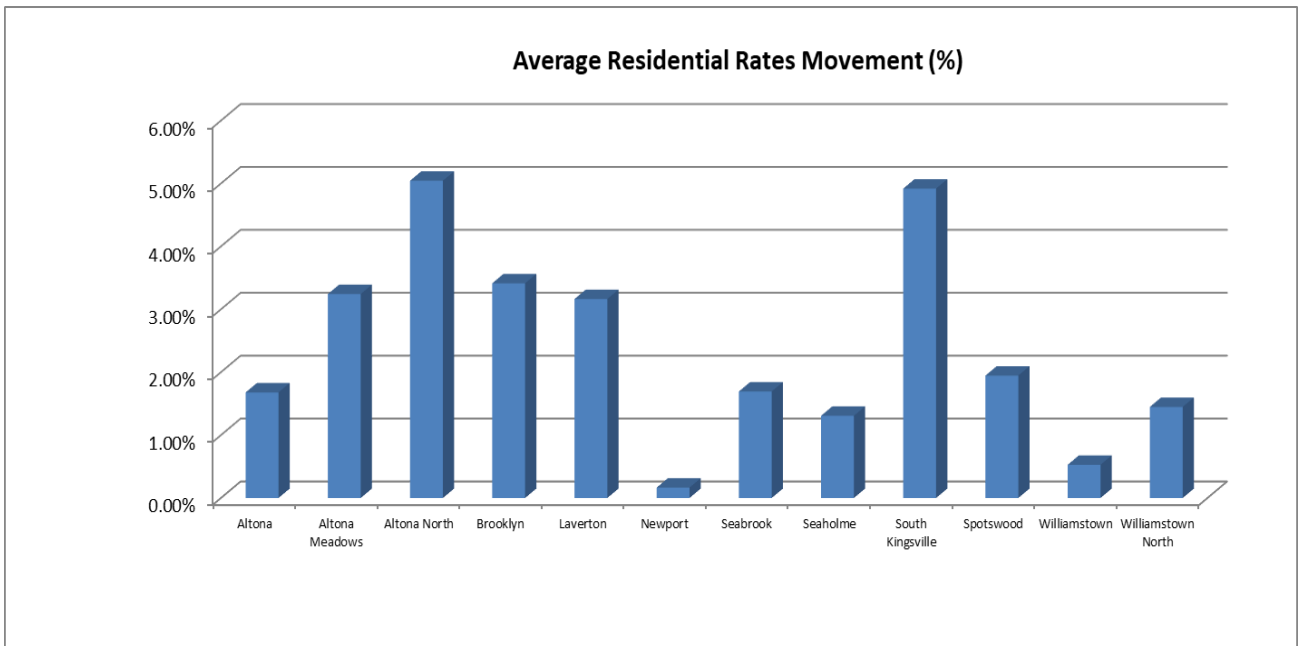
The average increase in general residential rates will be 1.86 per cent (or \$32).

Changes between suburbs and individual properties will vary due to the annual revaluation process. The following table and graph shows the anticipated movements to the average residential rates for each suburb.

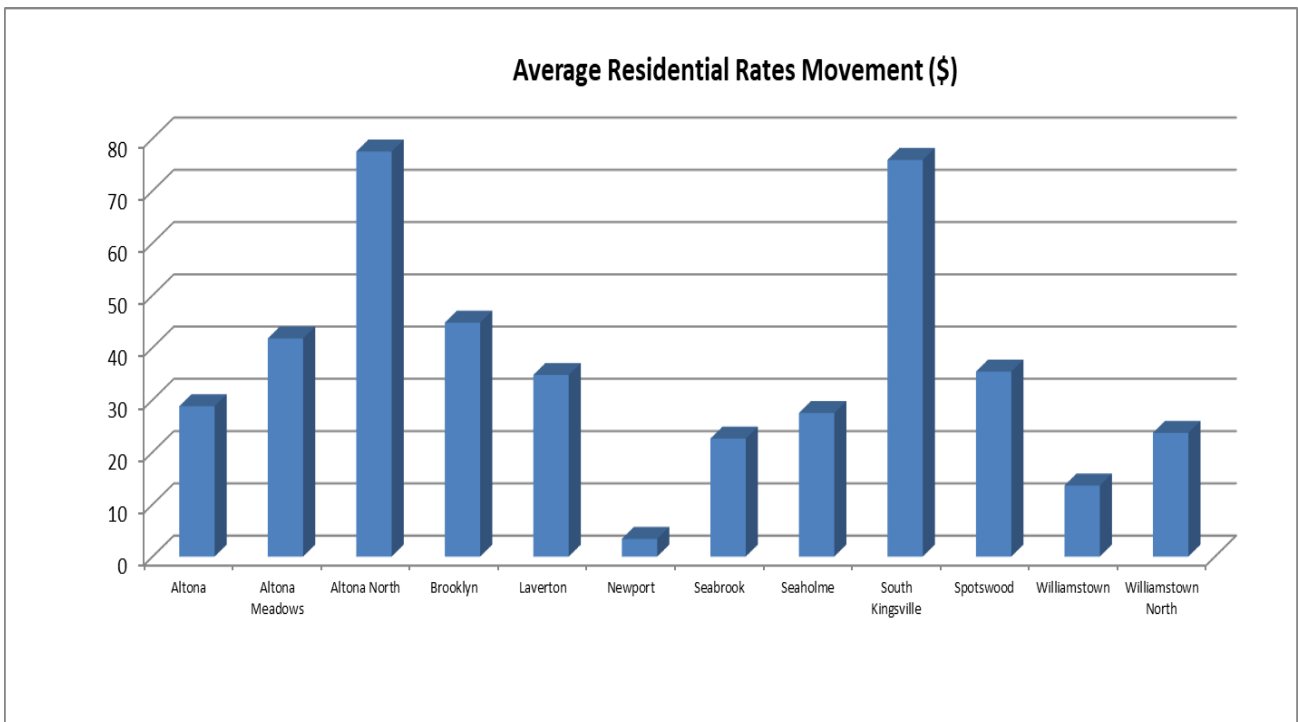
Suburb	2020-21	2021-22	Change \$	Change %
Altona	1,714	1,743	29	1.68%
Altona Meadows	1,287	1,329	42	3.24%
Altona North	1,537	1,614	78	5.04%
Brooklyn	1,311	1,356	45	3.41%
Laverton	1,099	1,134	35	3.16%
Newport	2,063	2,066	3	0.16%
Seabrook	1,333	1,356	23	1.69%
Seaholme	2,102	2,130	27	1.31%
South Kingsville	1,543	1,619	76	4.92%
Spotswood	1,819	1,854	35	1.95%
Williamstown	2,578	2,591	14	0.53%
Williamstown North	1,636	1,660	24	1.45%
<b>Total</b>	<b>1,741</b>	<b>1,775</b>	<b>34</b>	<b>1.93%</b>



The following graph shows the average residential general rate movements in percentage terms for each suburb. Average percentage increases are expected in all suburbs. The most significant average rate increases in percentage terms will be in Altona North (5.04 per cent) and South Kingsville (4.92 per cent), consistent with their property value growth.



The following graph shows the average residential general rate movements in dollar terms for each suburb. Consistent with the percentage movements above, the most significant average rate increases in dollar terms will be in Altona North (\$78) and South Kingsville (\$76).



## Appendix 3 - Valuation and Rate fluctuations

The previous sections have focused on changes to average valuations (capital improved values - CIV's) and general rates for each rating category and residential suburb. Whilst averages give a reasonable indication of the changes in valuations and the impact that can be expected on rates, there are a number of properties that have significantly different valuations than the norm. These significant valuation changes can have a large effect on the amount of rates a particular property will pay and the variations in general rates between different rating years.

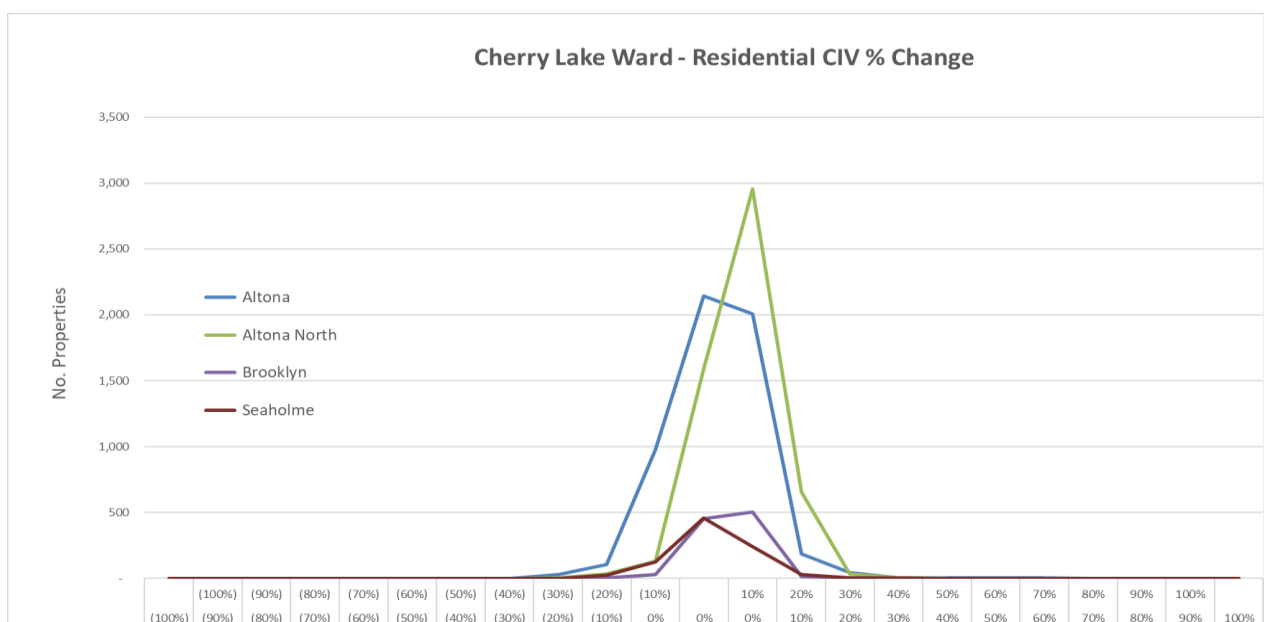
This appendix focuses on providing a snapshot in relation to the varying valuations, their movements and the impact on rates for individual properties. Each table and graph outlines the number of properties that have had valuation or rating movements in percentage increments of 10 per cent.

## Capital Improved Values fluctuations

The following table and graph provides information in relation to the valuation movements for **Residential properties within Cherry Lake ward**. This includes the suburbs of Altona, Altona North, Brooklyn and Seaholme.

Valuation changes have generally ranged (90 per cent of properties) between 10 per cent decreases to 10 per cent increases. About 2 per cent of properties have decreased in values greater than 10 per cent, whilst 8 per cent of properties have increased by greater than 10 per cent.

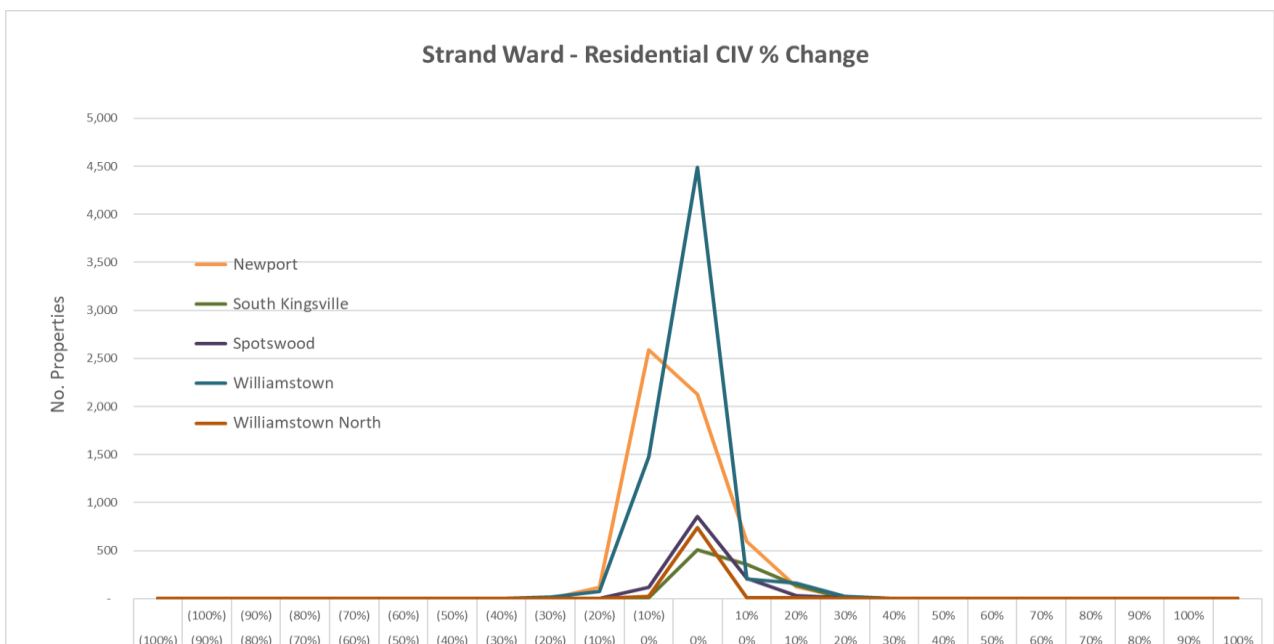
Percentage Change		CIV Change Number of Properties			
%	%	Altona	Altona North	Brooklyn	Seaholme
(100%)		-	-	-	-
(90%)	(100%)	-	-	-	-
(80%)	(90%)	-	-	-	-
(70%)	(80%)	-	-	-	-
(60%)	(70%)	-	-	-	-
(50%)	(60%)	-	-	-	-
(40%)	(50%)	-	-	-	-
(30%)	(40%)	1	-	-	-
(20%)	(30%)	28	5	1	-
(10%)	(20%)	106	33	6	22
0%	(10%)	978	128	31	127
0%		2,145	1,587	454	458
0%	10%	2,006	2,954	505	240
10%	20%	187	653	16	30
20%	30%	45	35	3	2
30%	40%	5	3	1	2
40%	50%	4	1	-	-
50%	60%	4	-	-	-
60%	70%	3	-	-	-
70%	80%	1	-	-	-
80%	90%	-	-	-	-
90%	100%	-	-	-	-
100%		-	-	-	-
		<b>5,513</b>	<b>5,399</b>	<b>1,017</b>	<b>881</b>



The following table and graph provide information in relation to the valuation movements for **Residential properties within the Strand ward**. This includes the suburbs of Newport, South Kingsville, Spotswood, Williamstown and Williamstown North.

Valuations changes have generally ranged (95 per cent of properties) between 10 per cent decreases to 10 per cent increases. About 1 per cent of properties have decreased in values greater than 10 per cent, whilst 4 per cent of properties have increased by greater than 10 per cent.

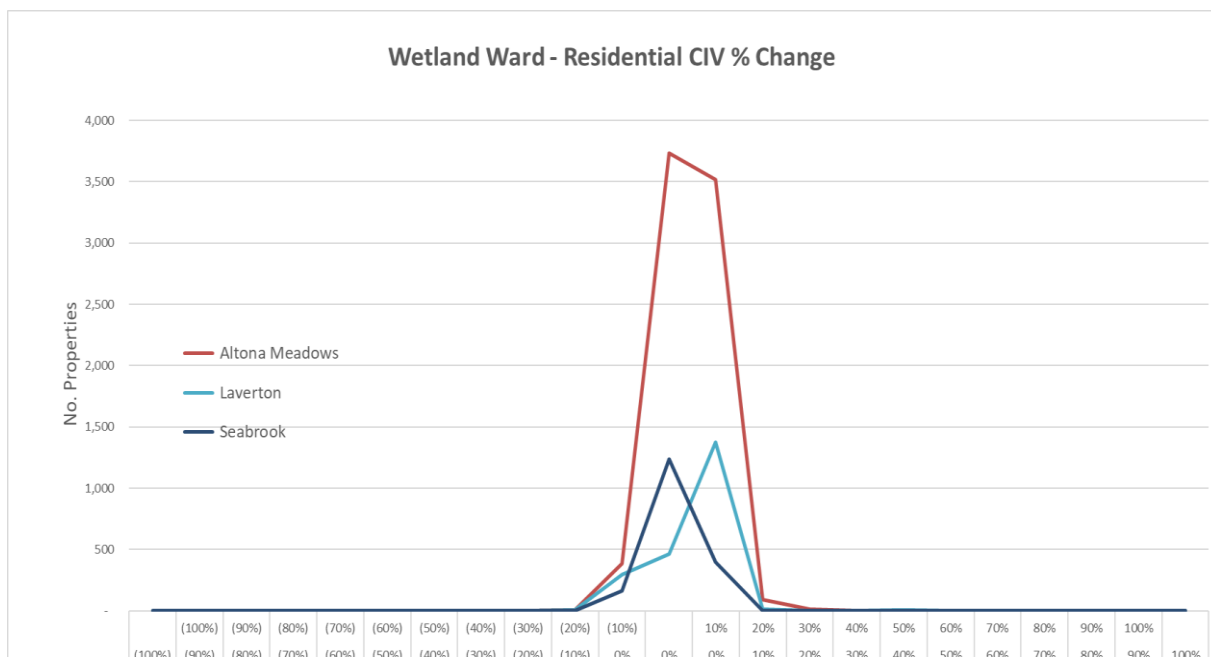
Percentage Change		CIV Change Number of Properties				
%	%	Newport	South Kingsville	Spotswood	Williamstown	Williamstown North
(100%)		-	-	-	-	-
(90%)	(100%)	-	-	-	-	-
(80%)	(90%)	-	-	-	-	-
(70%)	(80%)	-	-	-	-	-
(60%)	(70%)	-	-	-	-	-
(50%)	(60%)	-	-	-	-	-
(40%)	(50%)	-	-	-	-	-
(30%)	(40%)	-	-	1	2	-
(20%)	(30%)	1	-	-	16	-
(10%)	(20%)	119	2	2	74	3
0%	(10%)	2,586	12	116	1,477	23
0%		2,130	508	853	4,486	742
0%	10%	595	353	212	203	13
10%	20%	128	140	30	163	11
20%	30%	12	4	8	27	-
30%	40%	-	1	5	4	1
40%	50%	2	-	-	1	-
50%	60%	2	2	-	4	-
60%	70%	-	-	-	-	-
70%	80%	-	-	-	-	-
80%	90%	1	-	1	-	-
90%	100%	-	-	-	-	-
100%		-	-	-	-	-
		<b>5,576</b>	<b>1,022</b>	<b>1,228</b>	<b>6,457</b>	<b>793</b>



The following table and graph provide information in relation to the valuation movements for **Residential properties within the Wetlands ward**. This includes the suburbs of Altona Meadows, Laverton and Seabrook.

Valuations changes have largely ranged (99 per cent of properties) between 10 per cent decreases to 10 per cent increases. Less than 1 per cent of properties have decreased in values greater than 10 per cent and while 1 per cent of properties have increased by greater than 10 per cent.

Percentage Change		CIV Change Number of Properties		
%	%	Altona Meadows	Laverton	Seabrook
(100%)		-	-	-
(90%)	(100%)	-	-	-
(80%)	(90%)	-	-	-
(70%)	(80%)	-	-	-
(60%)	(70%)	-	-	-
(50%)	(60%)	-	-	-
(40%)	(50%)	-	-	-
(30%)	(40%)	-	-	-
(20%)	(30%)	-	-	-
(10%)	(20%)	5	7	1
0%	(10%)	384	294	162
0%		3,736	464	1,237
0%	10%	3,515	1,377	396
10%	20%	92	13	3
20%	30%	12	1	-
30%	40%	-	-	-
40%	50%	-	4	-
50%	60%	-	-	-
60%	70%	-	-	-
70%	80%	-	-	-
80%	90%	-	-	-
90%	100%	-	-	-
100%		1	-	-
		<b>7,745</b>	<b>2,160</b>	<b>1,799</b>



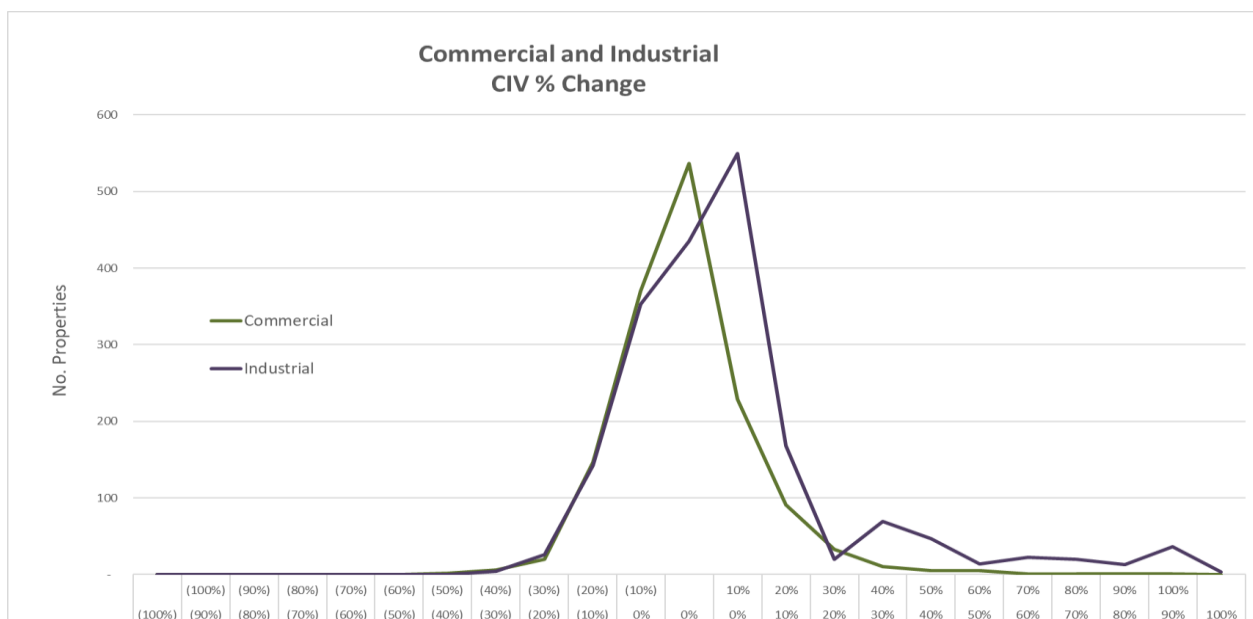


The following table and graph provides information in relation to the valuation movements for commercial and industrial properties across the municipality.

For **commercial properties** valuations changes have generally ranged (78 per cent of properties) between 10 per cent decreases to 10 per cent increases. About 12 per cent of properties have decreased in values greater than 10 per cent, whilst 10 per cent of properties have increased by greater than 10 per cent.

For **industrial properties** valuations changes have generally ranged (78 per cent of properties) between 10 per cent decreases to 20 per cent increases. About 9 per cent of properties have decreased in values greater than 10 per cent, whilst 13 per cent of properties have increased by greater than 20 per cent.

CIV Change			
Percentage Change		Number of Properties	
%	%	Commercial	Industrial
(100%)		-	-
(90%)	(100%)	-	-
(80%)	(90%)	-	-
(70%)	(80%)	-	-
(60%)	(70%)	-	-
(50%)	(60%)	-	-
(40%)	(50%)	2	-
(30%)	(40%)	6	4
(20%)	(30%)	20	26
(10%)	(20%)	146	142
0%	(10%)	370	353
0%		537	435
0%	10%	229	550
10%	20%	91	168
20%	30%	33	20
30%	40%	10	69
40%	50%	5	47
50%	60%	5	14
60%	70%	1	22
70%	80%	1	20
80%	90%	1	13
90%	100%	1	36
100%		-	3
		<b>1,458</b>	<b>1,922</b>



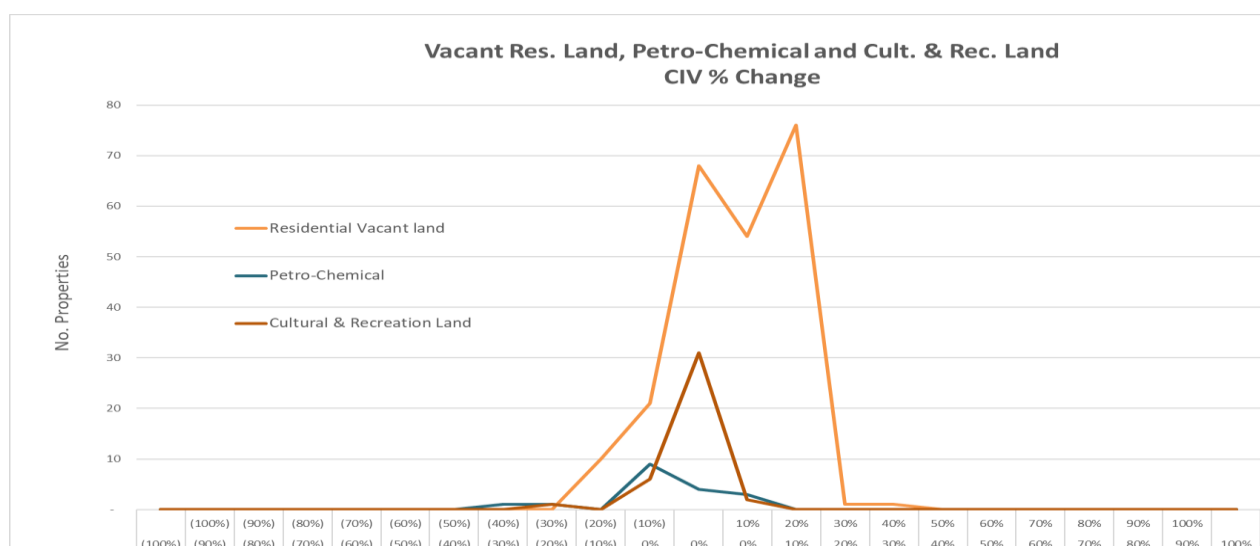
The following graph provides information in relation to the valuation movements for vacant residential land, petro-chemical and cultural and recreational land properties across the municipality.

For **residential vacant land** valuation changes have largely ranged (95 per cent of properties) between 10 per cent decreases to 20 per cent increases. About 4 per cent of properties have decreased in values greater than 10 per cent, whilst 1 per cent of properties have increased by greater than 20 per cent.

For **petro-chemical properties** valuation change have largely ranged (89 per cent) between 10 per cent decreases to 10 per cent increases. About 11 per cent of properties have decreased in values greater than 20 per cent.

For **cultural and recreation land** 78 per cent of properties have not really changed in value. Seven properties decreased in value and two property increased by less than 10 per cent.

CIV Change		Number of Properties		
Percentage Change		Residential Vacant land	Petro-Chemical	Cultural & Recreation Land
%	%			
(100%)		-	-	-
(90%)	(100%)	-	-	-
(80%)	(90%)	-	-	-
(70%)	(80%)	-	-	-
(60%)	(70%)	-	-	-
(50%)	(60%)	-	-	-
(40%)	(50%)	-	-	-
(30%)	(40%)	-	1	-
(20%)	(30%)	-	1	1
(10%)	(20%)	10	-	-
0%	(10%)	21	9	6
0%	0%	68	4	31
0%	10%	54	3	2
10%	20%	76	-	-
20%	30%	1	-	-
30%	40%	1	-	-
40%	50%	-	-	-
50%	60%	-	-	-
60%	70%	-	-	-
70%	80%	-	-	-
80%	90%	-	-	-
90%	100%	-	-	-
100%		-	-	-
		<b>231</b>	<b>18</b>	<b>40</b>

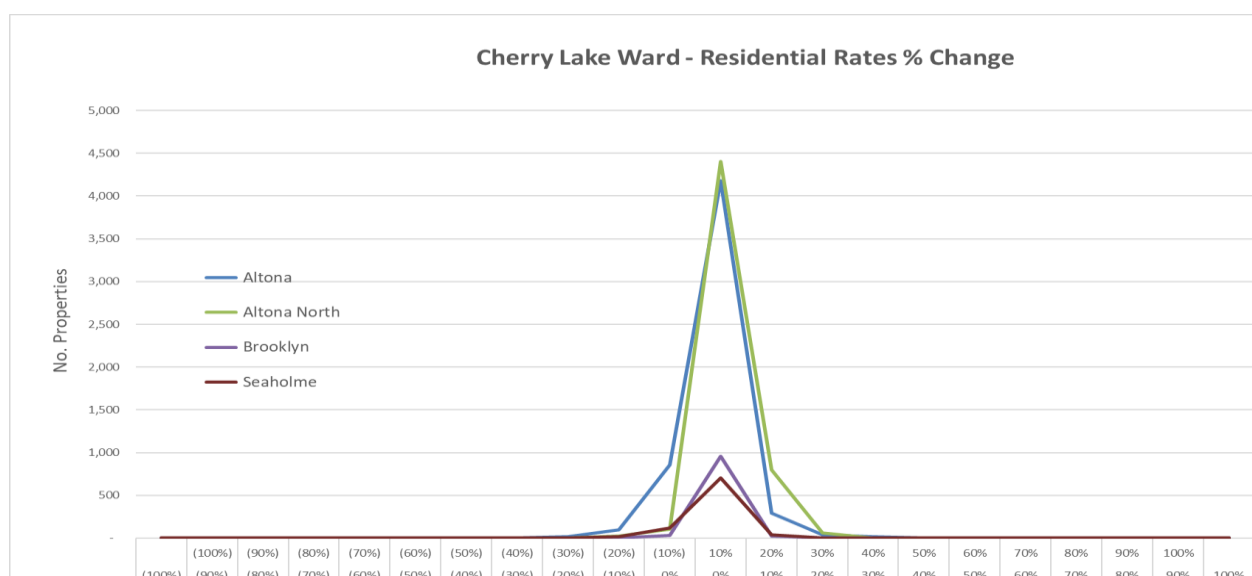


## Rate fluctuations

The following table and graph provide information in relation to the general rate movements for Residential properties within Cherry Lake ward. This includes the suburbs of Altona, Altona North, Brooklyn and Seaholme.

Rate changes will generally range (89 per cent of properties) between 10 per cent decreases to 10 per cent increases. About 1 per cent of properties will have rate decreases greater than 10 per cent, whilst 10 per cent of properties will have rate increases greater than 10 per cent.

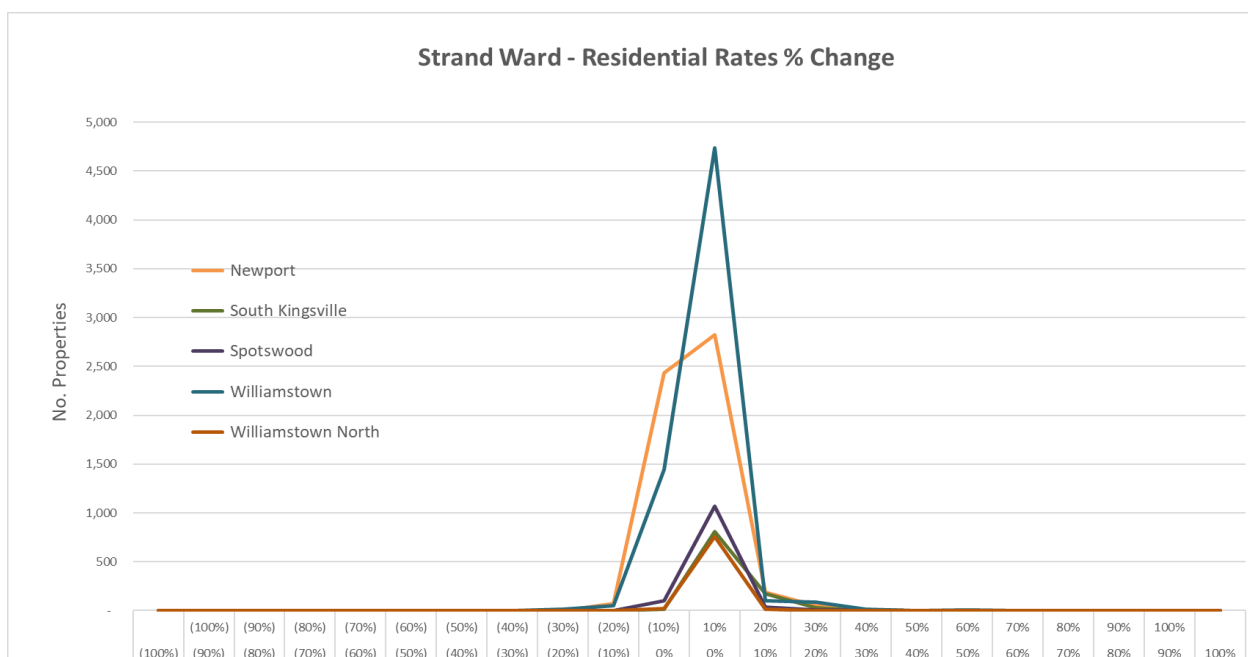
Percentage Change		Rates Change Number of Properties			
%	%	Altona	Altona North	Brooklyn	Seaholme
(100%)		-	-	-	-
(90%)	(100%)	-	-	-	-
(80%)	(90%)	-	-	-	-
(70%)	(80%)	-	-	-	-
(60%)	(70%)	-	-	-	-
(50%)	(60%)	-	-	-	-
(40%)	(50%)	-	-	-	-
(30%)	(40%)	1	-	-	-
(20%)	(30%)	21	5	1	-
(10%)	(20%)	96	26	3	16
0%	(10%)	854	105	31	122
0%		-	-	-	-
0%	10%	4,181	4,405	954	701
10%	20%	293	795	23	37
20%	30%	39	58	3	3
30%	40%	16	4	2	2
40%	50%	4	-	-	-
50%	60%	4	1	-	-
60%	70%	2	-	-	-
70%	80%	2	-	-	-
80%	90%	-	-	-	-
90%	100%	-	-	-	-
100%		-	-	-	-
		<b>5,513</b>	<b>5,399</b>	<b>1,017</b>	<b>881</b>



The following table and graph provide information in relation to the general rate movements for **Residential properties within Strand ward**. This includes the suburbs of Newport, South Kingsville, Spotswood, Williamstown and Williamstown North.

Rate changes will generally range (94 per cent of properties) between 10 per cent decreases to 10 per cent increases. About 1 per cent of properties will have rate decreases greater than 10 per cent, whilst 5 per cent of properties will have rate increases greater than 10 per cent.

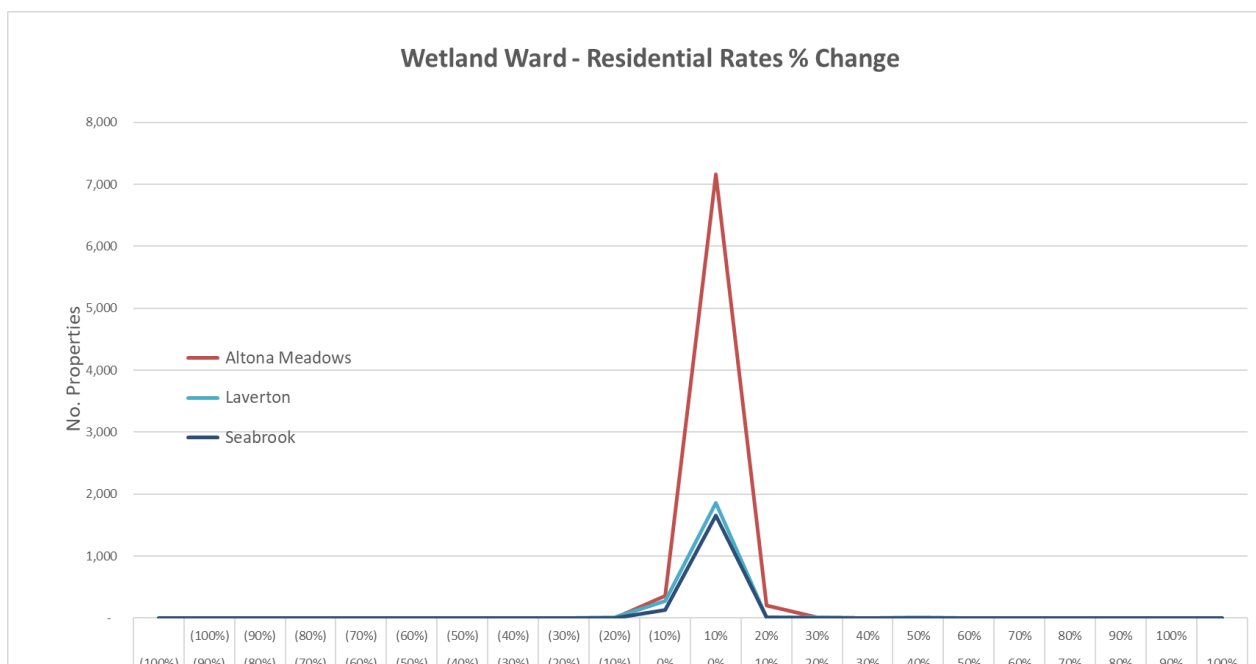
Percentage Change		Rates Change Number of Properties				
%	%	Newport	South Kingsville	Spotswood	Williamstown	Williamstown North
(100%)		-	-	-	-	-
(90%)	(100%)	-	-	-	-	-
(80%)	(90%)	-	-	-	-	-
(70%)	(80%)	-	-	-	-	-
(60%)	(70%)	-	-	-	-	-
(50%)	(60%)	-	-	-	-	-
(40%)	(50%)	-	-	-	-	-
(30%)	(40%)	-	-	1	2	-
(20%)	(30%)	1	-	-	14	-
(10%)	(20%)	69	1	2	50	1
0%	(10%)	2,437	12	102	1,441	24
0%		-	-	-	-	-
0%	10%	2,822	805	1,070	4,740	755
10%	20%	188	174	38	103	12
20%	30%	49	27	8	88	-
30%	40%	5	1	6	14	1
40%	50%	2	-	-	-	-
50%	60%	2	2	-	4	-
60%	70%	-	-	-	1	-
70%	80%	-	-	-	-	-
80%	90%	1	-	1	-	-
90%	100%	-	-	-	-	-
100%		-	-	-	-	-
		<b>5,576</b>	<b>1,022</b>	<b>1,228</b>	<b>6,457</b>	<b>793</b>



The following table and graph provide information in relation to the general rate movements for **Residential properties within the Wetlands ward**. This includes the suburbs of Altona Meadows, Laverton and Seabrook.

Rate changes will largely range (98 per cent of properties) between 10 per cent decreases to 10 per cent increases. Less than 1 per cent of properties will have rate decreases greater than 10 per cent, whilst 2 per cent of properties will have rate increases greater than 10 per cent.

Percentage Change		Rates Change Number of Properties		
%	%	Altona Meadows	Laverton	Seabrook
(100%)		-	-	-
(90%)	(100%)	-	-	-
(80%)	(90%)	-	-	-
(70%)	(80%)	-	-	-
(60%)	(70%)	-	-	-
(50%)	(60%)	-	-	-
(40%)	(50%)	-	-	-
(30%)	(40%)	-	-	-
(20%)	(30%)	-	-	-
(10%)	(20%)	2	6	1
0%	(10%)	359	276	135
0%		-	-	-
0%	10%	7,160	1,855	1,655
10%	20%	207	15	8
20%	30%	15	4	-
30%	40%	1	-	-
40%	50%	-	4	-
50%	60%	-	-	-
60%	70%	-	-	-
70%	80%	-	-	-
80%	90%	-	-	-
90%	100%	-	-	-
100%		1	-	-
		<b>7,745</b>	<b>2,160</b>	<b>1,799</b>

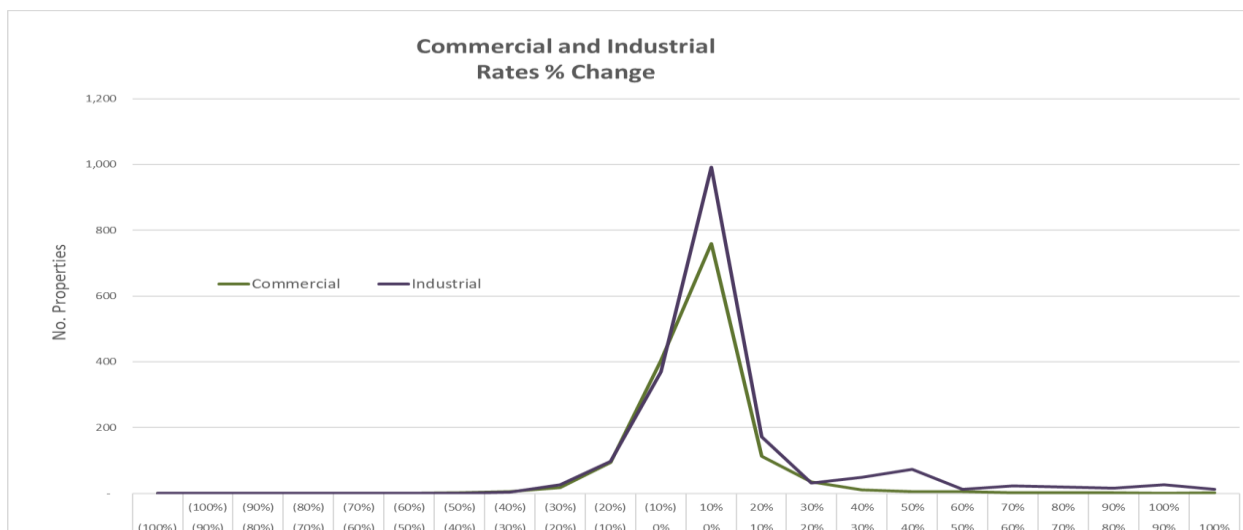


The following table and graph provide information in relation to the general rate movements for commercial and industrial properties.

**Commercial property** rate changes will generally range between (80 per cent of properties) 10 per cent decreases to 10 per cent increases. About 8 per cent of properties will have rate decreases greater than 10 per cent, whilst 12 per cent of properties will have rate increases greater than 10 per cent.

**Industrial property** rates will generally range between (71 per cent of properties) 10 per cent decreases to 10 per cent increases. About 7 per cent of properties will have decreases greater than 10 per cent, whilst 23 per cent of properties will have increases over 10 per cent.

Rates Change			
Percentage Change		Number of Properties	
%	%	Commercial	Industrial
(100%)		-	-
(90%)	(100%)	-	-
(80%)	(90%)	-	-
(70%)	(80%)	-	-
(60%)	(70%)	-	-
(50%)	(60%)	-	-
(40%)	(50%)	1	-
(30%)	(40%)	6	3
(20%)	(30%)	18	26
(10%)	(20%)	94	98
0%	(10%)	405	370
0%		-	-
0%	10%	760	992
10%	20%	113	171
20%	30%	35	32
30%	40%	10	49
40%	50%	6	73
50%	60%	6	12
60%	70%	1	23
70%	80%	1	19
80%	90%	1	15
90%	100%	-	26
100%		1	13
		<b>1,458</b>	<b>1,922</b>



The following table and graph provide information in relation to the general rate movements for vacant residential land, petro-chemical and cultural and recreational properties.

**Residential vacant land** rate changes will generally range between (61 per cent of properties) 10 per cent decreases to 10 per cent increases. About 3 per cent of properties will have rate decreases greater than 10 per cent and 35 per cent of properties will have rate increases greater than 10 per cent.

**Petro-chemical** property rates will generally range between (89 per cent) 10 per cent decreases and 10 per cent increases. Two property's rates will decrease by greater than 10 per cent.

**Cultural and recreation land** rates will generally range between (39 properties) 10 per cent decreases to 10 per cent increases. One property's rates will decrease by greater than 10 per cent.

Percentage Change		Rates Change Number of Properties		
%	%	Residential Vacant land	Petro- Chemical	Cultural & Recreation Land
(100%)		-	-	-
(90%)	(100%)	-	-	-
(80%)	(90%)	-	-	-
(70%)	(80%)	-	-	-
(60%)	(70%)	-	-	-
(50%)	(60%)	-	-	-
(40%)	(50%)	-	-	-
(30%)	(40%)	-	1	-
(20%)	(30%)	-	-	-
(10%)	(20%)	8	1	1
0%	(10%)	23	9	5
0%		-	-	-
0%	10%	118	7	34
10%	20%	71	-	-
20%	30%	9	-	-
30%	40%	2	-	-
40%	50%	-	-	-
50%	60%	-	-	-
60%	70%	-	-	-
70%	80%	-	-	-
80%	90%	-	-	-
90%	100%	-	-	-
100%		-	-	-
		<b>231</b>	<b>18</b>	<b>40</b>

