Media Release

*External Cost Pressures Push Up Rates*

10 July 2003

Just as Victorians in many council areas are starting to receive their 2003-04 rates notices in the mail, the

Municipal Association of Victoria (MAV) today released rates information for all the Victorian councils

whose budgets have been released.

President of the MAV, Cr Brad Matheson said that rates have been forced up across the state due to a

number of serious, external cost pressures on councils including a $114 million shortfall in superannuation

liabilities, 17% increase in contributions to the Metropolitan Fire and Emergency Services Board and public

liability insurance increases of 25 – 44%.

“In real terms, this is the first time that local government has collected more in rates statewide since council

amalgamations in 1993.

“Despite the rate increases, local government still only collects 3 cents of every tax dollar in Australia to

provide more than one hundred services for their local communities,” said Cr Matheson.

In addition to the services they provide, councils in Victoria are responsible for $33 billion worth of assets

and infrastructure including roads, bridges, town halls, recreation and leisure facilities, drains, libraries and

parks.

“Communities have a right to expect their council to provide the range of services they do. But at the same

time as communities’ expectations are increasing, funding for community services from other levels of

government is diminishing.

“So long as councils are dependant on rates and financial assistance grants, rates will continue to increase. It

is time to debate a fairer tax system in Australia that provides recurrent funding to meet the ongoing needs of

communities,” Cr Matheson concluded.

Specific initiatives to be funded in 2003-04 council budgets include new kerbside waste services,

reinstatement of landfills, new statutory planning staff, community centre developments, stormwater

drainage works, nursing home facilities, construction of refuse transfer stations, development of childcare

centres and new dog pounds.

Councils have fair and reasonable approaches to the collection of rates including flexible payment options,

capping rate increases for individual properties, remissions and postponement of payments, including

lifetime postponement options.

**- Ends -**

*For further information, copies of the rate data or to organise a media interview contact:*

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**COUNCIL RATES 2003/04**

All **draft budget** data has been supplied by individual councils and collated by the MAV.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **COUNCIL** |  |  |  |  |  |  |  |  |  |  |  |
|  | $ per property | $ per assessment | $ increase | % of total rate revenue | Payment method | 2003/04 | $ allocated | 2203/04 | $ allocated | Status | Due Date |
| ALPINE(S) | $ 107,600 | $ 795 | $ 34 | 6.0% | interest only | Sports facility improvements | $235,000 | Township flood mitigation strategy | $100,000 | Draft app | 2-Jul |
| ARARAT(RC) | $ 58,500 | $ 588 | $ 32 | 10.7% | interest only | Three playground upgrades | $90,000 | Swimming pool upgrade | $90,000 | Draft app | 17-Jun |
| BALLARAT(C) | Draft budget thrid week July | |  |  |  |  |  |  |  | Wk 1 July |  |
| BANYULE(C) | $ 267,500 | $ 742 | $ 67 | 6.8% | single payment | New kerbside waste service | $5.2m | Shopping centre powerline relocation | $648,000 | Draft app | 23-Jun |
| BASS COAST(S) | $ 139,000 | $ 683 | $ 78 | 6.5% | 10 instalments | Public library construction | $2.8m | Indoor pool refurbishment | $273,000 | Draft app | 6-Aug |
| BAW BAW(S) | $ 98,000 | $ 740 | $ 30 | 5.9% | undecided | Arts centre complex upgrade | $348,000 | Gravel roads improvement program | $500,000 | Draft app |  |
| BAYSIDE(C) | $ 445,000 | $ 900 | $ 99 | 3.9% | single payment | Additional capital projects | $1.1m | Expansion of community services inc. HACC, M&CH | $250,000 | Draft app | 30-Jun |
| BENALLA (S) | Draft budget 23 July | |  |  | 10 instalments |  |  |  |  | 23 July | 31-Jul |
| BOROONDARA(C) | $ 520,000 | $ 1,061 | $ 64 | 5.4% | 10 instalments | Netball courts design & construction | $550,000 | Library books purchase | $1.2m | Draft app | 14-Jul |
| BRIMBANK(C) | Draft budget 8 July, data not yet available | | |  |  |  |  |  |  | 8 July |  |
| BULOKE(S) | Draft budget late July | |  |  |  |  |  |  |  | Draft July |  |
| CAMPASPE(S) | not available | $ 721 | $ 39 | 0.8% | 10 instalments | Four bridge construction projects | $260,000 | Streetscape projects in three towns | $370,000 | Draft app | 24-Jun |
| CARDINIA(S) | $ 158,000 | $ 564 | $ 37 | 5.1% | 10 instalments | New aquatic facility | $7.5m | Grants to local groups for capital improvements | $330,000 | Draft app | 7-Jul |
| CASEY(C) | $ 153,000 | $ 674 | $ 41 | 4.5% | undecided | New recreation site development | $1.5m | New road construction project | $1.4m | Draft app | 10-Jun |
| CENTRAL GOLDFIELDS(S) | $ 79,000 | $ 729 | $ 59 | 3.7% | 10 instalments | Drainage works | $100,000 | Economic development - industry attraction | $120,000 | Draft app | 24-Jun |
| COLAC-OTWAY(S) | $ 88,000 | $ 681 | $ 35 | 6.3% | interest only | Colac landfill reinstatement | $1.1m | Local roads reconstruction | $2.9m | Draft app | 9-Jul |
| CORANGAMITE(S) | $ 98,000 | $ 656 | $ 50 | 8.1% | single payment | Streetscape improvements | $300,000 | New works depot | $1m | Draft app | 24-Jun |
| DAREBIN(C) | $ 232,000 | $ 718 | $ 53 | 7.0% | 10 instalments | Town Hall redevelopment opening | $80,000 | Two new statutory planners | $90,000 | Draft app | 14-Jul |
| EAST GIPPSLAND(S) | $ 82,000 | $ 688 | $ 12 | 4.5% | single payment | Increased (EPA) waste management costs | $800,000 | Marina facilities extension | $2.5m | Draft app |  |
| FRANKSTON(C) | $ 142,500 | $ 681 | $ 63 | 4.9% | 2 instalments | Foreshore development project | $2.25m | Capital works and infrastructure development | $22.7m | Draft app | 21-Jul |
| GANNAWARRA(S) | Draft budget - third week July | |  |  |  |  |  |  |  | Wk 3 July |  |
| GLEN EIRA(C) | $ 326,000 | $ 779 | $ 50 | 2.0% | 2 instalments | Library & community centre project | $1m | Completion of Bentleigh Hodgson project | $3.2m | Draft app | 7-Jul |
| GLENELG(S) | $ 93,000 | $ 502 | $ 42 | 8.6% | single sum with 10yr f | Local roadworks | $2.45m | Televillage/library redevelopment | $418,000 | Draft app | 22-Jul |
| GOLDEN PLAINS(S) | $ 102,000 | $ 528 | $ 47 | unknown | interest only | Community centre development | $1.6m | New equestrian centre | $460,000 | Draft app | 26-Jun |
| GREATER BENDIGO(C) | Draft budget mid Juy | |  |  |  |  |  |  |  |  |  |
| GREATER DANDENONG(C) | $ 151,000 | $ 599 | $ 41 | 6.4% | 10 instalments | Integrated community centre, Noble Park | $4m | Town Hall redevelopment into perform. arts centre | $7.75m | Draft app | 16-Jun |
| GREATER GEELONG(C) | $ 157,500 | $ 747 | $ 51 | 6.5% | undecided | Garbage service | $2.1m | Infrastructure asset maintenance | $1.9m | Draft app |  |
| GREATER SHEPPARTON(C) | $ 120,800 | $ 750 | $ 35 | 5.4% | single payment | Showgrounds redevelopment | $1m | Garbage bin replacement | $800,000 | Draft app | 1-Jul |
| HEPBURN(S) | $ 92,600 | $ 738 | $ 101 | 6.6% | interest only | $27 pensioner rate subsidy per property | $41,600 | 20-Year Community Plan | $30,000 | Draft app | 15-Jul |
| HINDMARSH(S) | $ 43,500 | $ 423 | $ 28 | 10.0% | interest only | Waste Transfer Station | $300,000 | Kindergarten subsidy | $50,000 | Drat app | 2-Jul |
| HOBSON'S BAY(C) | $ 226,000 | $ 727 | $ 50 | 4.4% | undecided | Road works and traffic management | $7.4m | Senior citizens, kinder and community centre | $1.1m | Draft app | 1-Jul |
| HORSHAM(RC) | $ 100,000 | $ 780 | $ 74 | 11.4% | interest only | Industrial estate development | $1.2m | Major stormwater drainage | $495,000 | Draft app | 7-Jul |
| HUME(C) | $ 160,000 | $ 689 | $ 77 | 5.8% | interest only | Increased footpath rehabilitation | $1m | New waste management strategy implementation | $1.3m | Draft app | 14-Jul |
| INDIGO(S) | $ 101,250 | $ 739 | $ 27 | 6.3% | 10 instalments | Local road maintenance | $950,000 | Four swimming pool refurbishments | $225,000 | Draft app | end June |
| KINGSTON(C) | $ 235,000 | $ 769 | $ 115 | 5.6% | single payment | Aged care funding | $850,000 | Sporting ground upgrades | $912,000 | Draft app |  |
| KNOX(C) | $ 170,000 | $ 671 | $ 99 | 6.0% | 10 instalments | Community Centre redevelopment | $3.5m | Asset rehabilitation projects | $5.3m | Draft app | 22-Jul |
| LATROBE(C) | Draft budget late July | |  |  |  |  |  |  |  | late July |  |
| LODDON(S) | $ 38,100 | $ 448 | $ 16 | 9.1% | interest only | Capital works program | $5m | Waranga Western Channel upgrade | $200,000 | Draft app |  |
| MACEDON RANGES(S) | $ 145,000 | $ 917 | $ 83 | 7.0% | single payment | Aquatic Centre and indoor pool | $2.7m | Refuse transfer station construction | $1m | Draft app | 23-Jul |
| MANNINGHAM(C) | $ 353,000 | $ 997 | $ 86 | 4.0% | interest only | Nursing home facility | $5m | Aquarena upgrade (pool & fitness centres) | $420,000 | Draft app |  |
| MANSFIELD (S) | $ 92,000 | $ 718 | $ 51 | 1.7% | single payment | Community Interpretive centre | $1.3m | Community streetscape works | $675,000 | Draft app | 25-Jun |
| MARIBYRNONG(C) | $ 215,000 | $ 900 | $ 57 | 5.2% | 2 instalments | Aquatic Centre development | $2m | Public library redevelopment | $750,000 | Draft app | 14-Jul |
| MAROONDAH(C) | $ 205,000 | $ 749 | -$45 | 5.7% | 10 instalments | Pool water filtration system replacement | $176,000 | Grafitti Action Plan | $50,000 | Draft app | 7-Jul |
| MELBOURNE(C) | $ 294,000 | $ 727 | $ 14 | 0.2% | single payment | 70 place childcare centre development | $1.8m | Community precinct development | $2.1m | Draft app |  |
| MELTON(S) | $ 140,000 | $ 818 | $ 45 | 3.6% | undecided | Community centres | $1.8m | Sealing gravel roads | $1m | Draft app | 7-Jul |
| MILDURA(RC) | $ 124,000 | $ 888 | $ 58 | 6.0% | 3 instalments | Stage 1 drainage system project | $2.5m | Disabled access improvement program | $50,000 | Draft app | 3-Jul |
| MITCHELL(S) | $ 120,000 | $ 706 | $ 28 | 6.0% | 10 instalments | Public library refurbishment | $400,000 | New landfill | $1m | Draft app | 10-Jun |
| MOIRA(S) | Draft budget 28 July | |  |  |  |  |  |  |  | 7 July |  |
| MONASH(C) | $ 270,000 | $ 625 | $ 45 | 3.3% | 10 instalments | Aged care centre improvements | $345,000 | New community facility | $12m | Draft app | 24-Jun |
| MOONEE VALLEY(C) | $ 304,000 | $ 856 | $ 89 | 3.2% | 10 instalments | Increase in capital works program | $1.4m | Floodlights at sporting grounds | $60,000 | Draft app | 24-Jun |

**2003/04 Rate on**

**median residential**

**property**

**LAS shortfall (exc.**

**17.65% contrib.**

**tax)**

**2003/04 Rate rise**

**on median**

**residential**

**property**

**Major budgetary**

**initiatives**

**Major budgetary**

**initiatives**

**2003/04 Median**

**residential**

**property value**

**LAS shortfall**

**Draft Budget**

**Final Budget**

**Cost per**

**budgetary**

**initiative**

**Cost per**

**budgetary**

**initiative**

**COUNCIL RATES 2003/04**

All **draft budget** data has been supplied by individual councils and collated by the MAV.

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| **COUNCIL** |  |  |  |  |  |  |  |  |  |  |  |
|  | $ per property | $ per assessment | $ increase | % of total rate revenue | Payment method | 2003/04 | $ allocated | 2203/04 | $ allocated | Status | Due Date |
| MOORABOOL(S) | Draft budget 9 July | |  |  |  |  |  |  |  | 9 July |  |
| MORELAND(C) | $ 246,000 | $ 813 | $ 53 | 6.3% | interest only | Interim community house | $373,000 | Increase in capital works program ($9.5m) | $1.5m | Draft app | 14-Jul |
| MORNINGTON PENINSULA(S) | $ 187,000 | $ 534 | $ 44 | 4.4% | 10 instalments | Road reconditioning & resealing | $3.5m | Recreation centre & public library capital works | $24.1m | Draft app | 14-Jul |
| MOUNT ALEXANDER(S) | $ 126,000 | $ 728 | $ 60 | 6.5% | 10 instalments | Urban stormwater works | $120,000 | Swimming pool works | $409,000 | Draft app | 24-Jun |
| MOYNE(S) | Draft budget 15 July | |  |  |  |  |  |  |  | 15 July |  |
| MURRINDINDI(S) | $ 167,000 | $ 834 | $ 45 | 6.0% | 10 instalments | Re-sheeting of gravel roads | $668,000 | Recreation pavilion reconstruction | $172,000 | Draft app | 15-Jul |
| NILLUMBIK(S) | $ 260,000 | $ 978 | $ 35 | 4.9% | 10 instalments | Extension of occassional care centre | $425,000 | Playground equipment upgrades | $50,000 | Draft app | 9-Jul |
| NORTHERN GRAMPIANS(S) | $ 71,000 | $ 715 | $ 55 | 8.0% | single payment | Public mall upgrade | $773,000 | Public library development | $340,000 | Draft app | 10-Jul |
| PORT PHILLIP(C) | $ 400,000 | $ 954 | $ 66 | 5.2% | single payment | Increase in capital works program | $15.2m | Waste truck modifications - OH&S compliance | $271,000 | Draft app | 21-Jul |
| PYRENEES(S) | $ 70,400 | $ 531 | $ 42 | 11.6% | interest only | Community building project | $156,600 | Support for 5 community enterprise centres | $256,000 | Draft app | 17-Jun |
| QUEENSCLIFFE(B) | $ 302,000 | $ 939 | $ 70 | 2.7% | interest only | Town Hall refurbishment | $500,000 | Tennis Club resurfacing & lighting system | $100,000 | Draft app | 1-Jul |
| SOUTH GIPPSLAND(S) | $ 99,000 | $ 644 | $ 20 | 6.3% | undecided | New leisure centre | $2.7m | Surf Life Saving Club support | $28,000 | Draft app | 23-Jul |
| SOUTHERN GRAMPIANS(S) | $ 102,660 | $ 600 | $ 45 | 10.8% | 10 instalments | Leisure & aquatic centre construction | $7m | Saleyards rebuilding program | $400,000 | Draft app | 13-Aug |
| STONNINGTON(C) | $ 362,000 | $ 651 | $ 50 | 5.8% | single payment | Public library redevelopment | $1.1m | Drainage works | $1.2m | Draft app | 21-Jul |
| STRATHBOGIE(S) | $ 82,800 | $ 808 | $ 94 | 7.1% | 10 instalments | New infrastructure initiatives | $1m | Hard waste collection | $30,000 | Draft app | 22-Jul |
| SURF COAST(S) | $ 255,000 | $ 929 | $ 52 | 3.8% | undecided | Visitor information centre construction | $895,000 | Increased funding for road resealing | $533,000 | Draft app | 1-Jul |
| SWAN HILL(RC) | Draft budget 2nd week July | |  |  |  |  |  |  |  | Wk 2 July |  |
| TOWONG(S) | $ 62,400 | $ 568 | $ 14 | 7.7% | 10 instalments | Tourism promotion | $66,000 | Public library building refurbishment | $108,500 | Draft app | 7-Jul |
| WANGARATTA(RC) | $ 98,000 | $ 726 | $ 52 | 7.2% | interest only | Ovens River/Faithful St redevelopment | $1.2m | Car park purchase and development | $505,000 | Draft app | 17-Jun |
| WARRNAMBOOL(C) | Draft budget 14 July | |  |  |  |  |  |  |  |  |  |
| WELLINGTON(S) | $ 62,000 | $ 570 | $ 28 | 6.0% | undecided | Community Centre development | $1.65m | Community Hub development | $730,000 | Draft app | 17-Jul |
| WEST WIMMERA(S) | $ 69,900 | $ 509 | $ 35 | 10.0% | 10 instalments | Comprehensive asset management system | $100,000 | New plant equipment for infrastructure maintenance | $500,000 | Draft app | 15-Jul |
| WHITEHORSE(C) | $ 252,000 | $ 625 | $ 63 | not funded from rates | undecided | Aquatic & Fitness Centre redevelopment | $7.1m | Road under/overpass feasability study | $80,000 | Draft app | 23-Jun |
| WHITTLESEA(C) | not available | $ 712 | $ 19 | 2.9% inc regional library | single payment | M&CH centre, preschool & meeting space | $1.2m | Irrigation management system | $284,000 | Draft app | 8-Jul |
| WODONGA(RC) | $ 127,000 | $ 1,035 | $ 67 | 7.5% | interest only | Road, parks & gardens increased funding | $252,000 | Transfer station & landfill rehabilitation | $1.6m | Draft app | 26-Jun |
| WYNDHAM(C) | $ 135,000 | $ 831 | $ 24 | 5.7% | 3 instalments | Community centres | $2.6m | Existing road rehabilitation | $7.0m | Draft app | 14-Jul |
| YARRA (C) | $ 330,000 | $ 921 | $ 65 | 5.0% | 2 instalments | Public pool redevelopment | $1.3m | Public library refurbishment | $750,000 | Draft app | 8-Jul |
| YARRA RANGES(S) | $ 180,000 | $ 833 | $ 68 | 6.5% inc regional library | single payment | Increase in capital works program | $2.9m | Meals on wheels program | $626,000 | Draft app | 8-Jul |
| YARRIAMBIACK(S) | $ 74,000 | $ 585 | $ 53 | 9.4% | 10 instalments | New dog pound | $60,000 | Youth leadership program | $18,000 | Draft app | 22-Jul |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Responses: 67 of 79 councils** |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **LAS payment options determined by councils:** | | | | | | | | | | | |
| 9 undecided |  |  |  |  |  |  |  |  |  |  |  |
| 15 single payment |  |  |  |  |  |  |  |  |  |  |  |
| 15 interest only |  |  |  |  |  |  |  |  |  |  |  |
| 4 instalments over 2 years |  |  |  |  |  |  |  |  |  |  |  |
| 2 instalments over 3 years |  |  |  |  |  |  |  |  |  |  |  |
| 23 instalments over 10 years |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Notes** | | | | | | | | | | | |
| Whitehorse Council's LAS shortfall will not be funded from rates | | | | | | | | | | | |
| Knox Council is changing to CIV valuation base from Site Value for 2003/04 rating period | | | | | | | | | | | |
| Maroondah Council is changing to CIV valuation base from Site Value for 2003/04 rating period. Median residential property rates will **decrease.** | | | | | | | | | | | |
| Maroondah Council will review payment of LAS shortfall when WorkCover situation is clarified | | | | | | | | | | | |

**2003/04 Rate on**

**median residential**

**property**

**LAS shortfall (exc.**

**17.65% contrib.**

**tax)**

**2003/04 Rate rise**

**on median**

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**property**

**Major budgetary**

**initiatives**

**Major budgetary**

**initiatives**

**2003/04 Median**

**residential**

**property value**

**LAS shortfall**

**Draft Budget**

**Final Budget**

**Cost per**

**budgetary**

**initiative**

**Cost per**

**budgetary**

**initiative**

**FACT SHEET**

**# 1: FUNDING OF LOCAL GOVERNMENT**

**Tax Collection in Australia**

A snapshot of taxation collection in Australia shows, that whilst local government collects

only three cents of every dollar raised through taxes, it spends 11 cents. This is more than

three times what it collects.

**Local Government Funding Sources**

There are several sources of funding for local government in Australia:

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Rates on property

Fees, fines and charges (eg. swimming pool entry fees, waste depot fees, planning

permit fees, parking fees and fines)

Borrowings (eg. to pay for large infrastructure projects), asset sales, donations,

contributions, reimbursements and interest earned

Specific purpose grants from State and Commonwealth Government, for funding

specific projects or programs

General purpose grants from State and Commonwealth Government that are not tied

to a specific purpose.

\* State and Commonwealth Government grants are typically derived from a sharing of

taxation revenue.

The total funding for local government in Victoria in 2001 from all sources was $3.1 billion.

This can be broken down as follows:

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



$2.4 billion or 78% in rates, fees, fines and charges

$372 million or 12% in specific purpose grants

$326 million or 10% in untied revenue from general purpose grants.

*\* Commonwealth and Victorian Grants Commission data from 2001-02 has been used in this*

*fact sheet.*



|  |  |  |
| --- | --- | --- |
|  | **Tax Collection** | **Expenditure** |
| Commonwealth Government | 70% | 35% |
| State Government | 27% | 54% |
| Local Government | 3% | 11% |

**FACT SHEET**

**# 2: SETTING A COUNCIL BUDGET & RATES**

**Council Budget**

Victoria’s 79 councils operate as separate entities with different local issues, costs and service

provision needs. Each council budget is different to reflect local community needs and

priorities. However, there is a common legislated framework for setting a budget that

councils must follow, as set out in the Local Government Act 1989.

Each year a council establishes the maintenance needs of its assets and infrastructure and the

community services and facilities that will be provided in the next financial year, and how

much this will cost.

This information is adopted as a draft budget, which is advertised and open to public

comment for a minimum of 14 days, as required by legislation. This process enables comm-

unity discussion and input into the development of council priorities for the coming year.

Within a council budget is the estimated revenue that will be collected from other sources

such as State and Federal Government funding and from loans. Councils then determine the

amount required to be collected in rates to meet their financial responsibilities.

**Council Rates**

Council rates can comprise up to three components – municipal charges, garbage charges and

rate in the dollar.

Councils begin the rate process by determining any municipal and garbage (service) charges

in order to recover part of a council’s administrative cost and the cost of providing waste

collection and disposal services respectively.

Once these discretionary charges have been accounted for, councils determine the rate in the

dollar by dividing the balance of the required budget revenue by the total value of all rateable

properties in the municipality. The rate in the dollar is then multiplied by the value of a

property (using one of three valuation bases) to establish the amount to be paid by each

property owner. This amount is known as the general rates.

General rates are added to any municipal and garbage charges set by a council to determine

the total rates payable on a property.

Contrary to popular belief, rising property values have no impact on council revenue

collection. As noted above, council budgets are pre-determined to meet expenditure

requirements. However, movements in market value of a particular property may lead to an

increase in the size of the rate bill for that particular property relative to its increased value.



**FACT SHEET**

**# 3: COUNCIL RATING BASES**

Each Victorian council chooses one of three valuation bases for their municipality - Capital

Improved Value (CIV), Site Value (SV), or Net Annual Value (NAV).

The common process for calculating each of the three valuation bases is as follows:

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Every two years council valuers have a statutory requirement to conduct a review of

property values based on market movements and recent sales trends

The last revaluation is based on levels as at 1 January 2002

Council valuers undertake a physical inspection of a sample of properties

The total value of the municipality is used as the base against which a councils strikes

its rate in the dollar

The rate in the dollar is multiplied by the CIV, SV or NAV value of the property to

determine the general rates due on each property

The Valuer General is responsible for reviewing the total valuation of each

municipality for accuracy before he certifies that the valuation is true and correct.

**Capital Improved Value**





CIV refers to the total market value of the land plus the improved value of the

property including the house, other buildings and landscaping, as determined by a

valuer.

Currently used by 72 councils

**Site Value**





SV refers to the unimproved market value of the land

Currently used by one council, Monash City Council.

**Net Annual Value**







NAV is the annual rental a property would render, less the landlord’s outgoings (such

as insurance, land tax and maintenance costs) or 5% of the CIV for residential

properties and farms

The value is higher for commercial/industrial and investment properties

Currently used by six councils (Glen Eira, Maribyrnong, Melbourne, Port Phillip,

Yarra and Whittlesea)



**FACT SHEET**

**# 4: COUNCIL RESPONSIBILITIES**

The purpose of local government is to provide for the peace, order and good government of

its municipal area, to facilitate and encourage development, to provide services and facilities

for the community and manage, improve and develop the resources of the district.

Local government must operate in accordance with the Local Government Act (1989) and

has responsibility for implementing many diverse programs, policies and regulations set by

State and Federal Government. Councils have to be flexible and therefore have powers to set

their own regulations and by-laws and provide a range of discretionary services in response

to local community needs.

Each Victorian municipality is different – its community may be young or old, established or

still developing, rural or urban, and its population may vary from less than 4,000 people to

more than 185,000 people. Some councils also have a large transient population due to their

attractiveness as a holiday or tourism destination.

Local government collects rates from residents and businesses in their municipality to help

fund its community infrastructure and service obligations.

Councils in Victoria are responsible for $33 billion worth of assets and infrastructure

including roads, bridges, town halls, recreation and leisure facilities, drains, libraries and

parks.

They also provide more than 100 services for local communities from cradle to grave. Every

time a person leaves their house they are using services provided by their council.

From foot and bike paths, public street lighting, litter bins, school crossings, library books,

internet services, sporting facilities, community meeting spaces and places, swimming pools,

public playgrounds, bus shelters, parking spaces, community banking and public tips to dog

litter disposals, removal of dumped rubbish, youth and family counselling and support, baby

capsule hire, childcare programs, preschools & kindergartens, school holiday programs, head

lice and immunisation programs.

Many council services are also provided to residents in their homes including in-home child

care, parenting and baby health advice by maternal and child health nurses, multilingual

telephone services, provision of permits for parking, demolition, building and renovations,

garbage, recycling and hard waste collections, home maintenance, meals on wheels,

gardening services and respite care.

Local laws developed by councils deal with important community safety, peace and order

issues such as public health, management of council property, environment and amenity.

Local laws often apply to noise, fire hazards, abandoned vehicles, parking permits, street

stalls, disabled parking, furniture on footpaths, graffiti, burning off, animals in public spaces,

nuisance pets and busking permits.



**FACT SHEET**



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| **COUNCIL**  **SERVICE** | **PROGRAM** | **EXAMPLE** |
| **General public**  **services** | Emergency prevention & protection | Community disaster/emergency plans |
| Animal management and control | Animal shelters, pet registration |
| Tourism | Visitor information centres, marketing plans |
| Commerce and industry | Local industry networks, incentive programs |
| Community information | Community directory, websites/online services,  counselling & support groups |
| **Health, Welfare**  **and Community**  **Services** | Aged care programs | Meals on wheels, home care |
| Maternal & child health services | Health checks, nutrition and parenting advice |
| Family & children’s services | School immunisations, childcare, playgroups |
| Youth services | School holiday programs, aerosol art program |
| Disability services | Wheelchair access in the community |
| Cultural development | Festivals, public art, theatre productions |
| Public libraries | Interactive media services, free internet access |
| Leisure and recreation services | Swimming pools, sports ovals, |
| Housing | Housing diversity through planning schemes |
| Public health services | Food safety inspection, public toilets |
| Employment | Community jobs program, traineeships |
| Migrant and indigenous services | Language aides, multilingual phone lines |
| **Planning** | Statutory planning | Land use regulation, planning application  assessment, zone and overlay controls |
| Strategic planning | Neighbourhood character, heritage overlays |
| Planning system reforms | Pre-lodgement certification |
| Built form sustainability | Energy efficient housing |
| **Land Use**  **Management** | Rural land use management | Agricultural production, chemical use |
| Forestry/Timber Towns | Forest regulation enforcement on private land,  supervising timber harvesting |
| Native title/Indigenous cultural heritage | Recognition of traditional land owners |
| **Environment** | Waste management | Kerbside recycling, landfills, compost bins |
| Catchment management | Tree planting, protection of water catchments |
| Stormwater management | Litter traps, flood and litter management |
| Native vegetation management | Retention/conservation of native vegetation, tree  clearance permits |
| Salinity and water quality | Reticulated sewerage, Waterwatch, drainage |
| Water re-use programs | Septic tanks, greywater on public parks/gardens |
| Weed management | Weed/pest control for roadside reserves,  provision of Weed Officers |
| Sustainability | Solar heating for buildings & pools, provision  of walking tracks & paths to reduce car use |
| Green purchasing programs | Recycled asphalt, signage, mulch & compost |
| **Infrastructure**  **& Assets** | Asset maintenance and development | Town halls, historic buildings, |
| Road construction and maintenance | Roads, roundabouts, bridges, speed humps |
| Footpath constructions & maintenance | Nature strips, bike paths, street cleaning |
| Traffic and parking management | Traffic and parking signs |
| Community safety measures | Public lighting, fire prevention plans |
| Public space maintenance | Parks & gardens, street cleaning, cemeteries |
| Leisure facilities | Recreation and community centres |
| Telecommunications & broadband  infrastructure | Wired Development collaborative venture |

**FACT SHEET**

**# 5: COUNCIL COST PRESSURES 2003**

A number of cost pressures currently facing local government is having a significant impact

on council budgets, which in turn affects the rates collected by a council. Some of these cost

pressures include:

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Funding for maintenance of ageing infrastructure and assets is a major cost for

councils. The Auditor General identified a backlog of between $1.5-$2.7 billion for

maintenance of ageing infrastructure in 2002 and the MAV has calculated an annual

infrastructure spending deficit of approximately $256 million.

Repayment of LAS defined benefits superannuation scheme shortfall of $114m

Council topping up of State and Federal funding to continue the provision of

important community services such as home and community care at current levels

Local government public liability insurance increases between 25 – 44%

17% increase ($3.2m extra) in Metropolitan Fire and Emergency Services Board

(MFESB) funding contributed by 24 metropolitan councils as a result of an enterprise

bargaining agreement struck between the MFB and State Government. Local

government contributes 12.5% of all funding for metropolitan fire services in Victoria,

based pro-rata on each council’s share of the state-wide net annual value (NAV) of

rateable property.

Upfront lodgement fees to PERIN, combined with low recovery rates for outstanding

fines. Thirty-one councils surveyed by the MAV in late 2002 were charged $69

million in lodgment fees to PERIN in the 5-year period to 30 June 2002, yet for that

same period, PERIN recovered less than $20 million.

Additional staff costs for local government employed childcare workers as a result of

ASU case lodged and settled at the Australian Industrial Relations Commission

(AIRC). Forty-four Victorian councils will pay wage increases of between 5 – 15% to

childcare workers by June 2004.

Additional costs for implementation of new kerbside waste collection services that

comply with WorkSafe OH&S guidelines

Upcoming completion of the State Government’s Blackspot program and cuts to the

state’s regional road maintenance budget.

The expected completion of the Federal Government’s Roads to Recovery program in

2005.



**FACT SHEET**

**Rural Councils**

The combination of large land size and declining population bases makes it difficult for many

rural councils to maintain ageing infrastructure including thousands of kilometres of roads,

bridges, community health and recreation facilities, drains and parks.

Many of these councils are reliant on general and special purpose grants from other levels of

Government to provide important community services and infrastructure.

Historically, rural councils have struck higher rates than metropolitan councils, relative to

both valuations and especially household incomes, in order to maintain current levels of

service.

Rural councils also have much larger road networks to manage, with an average 200 km of

roads for every 1000 residents, compared with 6 km of roads for every 1000 metropolitan

residents. Road spending therefore takes a higher proportion of rural councils’ annual

budgets.

Droughts and bushfires in rural and regional Victoria over the last 12 months have also

caused considerable hardship for many communities, with councils directing considerable

resources towards local recovery and assistance measures.

