



15.4

I, Councillor Dick Gross, give notice that I intend to move the Motion outlined below at the Ordinary Meeting of Council on 18 April 2018:

That Council submits to the Municipal Association of Victoria (MAV) State Council, the following motion:

1. That the MAV advocate that the State Government retain the ability for councils to set appropriate rates rather than enshrine rate capping in the Local Government Act.
2. That the MAV advocate that the State Government retain the ability for councils to set the appropriate method for determining land value for ratings purposes for their community, rather than enshrine the mandatory use of capital improved value.

Supporting Information

The Victorian Government has produced an Exposure Draft Local Government Act Bill.

Councils are concerned about enshrining rate capping in the bill. This will limit the ability of Councils to properly and effectively respond to the needs of our community.

Another of our concerns relates to the requirement that Councils (other than Melbourne) use capital improved value to value land for rating purposes.

Five Victorian Councils utilise the Net Annual Value (NAV) method to value land for the purpose of calculating rates. The method is well established and well understood. The changes proposed to the Local Government Act will use Capital Improved Value to determine rates. In Councils like the City of Port Phillip this could see a significant shift in the rates burden from non-residential (Commercial) to residential property owners. For example, in the City of Port Phillip residential buildings will, on average, be paying 4.5% more per year in rates. We think that this part of the bill should be reconsidered.