

Rating Strategy

2022-2027



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Introduction

The purpose of this document is to detail the strategy for the rating of properties within the shire for the next five years.

The strategy considers the current rating framework within which Council operates, including the options available to it under the existing legislation, as well as the desired outcome of achieving a fair and equitable outcome for all ratepayers.

Council's current rating strategy was developed in 2016. Council engaged the services of AEC Group Pty Ltd to undertake research, consultation and evidence-based modelling using current data to inform the development of this strategy.

The review of the current rating strategy allows Council to consider:

- The effectiveness of the current strategy.
- The impacts of the recent State Government Rating System Review.
- Modelling of data between different types of land uses.
- Benchmarking data against other similar sized Victorian councils.
- Considering feedback from our community based on two rounds of engagement.

Legislative requirements

Part 8 of the Local Government Act 1989 (the Act) is the governing legislation concerning rates and charges on rateable land.

A council may declare the following rates and charges on rateable land—

- a) General rates under section 158;
- b) Municipal charges under section 159;
- c) Service rates under section 162;
- d) Service charges under section 162;
- e) Special rates under section 163;
- f) Special charges under section 163.

The systems of valuing land

The Act states that a council may use the site value (SV), net annual value (NAV) or capital improved value (CIV) system of valuation. However, Recommendation 3 from the Rating System Review suggested that only the CIV and NAV be retained and that the Act be amended to reflect this.

Municipal charge

A Council may declare a municipal charge to cover some of the administrative costs of the Council.

A Council's total revenue from a municipal charge in a financial year must not exceed 20 per cent of the sum total of the Council's—

- a) Total revenue from a municipal charge; and
- b) Total revenue from general rates.

Executive Summary

Rates form the largest proportion of Council's revenue and are fundamental to providing infrastructure and ongoing works and services for our community.

Council engaged AEC Group to assist in the review including analysis of the effectiveness of the current strategy, and to provide alternatives for the development of the new strategy. This included modelling and the development of scenarios to test the impact on all ratepayers of any proposed changes.

The objectives of the review were to:

1. Identify and recommend principles Council should consider when striking general rates and using rating differentials.
2. Provide insight into the equitable sharing of the rate burden between categories of property.
3. Methodologies for measuring outcomes of existing or proposed incentivised rate structures to understand and ensure their whole of community benefit.
4. Identify any other special rates that Council should consider.

The report from AEC Group provides a review of Council's current rating structure, sets out the differential rates across the land use categories, examines the relevance of the current rating mix with a view to government reforms (including the recent Rating System Review undertaken by the State Government), as well as the objectives of Council over the next five years.

The report considers several options for adjusting rating differentials across land uses and provides several recommendations for consideration.

In reviewing and considering the AEC Group report, the following changes are recommended:

1. That a comprehensive review of the classification of rate assessments is completed.
2. That Council revise the definitions of the differential rate categories with particular interest to the definition of farm, land management, and commercial.
3. That Council continues to use the Capital Improved Value method for the valuation of land.
4. That Council does not further differentiate the commercial rating category.
5. That, over a two-year period, Council removes the land management rate category and reduces the farm rate to 80%.
6. That Council does not further differentiate the residential properties.
7. That Council includes commercial and industrial vacant land within the definition of the vacant land category and continues to apply the 200% differential rate.
8. That the commercial land definition be revised to include properties that are used predominantly for short-term accommodation.
9. That Council waits for a proponent of a solar farm to apply the PiLoR assessment, and until such time, Council continues to rate the assessment under the commercial rate category.
10. That Council does not provide an additional rebate to pensioners as a broad instrument, but rather considers further support targeted instruments through the Hardship Policy, such as short term and long-term deferrals.

11. That Council does not change the current rating practice for telecommunication towers.
12. That Council does not change the current 100% rebate for Trust for Nature covenants.
13. That Council does not change the current 100% rebate for cultural and recreational land.

The Rating Strategy provides information on the current rating framework, the legislative framework and an analysis of the proposed changes. The impact for individual ratepayers will be determined based on their land use and valuation.



Rating Framework

This section outlines the Victorian regulatory framework for rating.

What are rates?

Recommendation 1 of the State Government's Rating System Review suggested that the Local Government Act 1989 be amended to describe rates as a tax for local government purposes. Unlike other taxation systems of the State and Commonwealth Governments, the rating system in Victoria is applied by 79 independent councils.

Each council collects rates from property owners in its municipality to help fund local infrastructure and services.

Property values are used as the basis for distributing the rating burden across property owners.

Calculating how much each property owner pays in rates involves determining the total amount of rate revenue required, within the limits set by the Essential Services Commission in reference to the "Fair Go Rate System". The total rate revenue is divided across the total value of all rateable properties to establish a rate in the dollar.

The rate in the dollar is calculated according to the relative differentials and applied against the value of each individual property to calculate the rates payable by each property owner.

A rating strategy doesn't consider the total amount of rate revenue required - this is calculated in the annual budget.

Instead, a rating strategy considers how the share of rates will be distributed across each type of property owner e.g., residential, commercial or farm.

“ Each council collects rates from property owners in its municipality to help fund local infrastructure and services ”

Differential rates

Council uses a simple form of differential rating across the land uses which meets the objectives of the Ministerial Guidelines. The table below sets out the six differential rating categories used in the Rating Strategy 2016-2021.

Table 1: Rating differentials Rating Strategy 2016-2021

Rating category	% of general rate
General (residential)	Base - 100%
Commercial	130%
Farm	100%
Land management	80%
Vacant land	200%
Cultural and recreational land	0%



The following table details the distribution of revenue across the differential types in the 2021/2022 budget.

Table 2 - Number of properties and rates income derived from each property type 2021/2022

Property type	Number of properties	Budget income \$,000	% of rates income
General (residential)	9,293	15,157	73%
Commercial	614	1,377	7%
Farm	407	935	4%
Land management	602	1,614	8%
Vacant land	1,171	1,711	8%
Total	12,087	20,794	100%

The median¹ rate payer for 2021/2022 will pay \$1,567 in rates (excluding waste service charges). The below graph (Figure 1) demonstrates the number of properties paying rates within bands of \$500.

Figure 1 - Rates per assessment 2021/2022

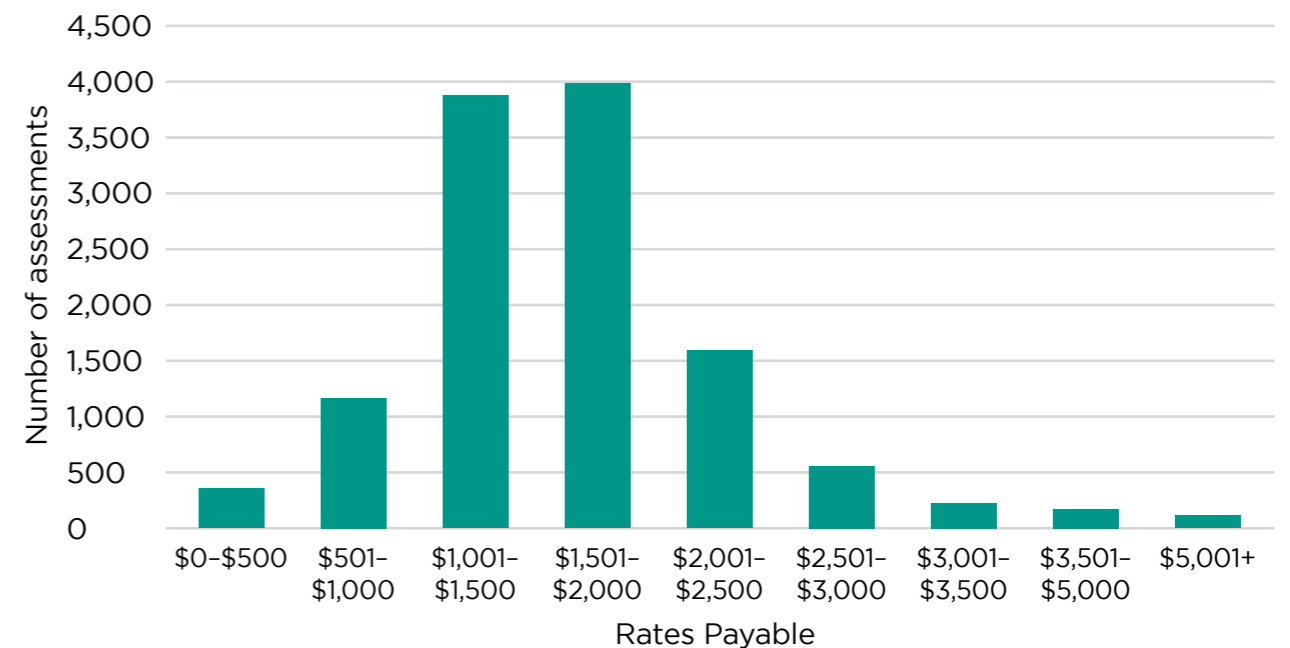


Figure 1 demonstrates that 78% of ratepayers are paying less than \$2,000 per annum and 91% of ratepayers are paying less than \$2,500 per annum (or \$48.08 per week). The 9% of properties that are paying higher than \$2,500 account for 21% of the total rate revenue.

¹ Median is the middle value of all the numbers sorted from smallest to the largest.

Revenue and Rating Principles

The Local Government Victoria “Guidance for Developing a Revenue and Rating Strategy 2014” explains the key principles involved in revenue and rating, and this publication is summarised below. In reviewing Council’s current Rating Strategy, and making recommendations for this Rating Strategy, AEC Group have considered these revenue and rating principles.

Wealth tax principle

Wealth can be defined as the total value reflected in property and investments, and income directed to day-to-day living. Local government is limited to taxing one component of wealth i.e., real property, by rating the unrealised capital gains inherent in land and buildings.

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 principle

Equity is a subjective concept that is difficult to define. What is considered fair for one person may be considered unfair for another. There are two main equity concepts used to guide the development of rating strategies (and taxation more generally):

1. Horizontal equity – ratepayers in similar situations should pay similar amounts (ensured mainly by accurate property valuations, undertaken in a consistent manner, their classification into homogenous property classes and the right of appeal against valuation).
2. Vertical equity – those who are better off should pay more than those who are worse off.

Efficiency principle

Economic efficiency is measured by the extent to which production and consumption decisions by people are affected by a tax. That is, a perfectly efficient tax would be one which did not distort behaviour (compare this to taxes explicitly intended to change behaviour, such as high taxes on cigarettes). Economic efficiency in revenue collection is maximised when the degree of this distortion is minimised.

Price is the major mechanism through which taxation efficiency may be achieved and for services where users are price sensitive, direct charging can influence demand and thus lead to greater efficiency. Conversely, the funding of services through rates (or via subsidies from other services) may result in an inflated demand for services and additional costs for councils to meet this demand. As a result, a mix of user charges and rates revenue funds a variety of council services.

The efficiency of a tax is also related to the cost of administration. Administration costs include the issuing of assessments, collection of rates (including maintaining and improving collection systems), monitoring outcomes, educating and informing ratepayers, and enforcement and debt recovery.

“
Economic efficiency is measured by the extent to which production and consumption decisions by people are affected by a tax
”

Simplicity principle

The taxation principle of simplicity revolves around how easily a system can be understood by the public, namely ratepayers. This can conflict with the principles of equity and efficiency.

A simple rating scheme would have a limited number of rating classifications, even using a uniform rate. Other features of a simple rating scheme may be practicality and ease of administration. Rates in general are quite simple to administer in that they rely on a clear information source (property values) and they place a levy on something that is impossible to conceal (land). Public understanding is another consideration for a council in striving for simplicity. A simple system should be easier for the public to understand as should the explanation of it by a council.

The efficacy of using rates to provide incentive or encouragement for ratepayers to act in a certain way to achieve corporate goals (e.g., environmental) should be evaluated critically against other approaches in terms of likely effectiveness.

Benefit principle

A popular complaint levelled at councils is that “the rates I pay have no correlation with the services I consume or the benefits I receive”. This argument is based on the benefit principle (the opposite of the wealth tax principle) that argues there should be a clear nexus between consumption/benefit and the rate burden. A user pays system is closely reflective of the benefit principle.

Application of the benefit principle to rates is difficult in practice because of the impossibility of measuring the relative levels of access and consumption across the full range of council services. While it might be obvious that certain geographic areas may not get access to specific services, for example street lighting, it is the level of benefit across the full range of rates funded services that is important in determining the amount of rates that should be paid. Clearly, the exercise is not clear cut – for example, it might be argued that rural ratepayers derive less benefit from library services than their town counterparts, but the reverse argument can apply to the costs of repairing local roads in rural areas where there are mostly rural users. Such a simplistic determination of rates based on where services are located ignores the facts that:

- Many services are not location specific.
- Access is not synonymous with consumption.
- Residents can travel or use technology to access some services.
- Services provided in different locations within a municipality have different costs. For example, the actual cost of providing the same or a lesser level of service to a more remote or less central location may be higher due to economies of scale or logistical reasons.

Other pricing instruments such as user charges, special rates and charges, and service rates and charges better lend themselves to dealing with the issue of benefit.



Capacity to pay principle

As rates are levied on unrealised wealth in the form of property, their nexus with ratepayers' capacity to pay may be tenuous i.e., ratepayers may be asset rich but cash poor or vice versa. Councils have been provided with a number of rating instruments that allow them to address the capacity to pay issue to varying degrees, including differential rates, waivers and deferrals.

Historically, councils have used the capacity to pay principle as a primary argument in the setting of differential rates. There has, however, been a lack of transparency concerning the basis for the views held about capacity to pay and their translation into a hierarchy of rates. Often substantive and evidence-based reasons are not provided why the rate in the dollar on one type of property is higher/lower than another (or for that matter why a uniform rate system exists) or to explain the basis for the difference.

On equity and good public policy grounds, it is appropriate that the meaning and assessment of capacity to pay is agreed, at least from a practical point of view, and that decisions are influenced by a strong understanding of the factors relevant to particular property classes to make informed, albeit generalised observations, about their capacity to pay rates.

Diversity principle

There is no way of getting around the fact that despite the "likeness" of members of property classes, there will also be considerable diversity with each class. There is considerable diversity in the economic circumstances of households related to household income, the number of breadwinners and members, expenditure patterns and debt levels.

Similarly, enormous business diversity exists – businesses range from small businesses with owner operators and few employees to corporations employing many thousands of people. They may take a variety of forms – sole operators, companies, partnerships, cooperatives and trusts. Production may cover a diverse range of goods and services for local, national or overseas markets. They may vary considerably in terms of turnover, net worth, profitability and gearing – just to name a few characteristics. Businesses may be "price takers" with little market power or "price makers" operating in oligopolistic markets.

Council rate setting for different groups may need to have regard to the general capacity of those classes of property to pay rates. There are practical limits to the extent that classes may be differentiated because of impacts on efficiency and simplicity – and the broader a property class, the more general are the assumptions about capacity to pay. Clearly, there is an issue of how well the assumptions made about a large class of ratepayers accurately reflect the circumstances of most of its members.

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 on an annual basis.

Revaluations result in varying levels of valuation movements across the municipality, which sometimes results in major shifts in the rate burden and large movement in rates for individual properties.

There is a common misconception that as property values increase, Council receives a 'windfall gain' of additional revenue. This is not so as the revaluation process results in a redistribution of the rate burden across all properties in the municipality, depending on each property's change in valuation.

Total income from rates is determined by the Council, during the budget process. In simple terms, as property values increase, to generate the same amount of rate revenue, the rate in the dollar is reduced.

The 2022/2023 rating differentials will be based on the 1 January 2022 valuations for the 2022/2023 budget.



Capital Improved Value as the Valuation Basis

Council currently uses the Capital Improved Valuation (CIV) system 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 Council to adopt differential rating, which may better reflect capacity to pay rather than the alternatives. The vast majority of Victorian councils use CIV as the basis for levying rates and charges.

The Rating Strategy was previously reviewed in 2016. The table below presents the applied differential ratings of that Strategy.

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. If a council declares a differential rate for any land, the council must specify the objectives of the differential rate. A council must have regard to any Ministerial guidelines made under section 161 (2A) before declaring a differential rate for any land.

Differential rates are a useful tool to address equity issues that may arise from the setting of council rates derived from property valuations.

Table 3 – Summary of prior year rating differentials

Category	2016/17	2017/18	2018/19	2019/20	2020/21
General (residential)	100%	100%	100%	100%	100%
Commercial	130%	130%	130%	130%	130%
Farm	100%	100%	100%	100%	100%
Land management	90%	80%	80%	80%	80%
Vacant land	200%	200%	200%	200%	200%
Cultural and recreational land	0%	0%	0%	0%	0%
Trust for nature rebate*	0%	0%	0%	0%	0%
Municipal charge	\$188	\$94	n/a	n/a	n/a

*The Trust for Nature Rebate only applies to that portion of the property covered by the covenant.

Differential Rates

Ministerial Guidelines

The Ministerial Guidelines published in April 2013 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.

General (residential)

Applies to residential properties and home-based businesses that are conducted at residential premises. Vacant land that is not farm land and cannot be developed for residential purposes is also classified as general.

There are no recommended changes to the general rate within this Strategy. Consideration was given to a differential for residential land use within and outside the township of Castlemaine, however this was not deemed necessary as the CIV continues to be the best arbiter for distinguishing between the same land uses within a local government area.

Commercial

A 130% differential applies to:

- Any land which is occupied for the principal purpose of carrying out the manufacture or production of, or trade in, goods or services.
- Residential properties that are predominately used for the purposes of short-term accommodation rental.

The review of the Rating Strategy suggested that Council should not further differentiate the commercial rating category according to the nature of their industry.

Farm

The change recommended to this differential is to align the definition of farm land with that of Section 2(1) of the Valuation of Land Act 1960:

Farm land means any rateable land—

- that is not less than 2 hectares in area; and
- that is used primarily for grazing (including agistment), dairying, pig-farming, poultry-farming, fish-farming, tree-farming, bee-keeping, viticulture, horticulture, fruit-growing or the growing of crops of any kind or for any combination of those activities; and
- that is used by a business—
 - that has a significant and substantial commercial purpose or character; and
 - that seeks to make a profit on a continuous or repetitive basis from its activities on the land; and
 - that is making a profit from its activities on the land, or that has a reasonable prospect of making a profit from its activities on the land if it continues to operate in the way that it is operating.

The farm land differential will be phased in over two years:

- 90% in 2022/23
- 80% in 2023/24.

Land management

This 80% differential will be phased out in 2023/2024 as a reduced farm rate is phased in, with LMR properties transferred across to the farm differential.

This differential has been available, on application, to all properties with an area greater than 20 hectares, or land defined as farm land that undertakes a range of land management activities. The rate is currently set at 80% of the general (residential) rate.

Council is committed to increasing native vegetation cover on public and private land, and as set out in the Environment Strategy also committed to supporting landowners understand and appreciate their obligations and responsibilities for land and biodiversity.

Vacant land

Applies to rateable land that does not have a dwelling, or to vacant commercial or industrial land.

The differential is set at 200% of the general rate. The definition of vacant land has been amended to include vacant commercial and industrial land.

Cultural and recreational land

The Cultural and Recreational Lands Act 1963 provides for a council to grant a rating concession to any “recreational lands” which meet the test of being rateable land under the Act.

No changes to concession recipients were recommended as a result of the review, and so a 100% concession continues to apply to the following entities under the Cultural and Recreational Lands Act 1963:

- Castlemaine Bowling Club Inc.
- Castlemaine Golf Club
- Castlemaine Art Gallery
- Castlemaine Lawn Tennis Club
- Mount Alexander Golf Club Inc.
- Maldon Golf Club

- Campbells Creek Bowling Club
- Harcourt Bowling Club
- Castlemaine Pistol Club
- Castlemaine Gun Club Inc.
- Maldon Bowling Club Inc.
- Newstead Bowling Club
- Chewton Bowman Club
- Castlemaine Gun Club Inc.
- Maldon Racecourse Reserve Committee of Management
- Harcourt Pony Club
- Cairn Curran Sailing Club
- Maldon Croquet Club
- Small Bore Rifle Club
- Newstead Croquet Club
- Buda Historic House and Garden Inc.

In the event that, during the life of this strategy, further organisations seek a rates concession under the CRLA provisions, the Executive Manager Corporate Services is authorised to grant them a concession if, on assessment, they meet the requirements of the CRLA provisions.

Non-rateable properties

Section 154 of the Act provides for properties, where the use is exclusively charitable, to be non-rateable. Charitable uses include those providing health services, education, religion and services to the needy. Council adheres to the requirements of this section of the Act.

Rebates

Trust for Nature Covenant (TFNC)

The Rating System Review recommended the continuation of an annual rebate of 100% on the general rates payable be available for that portion of the site covered by the Trust for Nature Covenant permanent agreement program.

This program aims to encourage positive environmental practices. A conservation covenant (deed of covenant) is a voluntary, legal agreement made between a private landowner and Trust for Nature (“the Trust”). Its purpose is to permanently conserve and protect the natural, cultural or scientific values of the land.

The Trust’s conservation covenants are entered into under the Victorian Conservation Trust Act 1972, registered on Title, and are legally binding forever.

Ratepayers are still required to pay the Fire Services Property Levy and a waste charge if applicable.

For further information on the Trust for Nature Covenant program, please visit https://trustfornature.org.au/wp-content/uploads/2020/11/TFN3736-ConservationCovenantBrochure_web.pdf

Municipal Pension Concession

Under section 171 of the Act, Council can apply a pension rebate 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.

At the time of developing the Rating Strategy, 2,395 ratepayers claim \$208 plus \$50 for the State Government Fire Services Property Levy per assessment (both are indexed in line with CPI on an annual basis) and the department of Human Services reimburses Council for these amounts claimed each year.

No changes arose to the concession as a result of the review, with the recommendation being that Council does not provide an additional rebate to pensioners, but rather considers further targeted support instruments through the Financial Hardship Policy, such as short term and long-term deferrals.



Service Charges

Council levies a waste service charge on properties, in accordance with section 158(1) of the Act, for the collection, disposal and processing of garbage, and recycling.

The level of a service rate or charge should have some correlation to the level of service provided and therefore the funds raised should equate to the cost of the service provided. Waste service charges were not considered as part of the Rating Strategy Review.

Interest

Under section 172 of the Act, Council may charge interest for any account balance that is overdue. The interest rate used is to be calculated at the rate fixed under section 2 of the Penalty Interest Rates Act 1983. The rate for the year is set as per the rate enforced on the first day of July in any financial year. In 2021/2022, the penalty interest rate is 10%.

Supplementary Rates

Each year the Council receives an additional source of income from supplementary rates, which is derived from building 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, or a house built on vacant land during the year. In subsequent years, this growth in revenue is limited by compliance with the State Government's Fair Go Rate System.

Liability to Pay Rates and Charges

Under section 156 of the Act, the owner of any rateable land is liable to pay the rates and charges on that land. 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 to recover any debt as a result of the non-payment of rates and charges, including the costs of the legal action.



Detailed Recommendations and Outcomes

Recommendation 1

That a comprehensive review of the classification of rate assessments is completed with particular focus on the following:

- In general and residential land category, properties that have the following AVPCC code - vacant residential rural/rural lifestyle (code 103), Post Offices (code 609) and Vineyards (561).
- In the farm land category, properties that have the following AVPCC code - separate dwelling and curtilage (code 111), Garage/Outbuilding (code 150), vacant residential dwelling site/surveyed lot (code 100) and detached dwelling (110).
- In the Land Management Rate category, properties that have the following AVPCC code - residential rural/rural lifestyle (code 117), vacant residential rural/rural lifestyle (code 103), horse stud/training facilities/stables (code 544), miscellaneous improvements on residential rural land (151), detached dwelling (110), separate dwelling and curtilage (code 111), vacant residential dwelling site/surveyed lot (code 100), garage/outbuilding (code 151.3) and gravel/stone (code 411).
- In the Land Management Rate category, properties that have the following AVPCC code - commercial development sites (code 200) and industrial development sites (code 300) or implement Recommendation 2.

Recommendation 2

That Council revise the definitions of the differential rate categories with particular interest to the following:

- Align the definition of farm land to be consistent with section 2(1) of the Valuation of Land Act 1960

- Review the land management rate program so that the assessments within the land management rate category are consistent with the definition - primarily that they must first satisfy the definition of the farm land category.

Recommendation 3

That Council continues to use the Capital Improved Value method for the valuation of land.

Recommendation 4

That Council does not further differentiate the commercial rating category to ensure compliance with the Ministerial Guidelines.

Recommendation 5

That Council removes the land management rate (LMR) category by reducing the farm rate to 80%. To protect other rate payers from unintended impacts, the modelling suggests this would be best achieved over a two-year period. The staged approach over a two-year period would be as follows:

- Year One:
 - No change to the LMR assessments (other than removing ineligible assessments). Reduce the farm rate to 90% of the residential rate.
- Year Two:
 - Remove all properties from the LMR category, transfer them to the farm category, and reduce the farm rate to 80% of the residential rate.

Recommendation 6

That Council does not further differentiate the residential properties.

Recommendation 7

That Council includes commercial and industrial vacant land within the definition of the vacant land category and apply the 200% differential rate.

Recommendation 8

That the commercial land definition should be revised to include residential properties that are used predominantly for the purposes of short-term rental.

Recommendation 9

That Council waits for a proponent of a solar farm to apply the PiLoR assessment, and until such time, Council continues to rate the assessment under the commercial rate category.

Recommendation 10

That Council does not provide an additional rebate to pensioners as a broad instrument, but rather considers further support targeted instruments through the Financial Hardship Policy, such as short term and long-term deferments.

Recommendation 11

That Council does not change the current rating practice for telecommunication towers.

Recommendation 12

That Council does not change the current 100% rebate for Trust for Nature covenants.

Recommendation 13

That Council does not change the current 100% rebate for cultural and recreational land.



Data Modelling and Impacts of Changes

Rating Effort

In recommending changes to the Rating Strategy, AEC Group undertook economic modelling to estimate the rating effort of each land use type. For commercial and farm properties, this rating effort considered the gross regional product (GRP) and gross operating surplus (GOS). These two measures combined are an indicator of the profitability of the activity. The results are summarised in Table 4 below.

Table 4 - Estimated degree of rating effort by the productive industry sector

Industry Sector	Gross Operating Surplus (\$ million)	Rates (\$ million)	Rating Effort
Commercial/Industrial	\$255.158	\$1.450	0.57%
Farm	\$40.131	\$2.392	5.96%

Further benchmarking by AEC Group in Queensland, Victoria and Western Australia suggests a national benchmark for rates payable of 1.5% to 1.7% of average household income. For ratepayers of Mount Alexander Shire, the estimated 2020/21 median household income of \$77,963 is consumed by \$1,611 of council rates (or 2.07%), which is higher than the industry benchmark. This is illustrated below in Table 5.

Table 5 - Residential rating effort by suburb (greater than 100 households per suburb)

Suburb	Estimated Median Annual Household Income (\$) - 2020/21	Residential Rateable Properties	Average General and Residential General Rate	Residential Rating Effort
Maldon	\$48,294	958	\$1,527	3.16%
Castlemaine	\$53,846	3,618	\$1,671	3.10%
Chewton	\$52,532	381	\$1,536	2.92%
Muckleford	\$79,873	150	\$2,085	2.61%
Taradale	\$64,173	255	\$1,635	2.55%
Barkers Creek	\$76,888	192	\$1,884	2.45%
Elphinstone	\$66,680	274	\$1,622	2.43%
Guildford	\$55,935	149	\$1,359	2.43%
Newstead	\$51,517	417	\$1,237	2.40%
Fryerstown	\$62,860	122	\$1,499	2.38%
McKenzie Hill	\$76,291	331	\$1,703	2.23%
Yapeen	\$63,755	106	\$1,397	2.19%
Campbells Creek	\$71,038	870	\$1,544	2.17%
Harcourt	\$73,844	422	\$1,476	2.00%
Welshmans Reef	\$72,112	106	\$1,432	1.99%





Mount Alexander Shire Council

Civic Centre
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National Relay Service

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or speech impairment, contact us through
the National Relay Service.