



Rates and Valuations information for 2020/21

Key information about rates and valuations for 2020/21

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 2020/21?

Total revenue from rates service and charges for 2020/21 is \$62.6 million (including supplementary valuations and interest on rates and charges).

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

What is the rate increase for 2020/21?

The rate increase is capped at 2 per cent in line with the Victorian Government's Fair Go Rates System (FGRS).

The 2 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 2020/21 increased by an average of 2 per cent, rounded to the nearest dollar, compared to 2019/20 levels. The average residential garbage charge is \$392 per rateable property.



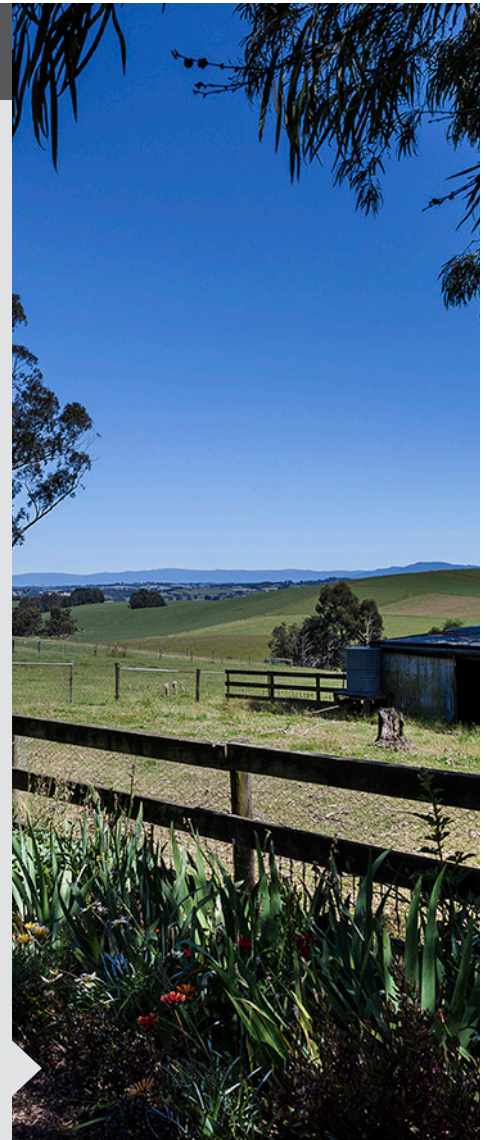
How often are property valuations carried out?

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 2020 and are effective from 1 July 2020 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 2020 general valuation inspected 9,023 properties out of 27,601 rateable and/or leviable properties. The 2020 general valuation inspections focused on properties in and around Drouin. 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 2 per cent over the one year period 2019 to 2020. In contrast to recent years, generally speaking, property values stagnated throughout 2019 with only limited movement experienced across the majority of locations and property types.



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

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.