



3. RECOMMENDATION

That Council:

- 3.1 Declares an amount of \$124,663,534 to be raised by general rates and service charges for the period 1 July 2018 to 30 June 2019, as required by *Section 158 of the Local Government Act 1989*.
- 3.2 Declares a uniform general rate in the dollar of 3.4808 cents in the dollar on the 2018 Net Annual Value of all rateable properties within the municipality.
- 3.3 Declares an annual garbage charge of \$290 per tenement on all non-rateable properties that receive waste management services from the City of Port Phillip.
- 3.4 Declares an annual garbage bin surcharge of \$150 for tenements that are provided with a 240 litre bin for the collection of non-recyclable waste.
- 3.5 Declares the properties on Attachment 1 to be “Recreational Lands” and that the level of charges for these properties be set in accordance with percentages of the general rate also shown on Attachment 1.
- 3.6 Grants a rebate equivalent to half the general rate for the elderly persons flats as outlined in Attachment 2, in accordance with the agreement between Council and the Ministry of Housing.
- 3.7 Subject to the consent of the Minister for Local Government, treats any person(s) who has been excused the prescribed amount of the general rate for the year ending 30 June 2018 in accordance with the *State Concessions Act 2004* as being similarly eligible for 2018/19.
- 3.8 Grants a Council rebate of \$165 (maximum) to those persons who satisfy eligibility requirements noting that the total value of the combined State Government rebate (maximum \$229.40) and Council rebate will not exceed 50% of the general rate payable for the financial year.
- 3.9 Adopts the penalty interest rate in accordance with the *Penalty Interest Rates Act 1983* at the prescribed rate (10%) as at 1 July 2018 fixed by the Governor in Council for general rates and charges that remain unpaid after the payment dates prescribed by the Governor in Council.
- 3.10 Confirms the *previously* declared special rate schemes for 2018/19:



Special Rate Scheme	Annual Amount
Port Melbourne Business Precinct Marketing, Management and Business Development	Maximum \$260,000
Fitzroy Street and Environs Business Precinct Marketing, Management and Business Development	Maximum \$197,000
St Kilda Village Business Precinct Marketing, Management and Business Development	Maximum \$195,000

3.11 Adopts the following payment dates and due dates:

Payment Type Description	Due Date	Interest from
Full payment	15 Feb, 2019	Same as instalments
1 st Instalment	30 Sept, 2018	1 October, 2018
2 nd Instalment	30 Nov, 2018	1 December 2018
3 rd Instalment	28 Feb, 2019	1 March, 2019
4 th Instalment	31 May, 2019	1 June, 2019

3.12 Authorises the Coordinator Revenue, Valuations and Accounting Services to collect all rates and charges and the Fire Services Property Levy.

4. KEY POINTS/ISSUES

- 4.1 Based on the Budget 2018/19, it is recommended that Council declares an amount of \$124,663,534 to be raised for general rates and service charges for 2018/19.
- 4.2 In accordance with Council's Rating Policy, general rates will be raised by the application of a proposed uniform rate levied at 3.4808 cents in the dollar on the 2018 Net Annual Value of all rateable properties within the municipality.
- 4.3 Charges for waste management services have increased (refer to 5.2 & 5.3).
- 4.4 Under the guidelines of the *Penalty Interest Rates Act 1983*, the interest rate set by the Attorney General remains the same at 10% per annum with effect from July 2018 for arrears rates and charges.
- 4.5 In conjunction with the State Government Pensioner rate rebate of \$229.40 (previously \$223.80), Council will continue to offer an additional rebate to pensioners who hold an eligible pensioner concession card. The Council pensioner rate rebate has been increased from \$160 to \$165 for 2018/19.

ORDINARY MEETING OF COUNCIL 20 JUNE 2018



- 4.6 Through special rate schemes, Council will continue to sustain marketing and promotion activities for the support and further development of small and local business within our community. Council intends to raise up to \$ 652,000 for the Port Melbourne Special Rate Precinct, St Kilda Village Activity Centre, and the Fitzroy Street St Kilda and Environs Business Precinct schemes.
- 4.7 Council intends to issue rate notices by 31 July 2018. Ratepayers have the option of paying these in full by 15 February 2019, in four instalments commencing 30 September 2018 and ten instalments via direct debit commencing 15 September (registration is required).
- 4.8 Council will continue to raise and collect the Fire Services Property Levy as directed by State Government, in accordance with the Fire Services Property Levy Act 2012. The State Government has advised that the \$50 fixed rebate will not be increased for this financial year. The rebate will automatically be applied against the FSPL for all beneficiaries who are eligible to receive a concession under the *State Concessions Act 2004 and Section 171 (4)(f) of the Local Government Act 1989*.
- 4.9 All payments received from ratepayers on their Council rates and charges accounts will be apportioned between the rates and charges and the Fire Services Property Levy as legislated. Council is required to transfer all levy amounts collected directly to the State Government on a quarterly basis.
- 4.10 The Annual Rate Notice will be issued to all rateable and non-rateable properties late July 2018, together with the annual Council Rates and Valuations information (including registration for electronic notices).
- 4.11 Council Officers recommend the adoption of the proposed rates and charges noting their alignment with Council's Budget 2018/19 and Council's Rating Strategy.

5. DECLARATION OF RATES AND CHARGES FOR 2018/19

5.1 Amount Intended To Be Raised

- 5.1.1 That an amount of \$124,663,534 be raised by General Rates and Waste Charges, as described below:

Rate and Charge Type	\$
General Rate	\$124,479,184
240 Litre Bin Annual Service Charge \$150 per Waste Bin	\$308,250
Annual Non Rateable property Waste Management Service Charge – \$290 per Waste Bin	\$26,100
80 Litre Bin – Annual Rebate \$(60)	\$(150,000)
TOTAL GENERAL RATES AND SERVICE CHARGES	\$124,663,534

- 5.1.2 The distribution of the general rates, supplementary rates, waste charges and rebates levied will be as follows:



Rate and Charge Type	\$
Residential rates levied	\$99,573,356
Industrial rates levied	\$ 5,270,181
Commercial rates levied	\$ 19,635,647
Total General Rates Levied	\$124,479,184
Supplementary Rates Estimate	\$ 502,096
Cultural and Recreational Charges	\$76,099
Waste Bin Service Charges	\$ 184,350
Rate Rebates and adjustments (including penalty interest)	\$(342,259)
Total General Rates, Supplementary Rates and Service Charges Levied	\$124,899,470

Footnote: Supplementary Rates – Rates raised on newly created properties or properties that are revalued upwards following the completion of land improvements (new buildings).

- 5.1.3 That a general rate be declared for the period commencing on 1 July 2018 and concluding on 30 June 2019.
- 5.1.4 That it be further declared that the General Rate be raised by the application of a uniform rate in accordance with Section 158 of the Local Government Act 1989.
- 5.1.5 That the percentage of 0.034808 be specified as the uniform rate. Such percentage may be alternatively expressed as 3.4808 cents in the dollar on Net Annual Value (NAV).
- 5.1.6 That it be confirmed that the General Rate for all rateable land within the municipal district be determined by multiplying the NAV of each rateable land by that percentage so that the amount payable be 3.4808 cents in the dollar of the NAV.

5.2 Annual Non Rateable Garbage Service Charge

- 5.2.1 That an annual service charge be declared under Section 221 of the Local Government Act 1989, for the period commencing 1 July 2018 and concluding 30 June 2019.
- 5.2.2 That the annual service charge be declared for the collection and disposal (by Council) of refuse within the municipal district.
- 5.2.3 That the annual service charge be \$290 on non-rateable properties.
- 5.2.4 That the criteria specified below be the criteria, which form the basis of the annual service charge:



“Ownership and/or occupancy of non-rateable properties within the City of Port Phillip where Council collects and disposes of refuse of these properties”.

5.3 Garbage Bin Surcharge - Provision of 240 litre bins within the City of Port Phillip.

5.3.1 That an annual service charge be declared under Section 162 of the Local Government Act 1989, for the period commencing 1 July 2018 and concluding 30 June 2019. Where Council provides a 240 litre bin for the collection of waste (non recyclable) under the following criteria:

5.3.2 The annual service charge be the sum of \$150 per 240 litre bin;

5.3.3 That the criteria specified below be the criteria which forms the basis of the service charge;

“That where a 240 Litre Bin (non recyclable) has been supplied the charge will be applicable; the charge is for the provision of a 240 litre bin by Council and within the City of Port Phillip.”

5.4 General Rates Subject to *Cultural And Recreational Lands Act (1963)*

5.4.1 That in accordance with Section 5 of the Cultural and Recreational Lands Act 1963, the properties listed on Attachment 1 be declared “Recreational Lands” and the level of charges for these properties be set in accordance with the percentages shown in the attachment of the general rate which would otherwise be payable. Please note that Council’s policy on the maximum discount available to organisations that generate income from alcohol sales and/or gambling is 25%.

5.5 Ministry of Housing Rating Agreements

5.5.1 That in accordance with the Rating Agreements between the Ministry of Housing and the City of Port Phillip, Council grants a rebate equivalent to half the General Rate for the elderly persons flats as described on Attachment 2.

5.6 Government Rebates on Municipal Rates and Charges

5.6.1 That the Council, apply the pensioner concession rebate as at 1 July 2018 to all beneficiaries who were eligible as at 30 June 2018 in accordance with Section 171 (4)(f) of the Local Government Act 1989.

5.6.2 Any person(s) not eligible to continue to receive such assistance shall notify the Council within two months.

5.7 Council Pensioner Rebate

5.7.1 That a Council rebate under Section 171 of the Local Government Act 1989 be granted on general rates where the beneficiary is eligible to receive a State Government Rebate for the financial year 1 July 2018 to 30 June 2019.



- 5.7.2 The maximum value of the Council rebate will be \$165. The total value of the combined State Government and Council rebates will not exceed 50% of the general rate payable for the financial year.

5.8 Special Rates

That it be declared, that the following special rate schemes be raised in accordance with *Section 163 of the Local Government Act 1989*.

- 5.8.1 **Port Melbourne Special Business Precinct (For the Provision of Marketing And Promotion)**
(5 year scheme – 1 July 2016 to 30 June 2021)

- 5.8.2 That a special rate as previously declared be confirmed for the above period to raise an annual maximum amount of \$260,000.

- 5.8.3 **Fitzroy Street and Environs Business Precinct (For The Provision Of Marketing, Management and Business Development)**
(5 year scheme 1 July 2014 to 30 June 2019)

- 5.8.4 That a special rate as previously declared be confirmed for the above period to raise an annual maximum amount of \$197,000.

- 5.8.5 **St Kilda Village Business Precinct Special Rate (For the Provision of Marketing, Management and Business Development)**
(5 year scheme 1 July 2014 to 30 June 2019)

- 5.8.6 That a special rate as previously declared be confirmed for the above period to raise an annual maximum amount of \$195,000.

5.9 Rates And Charges Payment And Interest Policy

- 5.9.1 Under Section 167 of the Local Government Act 1989, ratepayers may pay rates and charges by lump sum by the date fixed by the Minister by notice published in the Government Gazette, or by instalments on the dates fixed by the Minister by notice published in the Government Gazette.

- 5.9.2 In accordance with Section 172 of the Local Government Act 1989, it is proposed that interest will be charged under the Penalty Interest Rates Act (1983) at the prescribed rate fixed by the Governor in Council on general rates, charges and all special rates that remain unpaid after the payment dates prescribed by the Governor in Council.

- 5.9.3 Where the prescribed date falls on a weekend or a public holiday, under the provisions of the Interpretation of Legislation Act (1984), the due date will automatically become the next working day.



Payment Type Description	Due Date	Interest from	2018/19 Interest Rate as at 1 July 2018
Full payment	15 Feb, 2019	Same as instalments (refer below)	10%
1 st Instalment	30 Sept, 2018	1 October, 2018	10%
2 nd Instalment	30 Nov, 2018	1 December 2018	10%
3 rd Instalment	28 Feb, 2019	1 March, 2019	10%
4 th Instalment	31 May, 2019	1 June, 2019	10%

Interest on Deferred Rate Applications from Ratepayers

5.9.4 Council resolved in October 2003, to introduce a 50% rebate on interest charged for approved deferred rate applications from pensioners who are eligible for a State Government pensioner rate remission. This concession has been extended to self-funded retirees over the age of 65 with effect from 1 July 2005.

5.9.5 In addition, this concession will continue to be extended to all ratepayers who have been assessed as experiencing financial hardship for a period of up to twelve months. The Financial Hardship Policy was adopted by Council on 27 June 2011.

When interest will apply from

5.9.6 Interest will be charged on outstanding rates and charges not paid by the dates as described in the dates and interest table above.

5.10 Legal Costs (Debt Recovery)

5.10.1 Where legal costs and recovery costs have been incurred by Council to recover arrears of rates and interest penalties, these costs will become a charge against the property.

5.11 Effective Date of Declaration

5.11.1 This declaration will become effective from 1 July 2018.

5.12 Determination of Annual Due Date for Rates and Charges

5.12.1 The due date for the Rates and Charges be set at 1 July, 2018, and is deemed to be the date on which any rates or charges are declared under the provisions of the Local Government Act 1989.



5.13 Consequential

- 5.13.1 That the Coordinator, Revenue, Valuations and Accounting Services be authorised to levy and recover the general rate, special rates, service charges and Fire Services Property Levy.
- 5.13.2 That all Rates and Revenue Staff be authorised to issue Land Information Certificates pursuant to Section 224 of the Local Government Act 1989.
- 5.13.3 That any charges, fees and fines as detailed in the Budget 2018/19 (other than a rate or charge declared under the Local Government Act 1989) be declared, fixed or imposed (as the case may be) and levied in accordance with the legislation authorising its declaration, fixing or imposition.

6. CONSULTATION AND STAKEHOLDERS

- 6.1 The proposed rate in the dollar of 3.4808 cents will result in a decrease of (11.4%) compared to Council's previous rate in the dollar of 3.9287 cents. This proposed increase ensures that Council has complied with the State Government imposed rate cap of 2.25% on Councils total rate revenue.
- 6.2 The draft Budget 2018/19 which includes the proposed rate in the dollar and revenue from rates, has been advertised and public submissions have been invited as required by Section 129 (2) of the Local Government Act 1989.

7. LEGAL AND RISK IMPLICATIONS

- 7.1 In accordance with Section 158 of the Local Government Act 1989, Council is required to declare rates and charges it intends to raise by 30 June for that financial year.
- 7.2 Council's primary revenue source is from municipal rates and charges. Failure to declare the rates or charges appropriately puts this revenue at risk.

8. FINANCIAL IMPACT

- 8.1 Council is budgeting to raise \$124 million in rates and charges in 2018/19 to fund operational and capital requirements. Rate revenue is Council's key source of income and represents approximately 57% of total revenue.
- 8.2 The declaration of rates and charges will allow Council to raise and collect the rates and charges for 2018/19.

9. ENVIRONMENTAL IMPACT

- 9.1 There is no direct environmental implication in declaring the Rates and Charges for 2018/19.



10. COMMUNITY IMPACT

- 10.1 Ratepayers who are experiencing financial hardship may be eligible for a rate deferment (including 50% waiver of the penalty interest rate) under the provisions of Council's Hardship Policy. Port Phillip also offers an additional rate rebate of \$165 (maximum) to pensioners who are eligible for the State Government Rebate of \$229.40 (maximum) and payment arrangements.
- 10.2 Self-funded (ratepayers aged 65 years or more) are also eligible for a rates deferment (including a 50% waiver of the penalty interest rate).

11. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 11.1 The Declaration is a statutory requirement under the Local Government Act 1989. It is required to enable Council to raise rates to fund council services. It therefore enables all Council Plan objectives.

12. IMPLEMENTATION STRATEGY

12.1 TIMELINE

The remaining implementation timelines in regards to the draft Council Plan 2017-27 and Budget 2018/19 are as follows:

Date	Action
20 June 2018	<ul style="list-style-type: none"> Consider and adopt the revised Council Plan 2017-27 and Budget 2018/19 Strike the rate
Before 30 June 2018	<ul style="list-style-type: none"> Notify the Minister for Local Government of the adoption of the integrated council Plan and provide a copy
30 June 2018	<ul style="list-style-type: none"> Public notice of the adoption of the Budget 2018/19
Early July 2018	<ul style="list-style-type: none"> Advise people who made submissions of Council's final decisions
31 July 2018	<ul style="list-style-type: none"> Issue annual rate notices

COMMUNICATION

- 12.2.1 The proposed rate in the dollar will result in a decrease in Council's rate in the dollar. The decrease in the rate in the dollar on the revised valuations (General Valuation 2018) will enable Council to raise 2.25% in additional rate revenue and comply with the rate cap set by State Government.
- 12.2.2 Council has managed to comply with the rate cap without cutting services. We have achieved this through a disciplined budget setting process and a commitment to identifying ongoing efficiencies. Further information supporting the rates increase for 2018/19 is included in Council's Budget 2018/19.

ORDINARY MEETING OF COUNCIL 20 JUNE 2018



- 12.2.3 The public notice will be advertised in local newspapers advising the community that the Council has prepared and adopted the Budget 2018/19 (refer Attachment 3).
- 12.2.4 Council will continue to offer an additional rebate to pensioners who hold an eligible pensioner concession card. The Council pensioner rate rebate has been increased from \$160 to \$165 (maximum) for 2018/19. Information regarding this rebate will be available in the flyer issued with Council's annual rate notice.
- 12.2.5 The Annual Rate Notice will be issued to all rateable and non-rateable properties in late July 2018 together with rates and valuation information.
- 12.2.6 We will continue to promote registration for electronic notices. This will continue to reduce postage costs and wastage. Ratepayers will have access to their notices via a portal which is capable of storing up to seven years of notices (including Council's animal notices).

13. OFFICER DIRECT OR INDIRECT INTEREST

- 13.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.

TRIM FILE NO: 90/02/21

ATTACHMENTS

- 1. Cultural and Recreational Lands Schedule 2018-19**
- 2. Housing Commission Elderly Persons Waivers 2018-19**
- 3. Public Notice Adoption of Budget 2018-19**