

Victorian Government: Rating System Review and Government Response – Table of High-Level Impacts (or not)

Note that these will not be applicable to all Council's in exactly the same way.

The table does not seek to reference "all" recommendations – but rather seeks to, where possible, summarise the above longer documents.

Recommendation # Key topic	Supported by State Government?	Implication / next steps (some Councils/Shires will be different)
1: That the Minister make separate regulations which are more detailed than the "principles" in the Act	Not supported*	Appears that current system (some last Century references) may remain. Not taking this recommendation up means that we're sticking with "core legislation", and may mean a bit less flexibility for finding solutions.
4, 5: Valuer General to communicate more / update some processes	Yes	N/A specifically – continue to manage relationship with VG & valuations sub-contractor of VG
7: Averaging mechanism for valuations over 3-5 years (smoothing changes)	Yes	The Vic Govt. will take the lead to 'examine the merits' of this – imagine this would be at least another year. This was part of some council's advocacy campaign over the past several years seeking a change to the valuation methodology when setting rates to provide some flattening or averaging mechanism to smooth the cyclical impact of wild valuation fluctuations. An implementation time-frame is not indicated.
11 and others: Discussion on Differential rates - Appoint additional authority to review - Keep Council's ability to utilise - Improve reporting and checking that achieving outcomes	Partly. Govt. not investing further in a monitor or review process for the differentials.	Essentially minimal change to current arrangements – Council's retain ability to have differentials. There will be a need to review these in more detail this year with a refreshed Rev & Rating Plan, albeit delayed slightly due to waiting for this State review to wind up. The Rev & Rating plan could seek to set timelines or thresholds for review of differentials.
15: That municipal charges be replaced by a "fixed charge"	Not supported*	N/A – dependent on whether you have a Municipal Charge
21: Repeal/remove exemptions on rating on use for some specific areas: mining; rail operators e.g.	No, Govt. backed away from changes, citing COVID recovery*	At this stage, believe this means minimal change to current arrangements.

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22-25: Include a “Public Benefit Test” – cleaning up the current uncertainty. That those exemptions are reviewed every 2 years after an election of a Council	Not supported*	No change. This is a disappointing one – and represents increased uncertainty. There’s also, without flexibility significant ‘lost revenue’ (or longer term burden for current ratepayers) into the future.
26: More work flagged as needed for rating treatment of land use by Traditional Owners	Yes	Each City should continue to support working groups on this.
28-29: More flexibility for Rate Rebates or Concessions	Yes	Government response noted they will provide further on this in the future.
31-32: Ensure consistent support available to ratepayers experiencing financial hardship	Yes	Once the current Ombudsman report on this topic (Council’s financial hardship arrangements) is released, City/Shires should plan to review again their own hardship arrangements and policies against best practice.
38-42: Some other Acts which define rating (Electricity; Cultural and Rec Lands; City of Melb) – be cancelled... bring it all to the LG Act	Not supported*	N/A – not supported
40 Recommendation 40: That section 4 of the Cultural and Recreational Lands Act 1963 be repealed, removing the requirement for councils to consider services provided and community benefits relating to cultural and recreational lands when setting rates for such lands.	Not Supported*	The State Government position is that does not support reform to current arrangements and such significant change would increase uncertainty and risk for cultural and recreational land (CRL) during the coronavirus (COVID-19) pandemic and post-pandemic recovery. This will likely disappoint some recipients of CRL charges where they believe the “discounted” charge in lieu of rates does not adequately recognise the community benefits.
47-55: Requiring Council’s to do a Rating & Revenue plan; and general ideas for improvement (better training / consistency / VG interactions / capacity building)	Yes	This should be in progress for Council’s as part of the new LG Act 2020. A revised Rating and Revenue Plan will be developed over the coming 4 months.
56: That improvements identified in the 2017 Report on Rural and Regional Councils Sustainability is	Yes	State Gov. has said they’ll continue to advocate for Rural & Regional Councils to the Commonwealth Government, including



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reviewed and more of those projects and programs are actioned.		the need to increase funds to account for the freeze to the FAG pool between 2013-14 and 2016-17.

* - the majority of 'not supported' recommendations had COVID cited as the reason for not changing systems or processes.