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To whom it may concern

City of Whittlesea response to the consultation questions for the Rating review

1. *How regularly does your council assess occupancies for each of the non-rateable exemptions under s154 of the Local Government Act 1989 (the Act)?*

- *What policy criteria do you apply?*
- *By property category, in your municipality, how much in rates do you estimate would be raised if these non-rateable occupancies were rateable?*

Non-rateable properties are reviewed annually in unison with Council's rating strategy, with strict adherence to s154 of the *Local Government Act 1989*.

The current total value of all non-rateable properties is

- Capital Improved Valuations - \$6,966,715,292
- Net Annual Value - \$352,445,492

It is estimated that a further \$18 million in rate revenue would be collected by Council if these properties were rated in 2019/2020.

2. *What rates and charges does your council declare?*

- *Do you have a revenue and rating strategy to help determine rates and charges under s155 of the Act?*
- *How do you engage your community in determining rates and charges?*
- *If you use a municipal charge, how do you calculate its level?*
- *What exemptions do you apply for municipal charges? How many, and what is the total value?*

The City of Whittlesea declares a general rate and a farm rate calculated on the Net Annual Value. Waste charges are also declared for residential/rural properties and commercial/industrial properties.

Council Offices

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The basis of rating is outlined in Council's Rating Strategy which outlines why and how rates are levied. The strategy is reviewed and updated annually.

The draft annual budget and rating strategy are published for the community to review and provide submissions on an annual basis. This is published online, and hardcopies are also available to ratepayers. Notice of the submission period is published in local newspapers and on social media, directing residents to the Council website or offices.

The City of Whittlesea does not have a municipal charge.

3. *How often have you issued rate notices to the occupier, or mortgagee in possession of, the land under s156 of the Act?*

- *What are the problems that you have experienced issuing notices under s156(3)?*

There is a very small number of instances where Council has issued a rate notice to an occupier or lessee because their use of the land has made the property rateable. However, it is difficult to identify new instances as it is reliant on the occupancy information being voluntarily made available to Council.

4. *Do you issue separate notices for Special Rates and Charges, or do you combine them on a single notice?*

- *What are the challenges of providing prescribed information on rate notices?*

The City of Whittlesea declares Special Rates schemes for marketing of commercial precincts that can run for between 5-10 years. Once declared, the Special Rate is shown on the annual rate notice for the life of the scheme as a separate line item based on the declared method of calculation. The consultation with the affected property owners prior to the commencement of the scheme helps with understanding why the scheme is in place.

Council has not had any issues with displaying the Special Rate on the annual rate notice.

Council has not declared a Special Charge for more than 10 years.

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5. How does your council determine general rates (uniform or differential)?

- *What criteria does your council use in their application?*
- *What evidence does your council consider when determining the rates in the dollar for your differential rating categories?*
- *Does your council consider what services should be paid for with other income (e.g. municipal/service/special charges)?*

The City of Whittlesea is limited to the differentials as outlined in s161A of the Act as this Council rates on the Net Annual Value.

A discount factor of 40% on the general rates is applied for the farm land differential that is applicable to less than 0.5% of all rateable properties.

6. What administration issues have you experienced when creating and administering special rates and charges?

There are no current issues as the consultation phase is utilised to explain the method of calculation for the life of the special rate scheme. The simplicity of the calculation is also shown on the annual rate notice and can be paid in the same manner. All issues are discussed and resolved before the scheme is declared.

7. Please describe the payment options your council makes available to ratepayers?

- *Do you provide other payment options (in addition to offering a choice between paying in four instalments or in a lump sum)?*
- *Do you provide any incentives for payment of rates such as early payment? What are they?*

The City of Whittlesea provide the following payment options to all ratepayers at the commencement of every rating year.

- Four instalments (gazetted due dates)
- Lump sum (gazetted due date)
- Monthly (the spread of dates is in line with the same elapsed period for those paying by four instalments. This option is only possible by application to Council).
- Fortnightly (the spread of dates is in line with the same elapsed period for those paying by four instalments. This option is only possible by application to Council).

City of Whittlesea does not provide incentives for early payment of rates.

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8. Do you provide any rating rebates and concessions (in addition to State government concessions)?

- *What are the criteria in your council for providing these rebates and concessions?*
- *What is the total annual value of these rebates and concessions?*
- *How do you monitor and report on the community benefits?*

Council does not offer additional pensioner concessions to that provided by the State.

Council does fund a sustainable land management rebate that totals between \$150,000 - \$200,000 per annum. The rebate that is granted to a property on rates only, can vary between 20% - 35% based on predetermined eligibility criteria. The rebate is shown on the rate notice and is granted for two rating years after which time an owner must reapply.

9. Do you have a policy for deferment of rates and charges?

- *What is the current total of rates and charges that are currently deferred?*

Historically, the City of Whittlesea has not deferred the payment of rates and charges. The current Financial Hardship Policy stipulates that rates and charges can be deferred by Council resolution only.

10. Do you have policies regarding waiving rates and charges?

- *What types of waivers do you provide to ratepayers and what is their estimated annual value?*

The current Financial Hardship Policy is available for viewing on the Council website. It outlines the circumstances under which Council may consider waivers. Generally, Council limits waivers to penalty interest charges and any legal costs that may have been incurred.

The estimated total waivers is between \$20,000 - \$30,000 per annum.

Waivers of rates and charges are very rare and presently, only by Council resolution.

11. Do you raise the amount declared under the Penalty Interest Rates Act 1983 of 10 per cent for unpaid rates and charges?

- *If not, what rates do you apply?*

The City of Whittlesea systematically applies the interest rate as gazetted under the *Penalty Interest Rates Act 1983*.

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12. What issues do you face when rating by occupancy?

There can be ratepayer confusion when multiple rate notices are sent by Council for which there is a single Land Title. This takes some education of the ratepayer but is generally accepted when explained that all services are provided to each occupancy.

There is more difficulty in Council identifying when multiple occupancies occur as this generally requires a site visit to see the change.

13. What issues have you determined when applying rates to land that is becoming, or ceasing, to be rateable?

- *Annually, over the past 5 years, how many supplementary rates and charges notices have been issued?*
- *For each of these years, what was the total income for these occupancies?*

Council processes 7,000 - 8,000 supplementary valuations per annum and these have various effective dates (in many instances back dated to an early date in the rating year). On average, \$3,000,000 supplementary rates revenue is raised per annum.

14. Do you have a policy regarding treatment of unpaid rates and charges?

- *If you do not, how do you treat ratepayers that live in their properties?*
 - *Do you treat non-residential properties differently?*
- *Annually, over the past 5 years, how many ratepayers have you issued complaints on for unpaid rates and charges and to what total value?*
- *What amount of interest do you charge on unpaid rates and charges? Do you raise the amount declared under the Penalty Interest Rates Act 1983 of 10 per cent?*
- *Do you have any additional administration fees and charges for managing ratepayers with unpaid rates and charges?*
- *What type of collection activities do you use to recover unpaid rates and charges?*

All overdue rate and charges are handled in the same manner at the City of Whittlesea. There is no distinction made between individuals or companies and/or whether they are occupying the property.

On average, 500 debts per annum result in the commencement of new Court complaints. All costs incurred by Council from the time of lodgement of the Court complaint are added to the debt and recovered from the ratepayer. If full payment of the overdue balance is not made or a payment arrangement to pay over time, the matter progresses to further collection activities.

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Council will only commence court action on a debt if it exceeds a minimum threshold which is currently \$2,500.

Penalty interest is charged after a systematic grace period of 14 days at the rate stipulated by the *Penalty Interest Rates Act 1983*.

15. What is your council's policy regarding selling land to recover unpaid rates and charges?

- *If no policy exists, how do you apply the relevant legislation?*
 - *Do you apply the same approach regarding selling land where ratepayers live in their property?*
- *Annually, over the past 5 years, how many times have you undertaken this process?*
 - *How many properties have you sold?*
 - *How much has this cost, per instance?*
- *How many times have you claimed land instead of selling land?*
 - *How much did this cost, per piece of land?*
- *What issues have you encountered when selling or claiming land?*

Council has never sold property under s 181 of the Act to recover a rates and charges debt. It has previously written to owners warning of such action after a Council resolution to proceed with sale action. This resulted in the debt being paid promptly.

16. What issues have you encountered in providing information for Land Information Certificates?

- *Do you provide any updates (verbal or otherwise) to ratepayers/would-be ratepayers for these certificates?*
 - *Have you experienced any privacy issues in providing updates? If so, what were they?*

Land information certificates are generally processed within 24 hours for the prescribed fee ie \$27.00. If same day service is required, an additional fee of \$39.70 must be paid before the land information certificate is provided within 2 hours.

Verbal updates are provided on certificates up to three months after the issue date, as long as they can quote the rates assessment number and the certificate number for which they are requesting an update.

Certificates do not disclose the owner of the property to ensure there is no privacy breach.

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17. Do you have a policy on how you apply the rates section of the Cultural and Recreational Lands Act?

- *How many occupancies in your municipality are categorised as cultural and recreational lands?*
 - *Annually, over the past 5 years, how much have you received in lieu of rates in relation to cultural and recreational property?*
 - *How much would you receive if you were to assess these properties under your normal rates?*

The City of Whittlesea is presently reviewing its cultural and recreational lands policy for which it is presently collecting 70% of the true rates, in lieu.

The total collected in lieu per annum is less than \$50,000.

18. How many occupancies make payment in lieu of rates under the Electricity Industry Act 2000 in your council area?

- *How much revenue do you collect and approximately how much is forgone as result (compared to rating under the Local Government Act 1989)?*

All electrical substations are rated under the *Local Government Act 1989*.

19. Other questions

- *How many public inquiries on rates do you receive each year? What are some common themes of those inquiries?*
- *What software do you use to administer your rating system?*
 - *What is the estimated annual hardware/software cost to maintain rates using this system?*
- *How many staff do you employ to administer rates and charges?*
 - *What is the total FTE and costs for the rating and revenue function in your council?*

In relation to rates and charges, the City of Whittlesea receives:

- On average 30,000 telephone calls per annum to the customer call centre. The most common queries are about
 - pensioner concession entitlement
 - due dates and late payment
 - updating addressing and/or property ownership details
 - disputing a property valuation
 - different payment options, and
 - supplementary valuations and rates.

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- estimated 2,000 web enquiries per annum. The type of queries are the same as those receive by phone.
- estimated 10,000 front counter enquiries per annum. The type of queries are more centred on pensioner concessions, addressing updates, payments and valuation disputes.

The City of Whittlesea uses the AUTHORITY software of Civica for administration of rates and charges revenue. The system cost for rates administration (amongst the many other modules in the system utilised within Council) is an estimated \$80,000 per annum.

There are presently 7 staff employed with a primary role of rates and charges administration (and corporate name and address management). This is funded with 6.5 FTEs.

Yours sincerely



Gino Mitrione
Manager Rates Property & Facilities Management

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