

# **ATTACHMENT TO AGENDA ITEM**

**Ordinary Meeting**

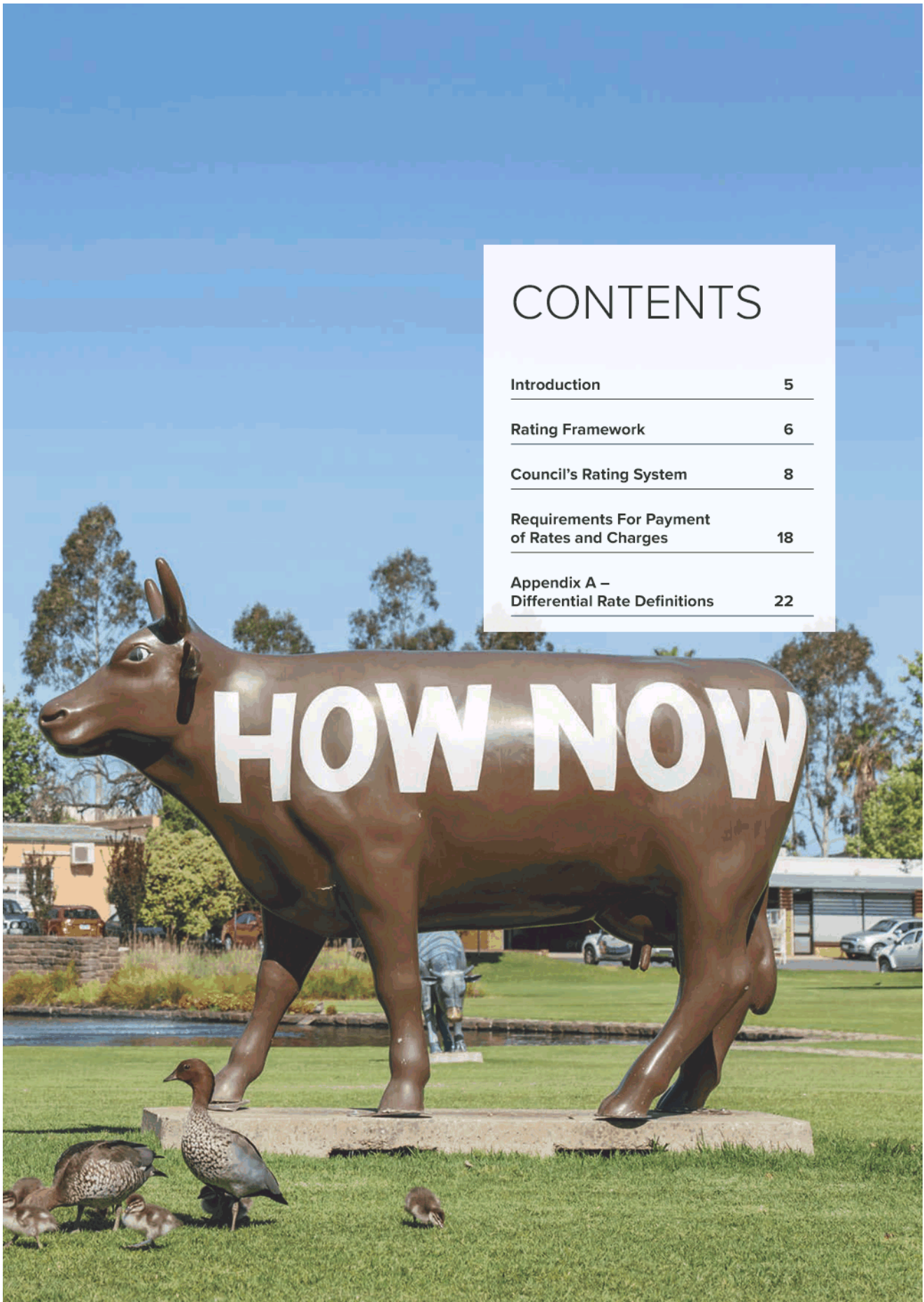
**20 June 2017**

**Agenda Item 8.7      Rating Strategy 2017-2021**

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# INTRODUCTION

## Summary

Council's current rating strategy was developed in 2012. A review of the strategy has been undertaken to ensure the equitable distribution of rates continues in accordance with the Local Government Act and Ministerial Guidelines.

It is important to note that the focus of the Rating Strategy is different to that of the Annual Budget. The rating system determines how Council will raise money from properties within the municipality; it does not influence the total amount of money to be raised, only the share of revenue contributed by each property. The rating system comprises the valuation base and actual rating instruments allowed under the Local Government Act 1989 (the Act) that are used to calculate an individual property owner's liability for rates.

## Key Elements

Council's Rating Strategy 2017-2021 is framed around the following key elements:

1. That Greater Shepparton City Council continues to apply differential rating as its rating system.
2. That separate differential rates not be introduced for properties defined as retirement/lifestyle villages.
3. That the amount raised by the municipal charge be maintained at the existing proportion of total municipal charge and general rate revenue of 12%.
4. That the basis of valuation for rating purposes continue to be Capital Improved Value.
5. That Council remove the 15 February full payment option and offer four instalments or 10 monthly direct debit.

Other information incorporated into Council's rating strategy includes details regarding the property valuation process, payment due dates and payment options, interest on arrears, the government funded pensioner rebate and financial hardship.

# RATING FRAMEWORK

## What are Rates?

Councils collect rates (which are a form of property tax) from property owners to fund community infrastructure and services that benefit the whole community.

In Victoria property values are used as the basis for calculating how much each property owner pays.

A rating strategy doesn't consider how much Council needs to raise from rates, this is calculated in the annual budget based on the Rate Cap declared by the Minister for Local Government.

A rating strategy considers the fair and equitable share of rates to be paid by each type of property owner (residential, farms, commercial properties etc.)

## Statutory Requirements

The objectives of local government in Victoria are set out in the Local Government Act 1989 (The Act) and includes the statutory requirement 'to ensure the equitable imposition of rates and charges' as follows:

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.



## Revenue and Rating Principles

### Efficiency

Efficiency is an important principle in the levying of rates; there are two elements of efficiency.

Economic efficiency is measured by the extent to which production and consumption decisions by people are affected by tax. A rating system should be neutral, in that it is not discriminatory and ensures that a ratepayer will not alter his situation or be influenced in his actions by any taxation effect.

The efficiency of a tax also relates to the cost of administration. A rating system should be administratively efficient, in the sense that it should provide required income to council without being consumed by administrative costs.

### Simplicity

The taxation principle of simplicity revolves around how easily the system can be understood by the public and the ease of administration.

A simple rating system would have a limited number of rating classifications, be both easy and practical to administer and simple for taxpayers to comply with. The system should be transparent and capable of being questioned and challenged by ratepayers.

### Equity

Equity has two broad sub-categories in its application to rates:

1. Horizontal equity: in which ratepayers with similar property values should pay similar rates; and
2. Vertical equity: embraces the view that those with more or who are better off pay more tax than those who are worse off. This primarily applies to income tax assessment in distributing the tax burden.

There is frequent debate surrounding the characteristics of property owners that may impinge on the application of an equity principle. The three main ways in which positions can vary are:

- the benefit or user pays principle – some ratepayers have more access to, make more use of, and benefit more from the council services paid for by rates
- the capacity to pay principle – some ratepayers have more ability to pay rates than do others with similarly valued properties
- the incentive or encouragement principle – some ratepayers may be doing more towards achieving council goals than others in areas such as environmental or heritage protection.

### Benefits Received

The benefits received principle applies to most tax systems, however it is difficult to rationalise a relationship between rates paid and services provided by local government. Instead, rates are tax used to finance various forms of "public goods, services and community obligations" not necessarily in direct relation to user benefit, but ultimately of benefit to the community as a whole. In this respect, rates are a general purpose levy not linked to user pays principles. Other charges such as waste services are linked to costs associated with the service.

### Capacity to Pay

The capacity to pay principle stands in contrast to the benefits received principle. Its measurability may be either determined by wealth or income. In the case of local government rating, it is determined on the value of property which reflects wealth, rather than the actual income of the ratepayer. It is highlighted that over the lifetime of a taxpayer, the relativity between income and wealth may vary significantly.

Simultaneously applying all of the above principles may not always be feasible; there are likely to be trade-offs among them. The challenge of a preferred rating strategy is one of appropriately balancing competing considerations.



# COUNCIL'S RATING SYSTEM

The general rating framework for Local Government was set out in research undertaken for development of the Local Government Act 1989. The research recommended that property rating should be based on the following objectives:

1. The entire community should contribute to the unavoidable costs of Local Government;
2. Where feasible, services should be funded on a user pays system;
3. Where specified, local objectives can be achieved using differential rates; and,
4. Residual service costs should be apportioned on the basis of property valuation.

## Differential Rates

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 before declaring a differential rate for any land. The Ministerial Guidelines published in April 2013 were prepared to guide councils in the application of differential rates under Section 161 of the Local Government Act 1989.

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

***It is recommended that council continue to use a differential rating system.***

## Residential Rate

Applies to properties where the land is primarily used for residential purposes; meaning rateable land upon which there is an erected private dwelling, flat or unit.

## Residential Unimproved Rate

This rate applies to unimproved land that when it is developed would be or be likely to be used primarily for residential purposes.

## Rural Residential Rate

This rate applies to land that is sized between 0.4ha and 20ha located in rural, semi-rural or bushland setting with a single residential dwelling on it.

## Farm Rate

Applies to land with an area greater than 2ha that undertakes a farming activity

## Commercial Rate

Applies to land that is used primarily for, or is capable of use for the sale of goods or services.

## Commercial Unimproved Rate

This rate applies to unimproved land that when it is developed would be primarily used or capable of the use for the sale of good or services.

## Industrial Rate

Applies to land used primarily for, or is capable of use primarily for industrial purposes, which includes manufacturing, processing, repairing and servicing.

## Industrial Unimproved Rate

This rate applies to unimproved land that when it is developed would be primarily used or capable of the use for industrial purposes, which includes manufacturing, processing, repairing and servicing.

### Differential Rates History

DIFFERENTIAL RATES SINCE 2012/2013					
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Residential Unimproved	100%	100%	100%	100%	100%
Residential Improved	100%	100%	100%	100%	100%
Farm Land	100%	95%	90%	90%	90%
Rural Residential	100%	100%	100%	100%	100%
Commercial Unimproved	140%	172%	200%	200%	200%
Commercial Improved 1	301%	257%	217%	217%	217%
Commercial Improved 2	304%	262%	200%	200%	200%
Industrial Unimproved	169%	185%	200%	200%	200%
Industrial Improved 1	267%	136%	204%	204%	204%
Industrial Improved 2	332%	102%	200%	200%	200%
Cultural & Recreation Land	73%	73%	73%	73%	73%
Municipal Charge	\$214.00	\$227.00	\$238.00	\$250.00	\$256.00

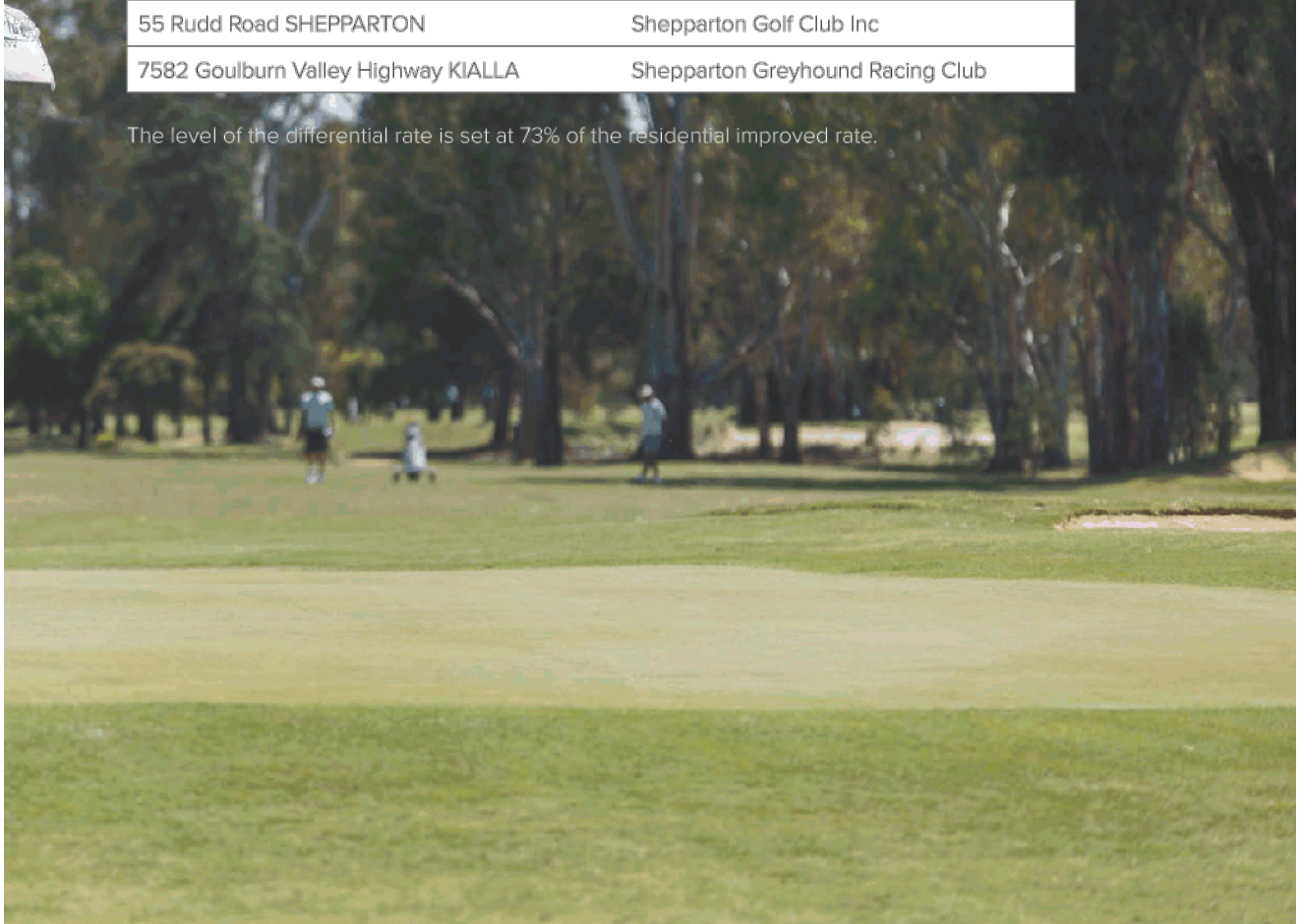
## Cultural and Recreational Land

Under the Cultural and Recreational Land Act 1963, provision is made 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.

Outdoor recreational lands developed primarily for regional use as evidenced by paid administrative support and/or commercial business dealings in their operation or management are currently granted a rates concession under the provisions of the Cultural and Recreational Land Act 1963.

PROPERTY LOCATION	RATEPAYER NAME
71 Gowrie Street TATURA	Hilltop Golf and Country Club
160-200 Ross Street TATURA	Tatura and Shepparton Racing Club
7580 Goulburn Valley Highway KIALLA	Shepparton Trotting Club
2 Fairway Drive MOORoopna	Mooroopna Golf Club Inc
15 Golf Drive SHEPPARTON	Shepparton Golf Club Inc
55 Rudd Road SHEPPARTON	Shepparton Golf Club Inc
7582 Goulburn Valley Highway KIALLA	Shepparton Greyhound Racing Club

The level of the differential rate is set at 73% of the residential improved rate.



### Shepparton Show Me

The Shepparton Show Me (SSM) Committee was established in 1998 by Council under Section 86 of the Local Government Act, to promote the retail and commercial sectors of Shepparton, and to help ensure its long-term viability and economic sustainability.

The Shepparton Show Me Committee is representative of the local business community through its eight appointed voting members, two Councillors and a Council Officer and four non-voting Council Officer members.

Shepparton Show Me is an innovative marketing program that entices people to come to Shepparton, utilise the city's services, attend an event or festival, eat out, stay overnight and shop at local businesses.

**Please note that Shepparton Show Me is funded through the Council budget and contributions to SSM are not a separate rate or separate levy but a contribution through the general rates. It is not an additional rate or charge.**



### Retirement/Lifestyle Villages

Over the past few years retirement villages across the State have recommended a reduction in the rates levied against retirement village properties on the basis that they maintain the road and drainage network within the village and are also responsible for their own street lighting.

However retirement villages have access to infrastructure up to the village boundary, like all other properties. Their situation is similar to other 'common properties' such as apartment and unit complexes. The residents have equal access to the services provided by the Council. Properties within a retirement village generally have lower values and this is already reflected in the lower amount of rates paid. In addition, all villages have common property including, gardens, roads, footpaths, office and leisure areas. Despite these surrounding amenities being privately owned and used to generate income, they are not rated.

Residents within retirement villages are also charged to use the waste service and most receive a pensioner discount.

*It is not recommended to introduce a differential rate for retirement villages.*

### Municipal Charge

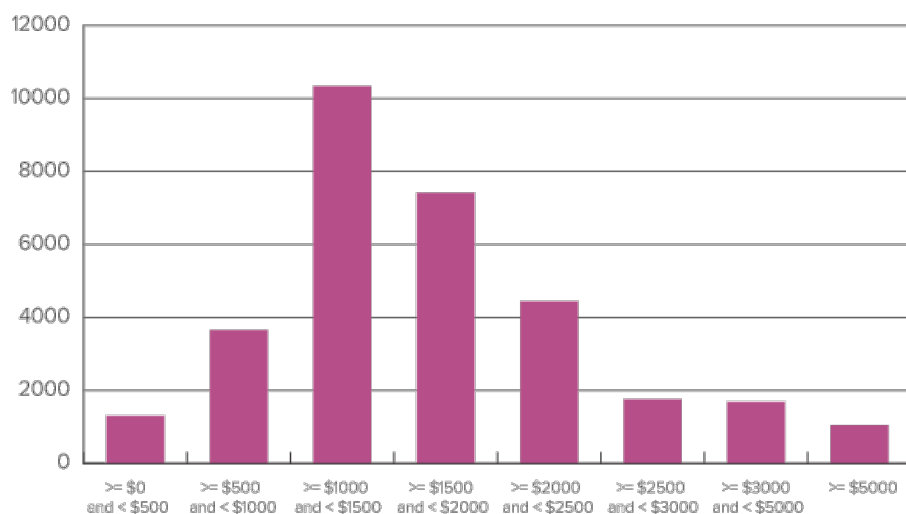
A municipal charge as provided under Section 159 of the Local Government Act 1989 allows councils to raise up to 20% of their rates from a flat base amount per assessment across the municipality. The purpose of the municipal charge is defined by Local Government Victoria to “cover some of the administrative costs of the council, including property valuations, rates administration and cashing, councillor support and office of the chief executive.” Where multiple properties form part of a single farming enterprise, exemptions may be granted to eligible properties upon application.

A municipal charge does not raise additional revenue but distributes the rates in a way that Council considers to be fairer and more equitable. If there were no municipal charge the rate in the dollar would be greater, making the rates themselves higher and increasing the difference between the rates levied on high and low valued properties. A municipal charge helps to ensure that owners of low valued properties contribute a reasonable amount to meeting the unavoidable costs of local government.

***It is recommended that the amount raised by the municipal charge be maintained at the existing proportion of total rate revenue of 12%***

### Budgeted Rates and Municipal Charge per Assessment

2017/2018 Budgeted Rates per Assessment



75% of ratepayers will be paying \$2,000.00 or less per annum in Council Rates.

\*\*This charge does not include waste service charges or Fire Services Property Levy\*\*

### Property Valuation Base

Property values are used to calculate general rates for each property. Council currently used the Capital Improved Value (CIV) 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 and provides council with the flexibility to levy differential rates. The vast majority of Victorian Councils use CIV as the basis for levying rates and charges.

***It is recommended that council continue to use Capital Improved Value as the basis of valuation for rating purposes.***

### Revaluation

Every two years, Council engages independent, licensed valuers as contractors to satisfy its statutory requirement under the Valuation of Land Act 1960 to conduct a review of property values based on market movements and recent sales trends. For the 2016-2017 and 2017-2018 rating years, valuations will be based on values returned as at 1 January 2016.

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 may result in a redistribution of the rate burden across all properties in the municipality.

Total income from rates is determined by the council, during the budget process based on the Rate Cap declared by the Minister for Local Government. In order to generate the same amount of rate revenue, in simple terms, as property values increase, the rate in the dollar is reduced.

### Supplementary Rates

In certain circumstances, valuations must be performed between general valuations. These are known as supplementary valuations and are undertaken for reasons listed under Section 13DF of the Valuation of Land Act, including when properties are:

- physically changed - for example, when buildings are altered, erected or demolished; or
- amalgamated, subdivided, portions sold off, rezoned or are affected by road construction.

Supplementary valuations bring the value of the affected property into line with the general valuation of other properties within the municipality. Values are assessed at the same date of the general valuation currently in use.

## Rate Modelling

### Numbers of Assessments vs. Budget Income vs. % of Rates Income Table

NUMBER AND RATES INCOMES DERIVED FROM EACH PROPERTY TYPE			
	NUMBER OF ASSESSMENTS	BUDGET INCOME 2016/17	PERCENTAGE RATES INCOME
Residential Unimproved	787	\$628,285.00	1.0%
Residential Improved	21623	\$27,425,283.00	44.4%
Farm Land	2928	\$6,354,631.00	10.3%
Rural Residential	2383	\$4,333,426.00	7.0%
Commercial Unimproved	68	\$388,281.00	0.6%
Commercial Improved 1	1412	\$8,852,969.00	14.3%
Commercial Improved 2	305	\$1,018,538.00	1.6%
Industrial Unimproved	96	\$396,190.00	0.6%
Industrial Improved 1	542	\$3,488,255.00	5.6%
Industrial Improved 2	119	\$1,273,243.00	2.1%
Cultural & Recreation Land	16	\$51,970.00	0.1%
Municipal Charge	29609	\$,579,904.00	12.4%
		<b>\$61,790,975.00</b>	<b>100.0%</b>

### Median Residential Examples

RESIDENTIAL	2016/2017	2017/2018
Median CIV	\$233,000	\$233,000
Differential Rate Ratio	1	1
Differential Rate in the Dollar	0.00498716	0.00508452
Rate in Dollar Increase %		1.95%
General Differential Rate [Rate in the Dollar x CIV]	\$1,162.01	\$1,184.69
Municipal Charge	\$256.00	\$262.00
<b>TOTAL CONSOLIDATED RATES REVENUE</b>	<b>\$1,418.01</b>	<b>\$1,446.69</b>
Total Change from 16/17 \$		\$28.68
Total Change from 16/17 %		2.02%
Weekly Change from 16/17 \$		\$0.55

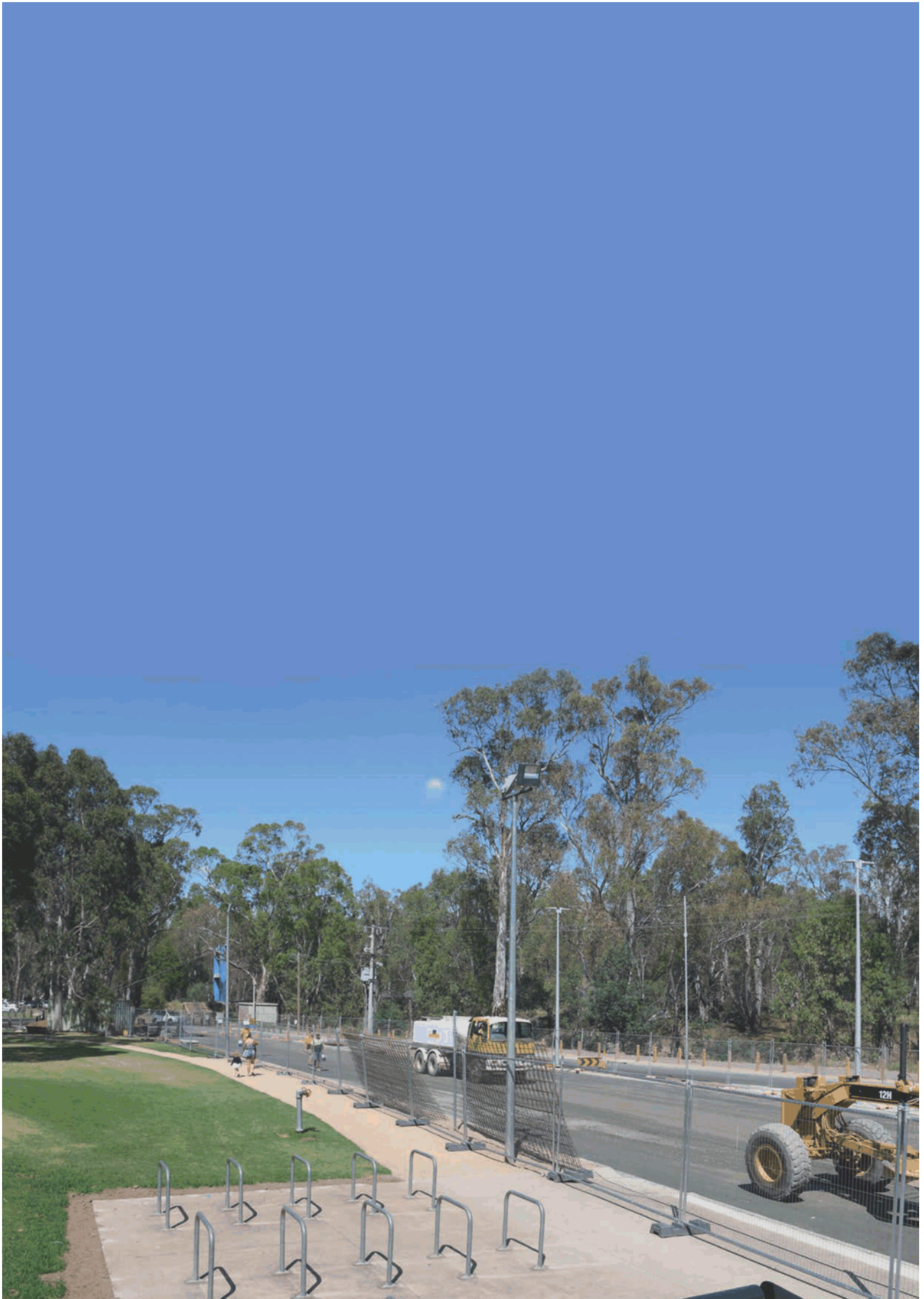
### Median Commercial 1

RESIDENTIAL	2016/2017	2017/2018
Median CIV	\$319,000	\$319,000
Differential Rate Ratio	2.17	2.17
Differential Rate in the Dollar	0.01082214	0.01103341
Rate in Dollar Increase %		1.95%
General Differential Rate [Rate in the Dollar x CIV]	\$3,452.26	\$3,519.66
Municipal Charge	\$256.00	\$262.00
<b>TOTAL CONSOLIDATED RATES REVENUE</b>	<b>\$3,708.26</b>	<b>\$3,781.66</b>
Total Change from 16/17 \$		\$73.39
Total Change from 16/17 %		1.98%
Weekly Change from 16/17 \$		\$1.41



**Median Industrial 1**

RESIDENTIAL	2016/2017	2017/2018
Median CIV	\$336,000	\$336,000
Differential Rate Ratio	2.04	2.04
Differential Rate in the Dollar	0.01017381	0.01037242
Rate in Dollar Increase %		1.95%
General Differential Rate [Rate in the Dollar x CIV]	\$3,418.40	\$3,485.13
Municipal Charge	\$256.00	\$262.00
<b>TOTAL CONSOLIDATED RATES REVENUE</b>	<b>\$3,674.40</b>	<b>\$3,747.13</b>
Total Change from 16/17 \$		\$72.73
Total Change from 16/17 %		1.98%
Weekly Change from 16/17 \$		\$1.40



# REQUIREMENTS FOR PAYMENT OF RATES AND CHARGES

## Liability to Pay Rates

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 in order to recover any debt as a result of the non-payment of rates and charges, including the costs of the legal action.

## Due Date for Rates

Council will allow Rates and Charges to be paid on one of two ways:

### • BY FOUR INSTALMENTS

Payments must be made on or before the following dates fixed by the Minister by notice published in the Government Gazette:

- **1st Instalment** – due by 30 September
- **2nd Instalment** – due by 30 November
- **3rd Instalment** – due by 28 February
- **4th Instalment** – due by 31 May

### • BY TEN DIRECT DEBIT INSTALMENTS

Payments will be deducted from your account on the last Friday of each month, commencing in September and ending in June of each rating period.

To apply to pay by ten monthly instalments, you must complete and return a Direct Debit Request Form at least two business days prior to the September direct debit payment.

Council will still accept payments in one lump sum however payments received after the first instalment date will incur penalty interest.

Council has previously offered the option to pay rates in a lump sum; however this is not a mandatory option under the Act. Council continues to seek ways to improve its operations and gain efficiencies. By removing this option it will allow Council to identify people earlier who are having financial difficulty paying their account. This will in turn save Ratepayers on interest and debt recovery costs.

It will also reduce overdue rate payments and interest income derived from rates whilst balancing payments received across the year.

*It is recommended that Council remove the lump sum payment option (15 February) and only offer the instalment options above.*

### **Interest on Late Payments**

In accordance with Section 172 of the Local Government Act 1989, the Council may charge interest on any late payments. The interest is to be calculated at the rate fixed by the Attorney-General under section 2 of the Penalty Interest Rates Act 1983 that applied on the first day of July immediately before the due date.

Interest will be charged on all balances unpaid after the due dates. Interest is charged from the date on which each missed instalment was due, until the account is paid in full.

### **Payment Methods**

Council offers an extensive range of payment options for ratepayers to pay their accounts:

- Payment online using a Mastercard or Visa
- Payment by BPay
- Payment by Direct Debit
- Payment through the Mail
- Payment at any Australia Post agency
- Payment by Centrepay
- Payment by Phone using a Mastercard or Visa

Where a customer wishes to pay their account by direct debit or Centrepay, the amount they nominate must be sufficient to ensure the account is paid by the due dates.

### **Payment Difficulties/ Financial Hardship**

Ratepayers who are experiencing difficulty in paying their rates should contact Council immediately to discuss payment options.

All enquiries are treated confidentially, and early communication may help prevent the commencement of costly legal action for the recovery of outstanding rates.

Council has recently reviewed its Hardship Policy which provides the options available to those in difficulty.

### **Debt Recovery – Collection of Overdue Rates**

In the event that an account becomes overdue, Council will issue an overdue final notice which includes interest charges. If the account remains unpaid Council may take legal action without any further notice to recover any overdue amount. This may include the selling of the property by way of Section 181 proceedings. All fees and court costs are recoverable from the ratepayer.

### **Pensioner Rate Concessions**

A municipal rates subsidy is available to eligible pension card holders for their principal place of residence. This provides a 50 per cent rebate up to a maximum amount set by the State Government each year.

Health Care Card holders are ineligible for the rebate.

### **Rate Rebate for Covenanted Areas**

A conservation covenant is a voluntary agreement between Trust for Nature and the landowners. It is placed on the title of the land to ensure that the natural bushland is permanently protected.

The Council offers a rate rebate to landowners who register a Trust for Nature conservation covenant on their property. The rebate acknowledges the long-term commitment of these landowners to conserving the biodiversity on their land.

Landowners will receive a rebate of up to \$20 per hectare of land placed under covenant. The total rebate will depend on the rated value of the covenanted area, with a minimum payment of \$100 and a maximum payment of \$1000.

### **Rate Rebate for Retail Land Occupied by Charitable Organisations**

Charitable Organisations are able to apply to Council for a rebate of 50 per cent of the current year's general rate and municipal charge, in respect of Retail Land, where the use of the retail premises for the sale of goods contributes to the objectives of the Charitable Organisation by providing benefits to the community as a whole.

The retail land must be within the municipality that is occupied. The rebate will not apply to service rates and charges or special rates and charges.

Applicants need to reapply each financial year.

### **Special Rates and Charges**

Council has the power to levy a special rate or special charge, or a combination of special rate and charge, to fund service provision under Section 163 of the Act. A special rate or charge can be used if Council deems that a special benefit is received by those properties on which it is levied. Council need not necessarily use property value as the basis for levying a special rate or charge.

Special Rates and/or Special Charges have been used by councils to fund things like:

- The promotion of a retail shopping centre;
- The promotion of a commercial business precinct;
- The construction of a road;
- The construction of a footpath; and
- The provision of drainage infrastructure.

Council may have several special rates and charges schemes in place at any one time, however, the proliferation of these schemes is not a practical option, particularly given the impact on efficiency as each scheme has to be justified, advertised and managed. The consideration of such schemes should be on a case by case basis as to whether revenue collection issues would be better addressed by general rates or user charges.

### Service Rates and Charges

Kerbside waste collection services are provided in urban areas and rural areas abutting the sealed road network. The charge for a waste/recyclables service is compulsory for all residential properties in urban areas (whether or not the service is used) and optional in areas outside the urban boundary.

The waste service charges account for the various costs associated with the provision of waste management services; including a recycling service, waste disposal and management, development, rehabilitation and operation of the Council's landfills in accordance with Environment

Protection Authority License, waste minimization promotion and education, management and administration of the waste, recycling and green organic collection contracts and the provision of a weekly kerbside waste collection service and fortnightly recyclables and organic waste collection services.

The Council incurs the State Government's imposed EPA levy associated with the disposal of waste into landfill. Unfortunately the Council will need to pass these costs onto residents.

Waste services charges are not subject to the rate cap.

SERVICE CHARGES	2016-2017 CHARGE	2016-2017 REVENUE
240L Waste/Recyclables Service	\$390	\$3,473,340
120L Waste/Recyclables Service	\$234	\$1,879,254
80L Waste/Recyclables Service	\$176	\$1,883,728
120L or 240L Recyclables Only Service	\$81	\$20,817
120L or 240L Green Organic Waste Service	\$81	\$1,794,879
<b>TOTAL</b>		<b>\$9,052,018</b>

# APPENDIX A – DIFFERENTIAL RATE DEFINITIONS

## RESIDENTIAL UNIMPROVED LAND

### Objective:

To ensure that equitable contribution is obtained from general rates in respect of rateable land, as appropriate having regard to land characteristics, to the cost of carrying out the functions of Council, including the cost of:

1. Construction and maintenance of public infrastructure
2. Development and provision of health and community services
3. Provision of general support services

### Types and Classes:

Rateable land having the relevant characteristics described below:

- i. is unimproved land 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 residential purposes; and
- ii. is on which no building permit for the construction of a new dwelling or other building designed or adapted for permanent occupation has been issued under the Building Act 1993 prior to the expiry of the rating year.

### Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is set at 100 per cent of the residential improved land rate.

### Geographic Location:

Wherever located within the municipal district.

### Use of Land:

Any use permitted under the relevant Planning Scheme.

### Planning Scheme Zoning:

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

### Types of Buildings:

This category applies to an unimproved class of land only.

## RESIDENTIAL IMPROVED LAND

### Objective:

To ensure that equitable contribution is obtained from general rates in respect of rateable land, as appropriate having regard to land characteristics, to the cost of carrying out the functions of Council, including the cost of:

1. Construction and maintenance of public infrastructure
2. Development and provision of health and community services
3. Provision of general support services

### Types and Classes:

Rateable land that is primarily used for residential purposes; meaning rateable land upon which is erected a private dwelling, flat or unit which is used primarily for residential purposes as defined under the relevant Planning Scheme.

### Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which the Council considers is necessary to achieve the objectives specified above.

### Geographic Location:

Wherever located within the municipal district.

### Use of Land:

Any use permitted under the relevant Planning Scheme.

### Planning Scheme Zoning:

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

### Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2016/2017 rating year.



## RURAL RESIDENTIAL LAND

### Objective:

To ensure that equitable contribution is obtained from general rates in respect of rateable land, as appropriate having regard to land characteristics, to the cost of carrying out the functions of Council, including the cost of:

1. Construction and maintenance of public infrastructure
2. Development and provision of health and community services
3. Provision of general support services

### Types and Classes:

Rateable land having the relevant characteristics described below:

- i. is sized between 0.4ha and 20ha in rural, semi-rural or bushland setting; and
- ii. includes a single residential dwelling; and
- iii. where primary production uses and associated improvements are secondary to the value of the residential home site and associated residential improvements.

### Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is set at 100 per cent of the residential improved land rate.

### Geographic Location:

Wherever located within the municipal district.

### Use of Land:

Any use permitted under the relevant Planning Scheme.

### Planning Scheme Zoning:

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

### Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2016/2017 rating year.

## FARM LAND

### Objective:

To ensure that equitable contribution is obtained from general rates in respect of rateable land, as appropriate having regard to land characteristics, to the cost of carrying out the functions of Council, including the cost of:

1. Construction and maintenance of public infrastructure
2. Development and provision of health and community services
3. Provision of general support services

### Types and Classes:

Rateable land having the relevant characteristics described below:

Any land which is "farm land" within the meaning of Section 2(1) of the Valuation of Land Act 1960.

Farm land means any rateable land-

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

### Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is set at 90 per cent of the residential improved land rate.

### Geographic Location:

Wherever located within the municipal district.

### Use of Land:

Any use permitted under the relevant Planning Scheme.

### Planning Scheme Zoning:

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

### Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2016/2017 rating year.

## **COMMERCIAL UNIMPROVED LAND**

### **Objective:**

To ensure that equitable contribution is obtained from general rates in respect of rateable land, as appropriate having regard to land characteristics, to the cost of carrying out the functions of Council, including the cost of:

1. Construction and maintenance of public infrastructure
2. Development and provision of health and community services
3. Provision of general support services

### **Types and Classes:**

Rateable land having the relevant characteristics described below:

- i. is unimproved land 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; and
- ii. is on which no building permit for the construction of a new building designed or adapted for permanent occupation has been issued under the Building Act 1993 prior to the expiry of the rating year.

### **Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is set at 200 per cent of the residential improved land rate.

### **Geographic Location:**

Wherever located within the municipal district.

### **Use of Land:**

Any use permitted under the relevant Planning Scheme.

### **Planning Scheme Zoning:**

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

### **Types of Buildings:**

This category applies to an unimproved class of land only.

## COMMERCIAL IMPROVED 1 LAND

### Objective:

To ensure that equitable contribution is obtained from general rates in respect of rateable land, as appropriate having regard to land characteristics, to the cost of carrying out the functions of Council, including the cost of:

1. Construction and maintenance of public infrastructure
2. Development and provision of health and community services
3. Provision of general support services
4. The promotion of business in urban Shepparton

### Types and Classes:

Rateable land that is used primarily for, or is capable of, use primarily for commercial purposes, which includes the sale of goods or services.

### Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is set at 217 per cent of the residential improved land rate.

### Geographic Location:

Located within the urban Shepparton location bounded by –

- The Goulburn River to the west
- Wanganui Road and Ford Road to the north, but including the Goulburn Valley Highway to the Barmah-Shepparton Road
- The Shepparton Heavy Vehicle By-Pass to the east, but including Benalla Road to Davies Drive
- River Road to the south.

### Use of Land:

Any use permitted under the relevant Planning Scheme.

### Planning Scheme Zoning:

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

### Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2016/2017 rating year.

## COMMERCIAL IMPROVED 2 LAND

### Objective:

To ensure that equitable contribution is obtained from general rates in respect of rateable land, as appropriate having regard to land characteristics, to the cost of carrying out the functions of Council, including the cost of:

1. Construction and maintenance of public infrastructure
2. Development and provision of health and community services
3. Provision of general support services

### Types and Classes:

Rateable land that is used primarily for, or is capable of, use primarily for commercial purposes, which includes the sale of goods or services.

### Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is set at 200 per cent of the residential improved land rate.

### Geographic Location:

Located outside the urban Shepparton location bounded by –

- The Goulburn River to the west
- Wanganui Road and Ford Road to the north, but including the Goulburn Valley Highway to the Barmah-Shepparton Road
- The Shepparton Heavy Vehicle By-Pass to the east, but including Benalla Road to Davies Drive
- River Road to the south.

### Use of Land:

Any use permitted under the relevant Planning Scheme.

### Planning Scheme Zoning:

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

### Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2016/2017 rating year.

## INDUSTRIAL UNIMPROVED LAND

### Objective:

To ensure that equitable contribution is obtained from general rates in respect of rateable land, as appropriate having regard to land characteristics, to the cost of carrying out the functions of Council, including the cost of:

1. Construction and maintenance of public infrastructure
2. Development and provision of health and community services
3. Provision of general support services

### Types and Classes:

Rateable land having the relevant characteristics described below:

- i. Is unimproved land 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; and
- i. is on which no building permit for the construction of a new building designed or adapted for permanent occupation has been issued under the Building Act 1993 prior to the expiry of the rating year.

### Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is set at 200 per cent of the residential improved land rate.

### Geographic Location:

Wherever located within the municipal district.

### Use of Land:

Any use permitted under the relevant Planning Scheme.

### Planning Scheme Zoning:

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

### Types of Buildings:

This category applies to an unimproved class of land only.

## INDUSTRIAL IMPROVED 1 LAND

### Objective:

To ensure that equitable contribution is obtained from general rates in respect of rateable land, as appropriate having regard to land characteristics, to the cost of carrying out the functions of Council, including the cost of:

1. Construction and maintenance of public infrastructure
2. Development and provision of health and community services
3. Provision of general support services
4. The promotion of business in urban Shepparton

### Types and Classes:

Rateable land that is used primarily for or is capable of, use primarily for industrial purposes, which includes manufacturing, processing, repairing and servicing.

### Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is set at 204 per cent of the residential improved land rate.

### Geographic Location:

Located within the urban Shepparton location bounded by –

- The Goulburn River to the west
- Wanganui Road and Ford Road to the north, but including the Goulburn Valley Highway to the Barmah-Shepparton Road
- The Shepparton Heavy Vehicle By-Pass to the east, but including Benalla Road to Davies Drive
- River Road to the south.

### Use of Land:

Any use permitted under the relevant Planning Scheme.

### Planning Scheme Zoning:

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

### Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2016/2017 rating year.

## **INDUSTRIAL IMPROVED 2 LAND**

### **Objective:**

To ensure that equitable contribution is obtained from general rates in respect of rateable land, as appropriate having regard to land characteristics, to the cost of carrying out the functions of Council, including the cost of:

1. Construction and maintenance of public infrastructure
2. Development and provision of health and community services
3. Provision of general support services

### **Types and Classes:**

Rateable land that is used primarily for, or is capable of, use primarily for industrial purposes, which includes manufacturing, processing, repairing and servicing.

### **Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is set at 200 per cent of the residential improved land rate.

### **Geographic Location:**

Located outside the urban Shepparton location bounded by –

- The Goulburn River to the west
- Wanganui Road and Ford Road to the north, but including the Goulburn Valley Highway to the Barmah-Shepparton Road
- The Shepparton Heavy Vehicle By-Pass to the east, but including Benalla Road to Davies Drive
- River Road to the south.

### **Use of Land:**

Any use permitted under the relevant Planning Scheme.

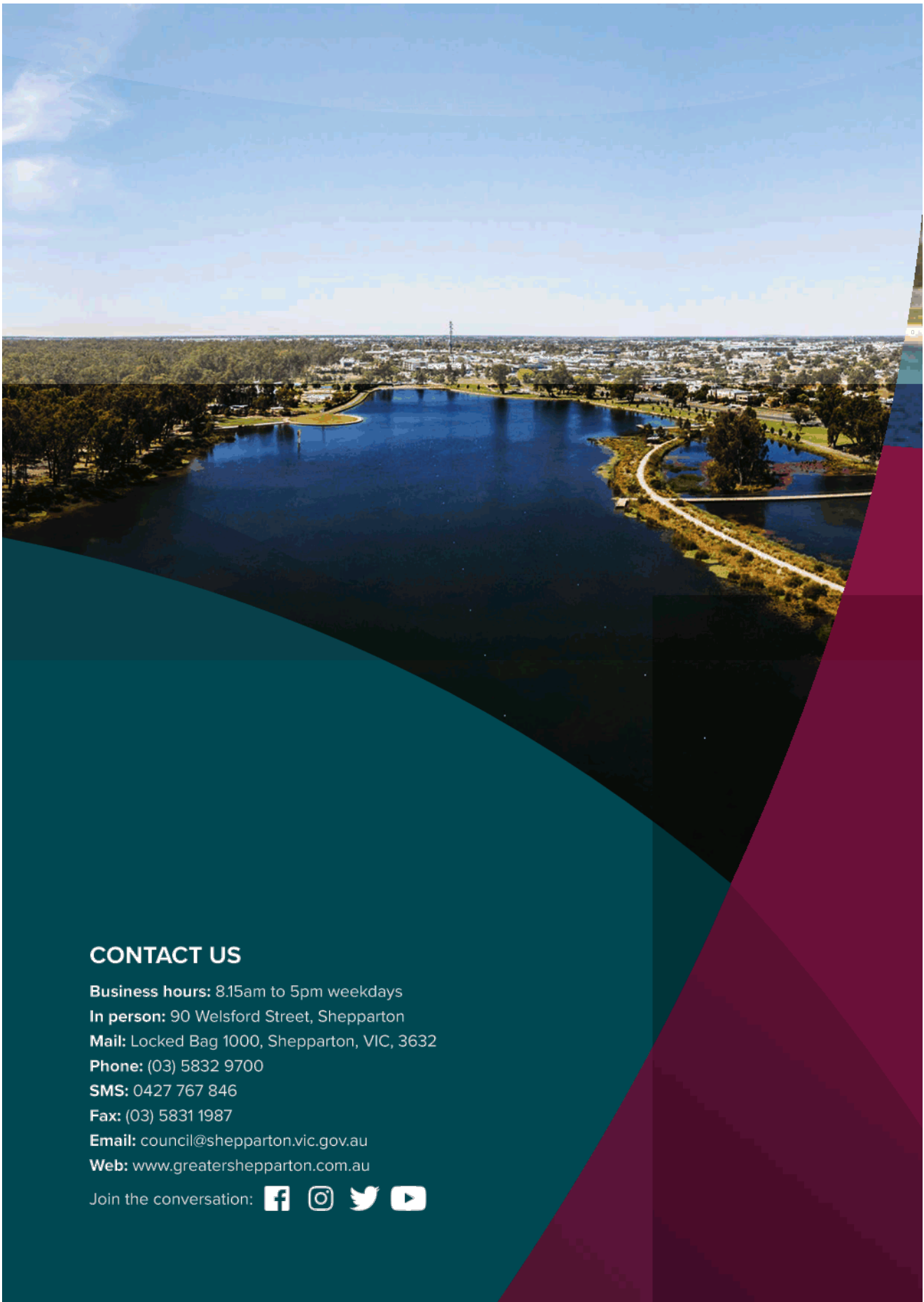
### **Planning Scheme Zoning:**

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

### **Types of Buildings:**

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2016/2017 rating year.





## CONTACT US

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