

8. Rates and charges

This section presents information about rates and charges that the Act and the Regulations require to be disclosed in the Council's budget.

As per the *Local Government Act 2020*, Council is required to have a Revenue and Rating Plan which is a four year plan for how Council will generate income to deliver the Council Plan, program and services and capital works commitments over a four-year period.

In developing the Budget, rates and charges were identified as an important source of revenue, accounting for 77% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the financial planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For 2022-23 the FGRS cap has been set at 1.75%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Boroondara community.

1 Rates and charges

Rates and charges are required by the Act and Regulations to be disclosed in Council's budget.

1.1 The reconciliation of the total rates and charges to the Comprehensive Income Statement is as follows:

Type or class of land	Forecast Actual 2021-22	Budget 2022-23	Change \$	Change %
General rates	165,514,722	169,984,617	4,469,895	2.6%
Supplementary rates and adjustments	900,000	900,000	0	0.0%
Waste management charge	31,510,000	31,686,000	176,000	0.6%
Interest on rates and charges	625,000	550,000	-75,000	-13.6%
Special rate schemes	1,419,378	1,374,555	-44,823	-3.3%
Less early payment discount	(855,944)	(857,016)	-1,072	0.1%
Cultural Recreation charges	54,753	56,002	1,249	100.0%
Total rates and charges	199,167,909	203,694,158	4,526,249	2.2%

1.2 The rate in the dollar to be levied as general rates under section 158 of the Act for each type or class of land compared with the previous financial year

Type or class of land	Budget 2021-22 cents/\$CIV	Budget 2022-23 cents/\$CIV	Change
General rate for rateable residential properties	0.13720849	0.12653020	-7.8%
General rate for rateable non residential properties	0.13720849	0.12653020	-7.8%

1.3 The estimated total amount to be raised by general rates in relation to each type or class of land, and the estimated total amount to be raised by general rates, compared with the previous financial year

Type or class of land	Forecast 2021-22 \$	Annualised rates levies 2021-22 \$	Budget 2022-23 \$	Percentage change from annualised rates levied 2021-22 Change
Rateable residential	154,790,063	156,334,249	159,741,530	2.18%
Rateable non residential	10,724,659	10,727,129	10,243,088	-4.51%
Total rateable residential and non residential	165,514,722	167,061,377	169,984,617	1.75%
Total estimated amount to be raised	165,514,722	167,061,377	169,984,617	1.75%

* Cultural and recreational properties are excluded from the State Government's Fair Go Rates System rate cap calculation.

1.4 Fair Go Rates System Compliance - Boroondara City Council is fully compliant with the State Government's Fair Go Rates System

	Forecast 2021-22	Budget 2022-23
Number of rateable properties	78,974	79,736
Base average rate	\$2,064.84	\$2,095.18
Maximum rate increase (set by the State Government)	1.50%	1.75%
Capped average rate	\$2,095.81	\$2,131.84

	Forecast 2021-22	Budget 2022-23
Maximum general rates revenue	\$165,514,725	\$ 169,984,617
Budgeted general rates revenue	\$165,514,722	\$ 169,984,617

1.5 The estimated total amount to be raised by rates

Additional rate revenue	Budget 2021-22 \$	Budget 2022-23 \$	Change
Total rates to be raised (incl additional rate revenue)	167,131,963	171,402,156	2.55%
Special rate schemes	1,573,185	1,374,555	-12.63%
Supplementary valuations	900,000	900,000	0.00%
Early payment of rates discount	(855,944)	(857,016)	0.13%

1.6 The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year

Type or class of land	Budget 2021-22 Numbers	Budget 2022-23 Numbers	Change
Rateable residential	73,203	73,936	1.0%
Rateable non residential	5,771	5,800	0.5%
Total number of assessments	78,974	79,736	0.96%

1.7 The basis of valuation to be used is the Capital Improved Value (CIV)

1.8 The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year

Type or class of land	Budget 2021-22 \$	Budget 2022-23 \$	Change
Rateable residential	112,813,765,000	126,247,750,000	11.9%
Rateable non residential	7,816,323,000	8,095,370,000	3.6%
Total	120,630,088,000	134,343,120,000	11.4%

1.9 The proposed unit amount to be levied for each type of charge under section 162 of the Act

Annual service charge for collection and disposal of refuse for residential, non residential land and non rateable land where utilised

Type of charge	Per Rateable Property Budget 2021-22 \$	Per Rateable Property Budget 2021-23 \$	Change
(i) 240 litre bin (Only applies to households with four or more people)	1,160	1,161	0.1%
(ii) 240 litre bin commercial	1,160	1,161	0.1%
(iii) 240 litre bin concession (The 240 litre bin concession rate will only apply for those with a specific medical condition requiring a larger bin size)	954	955	0.1%
(iv) 120 litre bin residential and other	477	477	0.0%
(v) 120 litre bin commercial	477	477	0.0%
(vi) 80 litre bin residential and other	261	262	0.4%
(vii) 80 litre bin commercial	261	262	0.4%
(viii) Minimum charge for each residential property (Except for vacant land and those residential properties required to service own refuse)	261	262	0.4%

Type of charge	Per Rateable Property Budget 2021-22 \$	Per Rateable Property Budget 2021-23 \$	Change
disposal as a condition of a town planning permit where a waste environmental levy is imposed as a contribution to waste and rubbish collection from public spaces).			
(ix) Waste environmental levy residential and other	120	120	0.0%
(x) Waste environmental levy commercial	120	120	0.0%

NB Refuse collection includes collection of all household rubbish, commingled recyclables and green waste.

1.10 The estimated amount to be raised for each type of charge to be levied compared to the previous years

Annual service charge for collection and disposal of refuse for residential, non residential land and non rateable land where utilised

Type of charge	Budget 2021-22 \$	Budget 2021-23 \$	Change
(i) 240 litre bin (Only applies to households with four or more people)	4,353,000	4,317,000	-0.8%
(ii) 240 litre bin commercial	1,442,000	1,464,000	1.5%
(iii) 240 litre bin concession (The 240 litre bin concession rate will only apply for those with a specific medical condition requiring a larger bin size)	68,000	81,000	19.1%
(iv) 120 litre bin residential and other	16,933,000	16,945,000	0.1%
(v) 120 litre bin commercial	541,000	545,000	0.7%
(vi) 80 litre bin residential and other	6,206,000	6,219,000	0.2%
(vii) 80 litre bin commercial	192,000	195,000	1.6%

Type of charge	Budget 2021-22 \$	Budget 2021-23 \$	Change
(v) Minimum charge for each residential property (Except for vacant land and those residential properties required to service own refuse disposal as a condition of a town planning permit where a waste environmental levy is imposed as a contribution to waste and rubbish collection from public spaces)	393,000	413,000	5.1%
(ix) Waste environmental levy residential and other	1,095,000	1,198,000	9.4%
(x) Waste environmental levy commercial	287,000	309,000	7.7%
Total	31,510,000	31,686,000	0.6%

NB The percentage change varies across categories due to change in property numbers for each charge type. Refuse collection includes collection of all household rubbish, commingled recyclables and green waste.

1.11 The estimated total amount to be raised by all rates and charges compared with the previous financial year (includes Cultural and Recreational properties)

Type of charge	Budget 2021-22 \$	Budget 2021-23 \$	Change
Rates and charges	\$198,696,716	\$203,144,158	2.2%

1.12 There are no known significant changes, which may effect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be effected by:

- The making of supplementary valuations
- The variation of returned levels of value (e.g. valuation appeals)
- Changes in use of land such that rateable land becomes non-rateable land and vice versa
- Changes in use of land such that non residential land becomes commercial land and vice versa.

1.13 Differential rates

1.14 Rates to be levied under Section 161 and 161A of the Act

Council has not raised rate income by levying rates under a differential rates scheme.

8.1 Properties rated under the Cultural & Recreational Lands Act 1963 (CRLA)

Under the CRLA, provision is made for a Council to effectively grant a rating concession to the holder of any “recreational lands” which meet the test of being “rateable land” under the Act. At the time of Budget there are five properties which are “recreational lands” under the CRLA.

Council will declare the rate equivalent amount for properties which have been identified as “CRL properties” in accordance with Section 4 of the CRLA. The CRLA provides that “an amount be payable in lieu of rates in each year being such amount as the municipal council thinks reasonable having regard to the services provided in relation to such lands and having regard to the benefit to the community derived from such recreational lands”.

The eligible CRL properties listed below will be levied a rate equivalent payment and will be calculated for each of them as 50% of the general rates that would otherwise have been payable having regard to the services provided and the benefit to the community derived from them, at the times and in the manner prescribed by the CRLA.

The rate equivalent amount came into effect and was payable from 2021-22, subject to an annual assessment each time a new valuation of the CRL properties is returned to Council (see Section 4(3) CRLA).

Name	Address	Budget 2021-22 Charge	Budget 2022-23 Charge
Kew Golf Club	120 Belford Road, Kew	12,294	12,470
Green Acres Golf Club	51 Elm Grove, Kew	21,055	6,327
Grace Park Tennis Club	2 Hilda Crescent Hawthorn	4,116	11,704
Melbourne Cricket Club Foundation	37 - 41 Glen Street Hawthorn	10,977	21,263
Auburn Bowling Club	2B Munro St, Hawthorn East	6,312	4,239
Total Cultural and Recreation charges	-	54,753	56,002