



**21 October 2019**

Dr Kathy Alexander  
Chair  
Victorian Local Government Rating Review  
Department of Environment, Land, Water and Planning  
8 Nicholson St  
East Melbourne, VIC, 3002

Via: [rating.review@delwp.vic.gov.au](mailto:rating.review@delwp.vic.gov.au)

Dear Dr Alexander and Panel Members,

**Gippsland Local Government Network (GLGN) Endorsement of the MAV Rating Review Submission**

The GLGN would like to express its support for the submission that the MAV have made on the sector's behalf to the Panel that has been set up to provide advice to the Minister for Local Government regarding an optimal rating system for Victorian Local Government. We acknowledge the consultative process that the MAV applied in ensuring a representative cross section of CEO's participated in the working group that developed the MAV submission, this included two of the GLGN CEO's.

We would like to highlight our support for a number of proposals in the MAV submission that will enhance and improve the Victorian Local Government rating system's fairness and equity. These include:

1. Urgent State Government action to address the significant differences in community financial capacity that exist between small rural and regional local authorities and large metropolitan councils. This is reflected clearly in Table 2 of the submission which highlights the disparity between different councils when rates and charges as a percentage of total personal income are compared (ranges from 1.4% to 10.9%).
2. The need to broaden the rate base by revoking and making a number of exempt commercial activities, fees for service providers, private sector competitive activities and legally nuanced exemption categories rateable. These include exemptions for solar/wind farms, universities, private schools, religious properties used for commercial purposes, RSL Gaming or Gaming venues on Crown Land, mining and Crown Land used for commercial purposes.
3. Retaining the option for councils to apply differential rates.
4. The ongoing use of Capital Improved Value (CIV) as being an appropriate measure of capacity to pay rates and distribute rates within a municipality.
5. Concerns about the rationale for the current Municipal Charge approach.
6. Improving public understanding of the Victorian rating regime's capacity by simplifying rates notices, aligning penalty interest rates to reflect market rates of interest and including options for tourism levies in declared tourist destinations.





The MAV submission has considered a range of information from different sources that validate the proposals. This includes a number of Council specific case studies that illustrate some anomalies in the current rating system as well as the stark financial comparisons between rural/regional councils and metropolitan councils. We look forward to your response to the GLGN endorsed MAV submission.

Yours sincerely,

Cr Mikaela Power  
Chair, Gippsland Local Government Network  
Mayor, Baw Baw Shire Council.

