



# Rates and Valuations 2019/20

Overview – 26 June 2019

## How are my rates calculated?

Baw Baw Shire 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 the 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.



## 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 valuations for rating and taxing purposes. All rateable properties within Baw Baw Shire Council have been revalued at 1 January 2019 and are effective from 1 July 2019. The change in rates will be different for each property due to the 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 taking into account 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 2019 general valuation inspected 10,648 properties out of 26,412 rateable properties. The 2019 general valuation inspections focused on properties within the Warragul, Yarragon, Longwarry, Neerim South, Noojee, Nilma, Darnum, Erica, Rawson, Willow Grove and Thorpdale townships. 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 Capital Improved Values have increased by 15.0% over the one year period 2018 to 2019. Throughout the first half of 2018 residential, rural residential and smaller rural properties generally increased significantly in value in the western area of the municipality.

Larger farms and those located in eastern areas have generally shown little change since the 2018 revaluation.

Commercial and industrial properties have generally experienced limited movement in value. Residential values in eastern areas are generally stagnant with only mild increases in some localities.



# Rates and Valuations 2019/20

Overview – 26 June 2019

## What is the rate increase for this year?

The rate increase is capped at 2.5 per cent in line with the Victorian Government's Fair Go Rates System (FGRS). Rates are calculated as a percentage of the Capital Improved Value (CIV). The 2.5 per cent increase applies to the total rates revenue received by Council, not to individual ratepayers. The residential garbage charge per rateable property for 2019/20 remains unchanged from 2018/19 residential garbage charge per rateable property. The average residential garbage charge is \$384 per rateable property.

Total revenue from rates service and charges for 2019/20 is \$59.9 million (including supplementary valuations and interest on rates and charges).

## Why am I charged rates?

Rates are an important source of revenue, accounting for 65 per cent of the total cash revenue received by Council in 2019/20. Council delivers more than 80 services to its community, in addition to delivering Capital Works projects.

## What if I cannot afford to pay my rates?

Council has maintained its \$50 eligible pensioner rebate, in addition to the State Government rebate. Council will continue to provide rates assistance for low income earners through its hardship policy. Flexible payment arrangements can also be made to allow property owners to pay their rates on a weekly or fortnightly basis.

## What are rating differentials and what part do they play in setting rates?

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:

- General (Residential) – 1.0
- Commercial and Industrial – 1.20
- Farm – 0.90
- Vacant Land – 1.80
- Urban Living Zone – 0.90
- Residential Development Zone – 1.30

## What will Council collect in rates in 2019/20?

Council will collect a total of \$59.9 million in rates and charges. Please refer to the 2019/20 Annual budget for further information.

The level of required rates and charges has been considered in line with the revised Council Plan, the Council's other sources of income and the planned expenditure on services and works to be undertaken for the community.





# Rates and Valuations 2019/20

Overview – 26 June 2019

## What will my rates cost?

When you receive your rates notice, it is important NOT to add your Capital Improved Value (CIV) and Site Value (SV) together as this is not how rates are calculated.

Average residential rates have increased 2.6 per cent. This is marginally more than the 2.5 per cent rate cap due to the impact of supplementary rates and the revaluation of all rateable properties.

Looking at your 2019/20 rates notice, follow these simple steps to calculate your rates.

## What can I do if I object to my rates?

If you feel your property is incorrectly valued, please contact Council's Revenue Office to discuss the matter. If the response does not completely satisfy you, they will provide you with information on how to 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 are an independent process of Council.

## Contact us

We're here to help! For more information please contact Council's Finance team on 1300 BAW BAW (1300 229 229) or by email at [bawbaw@bawbawshire.vic.gov.au](mailto:bawbaw@bawbawshire.vic.gov.au)

### Step 1: Find the Capital Improved Value on the front of your rates notice.

E.g. Site Value:	\$238,000
Capital Improved Value	\$461,000
Net Annual Value	\$23,050

### Step 2: Select your rating category from the table below.

Rating Category	Rate payable per \$ of CIV
General Rates	0.003433
Vacant Land Rate	0.006179
Farm	0.003089
Commercial and Industrial	0.004119
Urban Living	0.003089
Residential Development	0.004463

### Step 3: Multiply your Capital Improved Value by the rate payable per \$ of CIV.

For example, if the Capital Improved Value of your home (a residential property) is \$461,000, you would multiply \$461,000 by 0.003433 to get your rates payable.

E.g. \$461,000 (CIV) x 0.003433 (rate payable per \$ of CIV) = \$1,582.61

### Step 4: Add your garbage charge.

Category	Charge
Residential Garbage Collection	\$384
Tanjil Bren garbage	\$121
Walhalla garbage	\$187
Commercial Garbage Collection 120L	\$420
Commercial Garbage Collection 240L	\$496

E.g. \$1,582.61 (rates) + \$384 (garbage charge) = \$1,966.61

Total rates and charges payable is \$1,966.61

### Step 5: Add the State Government Fire Services Property Levy.

Council is responsible for collecting this levy on behalf of the State Government. For details on the 2019/20 Fire Services Levy please visit the Victorian Government website at [www.firelevy.vic.gov.au](http://www.firelevy.vic.gov.au)