



Rates and Valuations information for 2021/22



Key information about rates and valuations for 2021/22

Why are rates charged?

Rates are an important source of revenue for Council. Rates help to fund delivery of important services and community infrastructure such as roads, footpaths, kindergartens and sporting infrastructure.

Rates are a property-based tax. Therefore, the rates you pay are based on the value of the property you own.

How are rates calculated?

Council uses an established rating structure common to most local governments, which comprises two key elements:

- Property values, which reflect capacity to pay based on Capital Improved Value (CIV), and
- Differential rates in the dollar to reflect usage of services provided by Council

Striking a proper balance between these elements provides equity in the distribution of the rate burden across residents.

The importance of rates income as a funding source has been balanced with community sentiment towards rates increases and its capacity to pay.

What will Council collect in rates for 2021/22?

Total revenue from rates service and charges for 2021/22 is **\$65.35 million** (including supplementary valuations and interest on rates and charges).

What is the rate increase for 2021/22?

The rate increase is capped at **1.5 per cent** in line with the Victorian Government's Fair Go Rates System (FGRS).

The **1.5 per cent** increase applies to the total rates revenue received by Council, not to individual ratepayers.

More information about the FGRS can be found at www.localgovernment.vic.gov.au/our-programs/a-fair-go-rates-system-for-victorians

The residential garbage charge per rateable property for 2021/22 increased by an average of **2.5 per cent**, rounded to the nearest dollar, compared to 2020/21 levels. The average residential garbage charge is **\$402** per rateable property.

Rating differentials

Differentials refer to different rating categories that are based on each property and what that property is used for; such as residential, business or farming.

The rate and amount of rates payable in relation to land in each category of differential are:

- 1.0 General residential
- 1.2 Commercial and Industrial
- 0.9 Farm
- 1.8 Vacant Land
- 0.9 Urban Living Zone
- 1.3 Residential Development Zone



How often are property valuations carried out?

From the 1 July 2018 land valuations were centralised under the Valuer-General Victoria (VGV) with a new annual cycle of 1 January valuations for rating and taxing purposes. All rateable properties within Baw Baw Shire Council have been revalued at 1 January 2021 and are effective from 1 July 2021 in accordance with the Act. The change in rates will be different for each property due to the Capital Improved Value (CIV) of each property. The general valuation impacts the distribution of rating liability across the municipality. It does not provide Council with any additional revenue within the Shire.

The value placed on each property by the VGV contract valuer is current and closely reflects market values. All valuations are reviewed considering the latest market evidence (sales and rents) for each type of property and each district in a municipality. Adjustments are then made to property valuations where appropriate.

VGV's contract valuers, Gippsland Property Valuations, throughout the 2021 general valuation inspected 5,996 properties out of 27,795 rateable and/or leviable properties. The 2021 general valuation inspections focused on lifestyle properties in and around Drouin, Warragul and Longwarry. This inspection involved an external inspection of each property to collect or confirm data requiring quantitative assessment (factual data such as land or building area) or qualitative assessment (e.g. grading of building condition or quality of style).

Overall Council's CIV have increased by 7.9 per cent over the one year period 2020 to 2021. In the prior year, property values increased by 5.7 per cent. The higher rate of increase in value in 2020/21 is due to an increase in demand, in part due to COVID-19.

Valuations are carried out by the Valuer-General Victoria (VGV), not Baw Baw Shire Council.



What can I do if I object to my rates?

If you feel your property is incorrectly valued, please contact Council's Revenue team to discuss the matter. If the response does not completely satisfy you, you can lodge an objection to the valuation.

Any formal objections must be lodged within two months of the date of issue of the Rate and Valuation Notice. Late objections will not be accepted in accordance with government legislation.

Valuation objections are managed by the Valuer General of Victoria's office as per the Valuation of Land Act and is a process independent from Council.

What if I can't afford to pay my rates?

Council will continue to provide rates assistance for those facing financial hardship through the Hardship Policy (including those who are facing hardship as a result of COVID-19). Ratepayers have the opportunity to present their case and to ensure they are treated in a consistent, equitable and confidential manner.

Where applicable, flexible payment arrangements (weekly or fortnightly payments) can be made.

Council has maintained its \$50 eligible pensioner rebate, in addition to the State Government rebate.

Have your say

All community members are invited to make a submission on Council's Revenue and Rating Plan 2021/22.

Submissions can be made in two ways:

Online: visit www.bawbawshire.vic.gov.au/HaveYourSay and fill in the online form.

In writing: Download the print version survey available online (or create your own submission form addressing all relevant criteria) and submit by email to budget.submissions@bawbawshire.vic.gov.au or by post addressed to:

Chief Executive Officer
Baw Baw Shire Council
PO Box 304
Warragul, VIC, 3820

Submissions close at 5pm on **Thursday 13 May 2021**.