

Central Goldfields Shire Council
Draft Rating Strategy
February 2019



Central Goldfields Shire Council

Draft Rating Strategy

February 2019

Contents

Introduction	3
Statutory requirements.....	3
Rating Framework.....	4
What are rates?.....	4
Property valuations	4
Revenue and rating principles.....	5
Why review the rating strategy?	10
Where do we start?.....	10
The eight current differentials	11
Rates per assessment	13
Rate revenue by land classification type.....	14
Farm rates snapshot	14
Current Capital Improved Valuations	15
Annual rates paid for each differential.....	15
What are the problems with the current rating system?	19
The yield from the municipal charge is almost 18%.....	19
The Maryborough/Other split within some differentials	20
There is no mechanism for dealing with “rate shock”	21
What are the options?.....	22
Option 1 – Do nothing.....	23
Option 2 - Reduce the municipal charge to 10% of total property rating income.....	24
Option 3 - Reduce the municipal charge to 10% and remove the three “Other” splits....	26
Option 4 - Reduce the municipal charge to 10% and move to a uniform rate	29
Dealing with “Rate Shock”	32

Introduction

The purpose of this document is to communicate a strategy for the future rating of properties in the Central Goldfields Shire. The strategy considers issues that exist within the current rating system, studies the options available under existing and proposed legislation and determines a plan to implement changes to achieve a fairer and more equitable outcome for all ratepayers.

Property rates (rates) are Council's single biggest income source, representing 40.9% of income in the 2018-2019 budget. Council's rating strategy articulates to the community how the total rate revenue to be raised is allocated between individual ratepayers.

Any changes to the rating system is a financial nil sum exercise for Council, in that the total revenue raised by Council remains the same. What any changes to the rating system does do is alters the amount that each individual property contributes in rates. In essence, any changes made that provides a reduction in rates paid by one group of ratepayers must be offset by increases in the rates paid by other groups of ratepayers.

Statutory requirements

The objectives of local government in Victoria are set out in the Local Government Act 1989 (The Act) and includes the statutory requirement 'to ensure the equitable imposition of rates and charges'. Some pertinent sections of the Act include the following:

A Council may declare the following rates and charges on rateable land:

- General rates under section 158;
- Municipal charges under section 159;
- Service rates under section 162;
- Service charges under section 162;
- Special rates under section 163;
- Special charges under section 163.

The systems of valuing land a Council:

- May use the site value, net annual value or capital improved value (CIV) system of valuation.
- Must publish public notice of its decision to change its system of valuation.

Municipal charge

- A Council may declare a municipal charge to cover some of the administrative costs of the Council.
- A Council's total revenue from a municipal charge in a financial year must not exceed 20 per cent of the sum total of the Council's total revenue from a municipal charge and total revenue from general rates.



Rating Framework

What are rates?

Council collect rates (which are a form of property tax) from property owners to fund community infrastructure and services that benefit the whole community. In Victoria property values are used as the basis for calculating how much each property owner pays.

Council's annual budget determines how much Council needs to raise from rates. Council's rating strategy then determines how much the owner of each property will contribute towards the total that Council needs to raise from rates. The level of rate increase is capped by State Government legislation and this cap is set by the Minister for Local Government in December each year.

Council's rating strategy considers the fair and equitable share of rates to be paid by the owner of each type of property (residential, farm, commercial, industrial and vacant land).

Property valuations

Under Section 11 of the Valuation of Land Act 1960, Council is required, for rating purposes, to undertake a general revaluation of rateable land as at 1 January in each calendar year. This revaluation will then be used to calculate the rates for the financial year commencing on 1 July of that year.

Revaluations result in varying levels of valuation movements across the municipality, which sometimes results in major shifts in the rate burden and significant movement in rates for individual properties.

There is a common misconception that as property values increase, Council receives a 'windfall gain' of additional revenue. This is not so as the revaluation process simply results in a redistribution of the rate burden across all properties in the municipality.

Total income from rates is determined by the Council, during the budget process. In order to generate the same amount of rate revenue, in simple terms, as property values increase, the rate in the dollar decreases.



Revenue and rating principles

The Local Government Victoria Revenue and Rating Strategy Better Practice Guide sets out the following seven revenue and rating principles.

Wealth tax principle

Wealth can be defined as the total value reflected in property and investments and income directed to day-to-day living. Local government is limited to taxing one component of wealth – real property. Council rates tax the stored “wealth” or unrealised capital gains inherent in land and buildings.

The “wealth tax” principle implies that the rates paid are dependent upon the value of a ratepayer’s real property and have no correlation to the individual ratepayer’s consumption of services or the perceived benefits derived by individual ratepayers from the expenditures funded from rates.

One issue associated with the application of the wealth tax principle to property rating is that it takes no account of an individual ratepayer’s net financial equity in a property. Thus the owner of a house with a valuation of \$300,000 and a \$240,000 mortgage on that property pays the same rates as the owner of a house with a valuation of \$300,000 with no mortgage, despite only having 20% of the net equity (wealth) in that property.

This is an inherent shortcoming of the property rating system, in that it taxes the gross “wealth” embedded in a property, even when the bulk of that “wealth” may not be owned by the property owner (ie the majority of the “wealth” is owned by the mortgagee, which in most cases is a bank). **In effect, property rates are a tax on controlled wealth, as opposed to wealth measured by financial equity in a property.**



Equity

Equity is a subjective concept that is difficult to define. What is considered fair for one person may be considered unfair for another. There are two main equity concepts used to guide the development of rating strategies (and taxation more generally):

Horizontal equity – ratepayers in similar situations should pay similar amounts (ensured mainly by accurate property valuations, undertaken in a consistent manner, their classification into homogenous property classes and the right of appeal against valuation).

Vertical equity – those who are better off should pay more than those worse off (this rationale applies for the use of progressive and proportional income taxation. It implies a “relativity” dimension to the fairness of the tax burden).

Rates are essentially a wealth tax, determined on the value of property. A pure “wealth tax” approach implies that the rates paid relate directly to the value of a ratepayer’s real property. The tests of horizontal and vertical equity are solely based on a property’s value. There is frequent debate surrounding the characteristics of property owners that may impinge on the application of an equity principle. The three main ways in which positions can vary are:

- the benefit or user pays principle – some ratepayers have easier access to, make more use of, or benefit more from the Council services paid for by rates
- the capacity to pay principle – some ratepayers have more ability to pay rates than do others with similarly valued properties
- the incentive or encouragement principle – some ratepayers may be doing more towards achieving Council goals than others (for example, in areas such as employment creation and environmental or heritage protection).

Concepts such as “user pays” and “capacity to pay” often conflict. Depending on your viewpoint the equitable outcome may be the one where individuals pay more, or less, or exactly in proportion to, their level of consumption of services.

Efficiency

Economic efficiency is measured by the extent to which production and consumption decisions by people are affected by a tax. Setting aside taxes explicitly intended to change behaviour (such as high taxes on cigarettes), a perfectly efficient tax would be one, which did not distort behaviour. Of course, there is no such tax – all taxes affect behaviour to some extent. However, economic efficiency in revenue collection is maximised when the degree of this distortion is minimised.

Price is the major mechanism through which taxation efficiency may be achieved and for services where users are price sensitive, direct charging can influence demand and thus lead to greater efficiency. Conversely, the funding of services through rates (or via subsidies from other services) may result in an inflated demand for services and additional costs for Councils to meet this demand. As a result, a mix of user charges and rates revenue funds a variety of Council services.

The efficiency of a tax is also related to the cost of administration. Administration costs include the issuing of assessments, collection of rates (including maintaining and improving collection systems), monitoring outcomes, educating and informing ratepayers, and enforcement and debt recovery.





Simplicity

The taxation principle of simplicity revolves around how easily a system can be understood by the public, and in particular ratepayers. This can conflict with the principles of equity and efficiency.

A simple rating scheme would have a limited number of rating classifications, even using a uniform rate. Other features of a simple rating scheme may be practicality and ease of administration. Rates in general are quite simple to administer in that they rely on a clear information source (property values) and they place a levy on something that is impossible to conceal (land). Public understanding is another consideration for a Council in striving for simplicity. A simple system should be easier for the public to understand as should the explanation of it by a Council.

The efficacy of using rates to provide incentive or encouragement for ratepayers to act in a certain way to achieve corporate goals (e.g. environmental) should be evaluated critically against other approaches in terms of likely effectiveness.

Benefit principle

A popular complaint levelled at Councils is that “the rates I pay have no correlation with the services I consume or the benefits I receive”. This argument is based on the benefit principle (the opposite of the wealth tax principle) that argues there should be a clear nexus between consumption/benefit and the rate burden. A user pays system is closely reflective of the benefit principle.

Application of the benefit principle to rates is difficult in practice because of the impossibility of measuring the relative levels of access and consumption across the full range of Council services. While it might be quite obvious that certain geographic areas may not get access to specific services, for example street lighting, it is the level of benefit across the full range of rates-funded services that is important in determining the amount of rates that should be paid. This exercise is not clear cut – for example, it might be argued that rural ratepayers derive

less benefit from library services than their town counterparts but the reverse argument can apply to the costs of repairing gravel roads in rural areas which are predominantly used by rural ratepayers.

In some ways the arguing of the benefit principle with respect to Council rates is like trying to do the same for Commonwealth income tax that is used to fund a wide range of universally accessed services.

The benefits received principle applies to many tax systems, for example stamp duty paid on the purchase of a motor vehicle. However, it is difficult to rationalise a relationship between rates paid and services provided by local government. It is even more tenuous when attempting to draw a relationship with rates against services actually used by ratepayers, of which there is little research or evidence to support a proportional connection.

The analysis of benefit is often reduced to arguments of what services are consumed by town v. country, businesses v. residences and between different towns and suburbs. Such a simplistic determination of rates based on where services are located ignores the facts that:

- many services are not location specific
- access is not synonymous with consumption
- residents can travel or use technology to access some services
- more significantly, services provided in different locations within a municipality have different costs. For example, the actual cost of providing the same or a lesser level of service to a more remote or less central location may be higher due to dis-economies of scale or logistical reasons. Home care and waste collection are two examples where the cost of providing the same service is higher in rural areas than within Maryborough.



Capacity to pay

The capacity to pay principle stands in contrast to the benefits received principle. Its measurability may be either determined by wealth or income. In the case of local government rating, it is determined on the value of property which reflects wealth, rather than the actual income of the ratepayer. It is acknowledged that over the lifetime of a taxpayer, the relativity between income and wealth may vary significantly.

Councils may decide that capacity to pay is fundamentally reflected by property value or that the application of the wealth tax and benefit principles should be moderated for groups of ratepayers because of capacity to pay considerations.

As rates are levied on unrealised wealth in the form of property, their nexus with ratepayers' capacity to pay may be tenuous – ratepayers may be “asset rich” but “cash poor” or vice versa.

It is an inherent restriction of property taxation that it does not recognise the situation where ratepayers are “asset rich” and “cash poor”. In these cases ratepayers may be assessed as having considerable wealth reflected in the property that they own, but have a low level of cash income. Examples may include pensioners, businesses facing cyclical downturn, households with large families, single parent families, property owners with little equity in their property and farmers dealing with climate variability.

The use of differential rating categories is a blunt tool that is available to Councils in order to attempt to address the capacity to pay issue to some degree.

Diversity

There is no way of getting around the fact that despite the “likeness” of members of property classes, there will also be considerable diversity within each class. There is considerable diversity in the economic circumstances of households related to household income, the number of breadwinners and members, expenditure patterns and debt levels.

Similarly, enormous business diversity exists – businesses range from small businesses with owner operators and few employees to corporations employing many thousands of people. They may take a variety of forms – sole operators, companies, partnerships, cooperatives and trusts. Production may cover a diverse range of goods and services for local, national or overseas markets. They may vary considerably in terms of turnover, net worth, profitability and gearing – just to name a few characteristics. Businesses may be “price takers” with little market power or “price makers” operating in oligopolistic markets.

The taxation effect of property rates for income tax purposes is another point of diversity that challenges the equity principles of property rating. **Businesses that occupy commercial, industrial or farm properties are able to claim property rates as an income tax expense. This allows businesses to pay property rates in after-tax dollars, as opposed to private non-business people who have to pay property rates in pre-tax dollars.** There is a line of thought that incorporating the income taxation effect of property rates into the setting of differential rating category relativities would improve the overall equity of property rating systems.

Council rate setting for different groups may need to have regard to the general capacity of those classes of property to pay rates. There are practical limits to the extent that classes may be differentiated because of impacts on efficiency and simplicity – and the broader a property class, the more general are the assumptions about capacity to pay. Clearly, there is an issue of how well the assumptions made about a large class of ratepayers accurately reflect the circumstances of most of its members.

Why review the rating strategy?

The Local Government Victoria Revenue and Rating Strategy Better Practice Guide recommends that Councils review their rating strategy every two years. Council's current rating strategy was adopted in June 2014 so a review is well overdue.

The Local Government Act 1989 (the Act) restricts the amount of total rates revenue that Council can be raised via a Municipal Charge to 20%. The Local Government Bill 2018 (the Bill) restricts the amount of total rates revenue that Council can be raised via a Municipal Charge to 10%. Council's Municipal Charge is budgeted to generate 17.7% of total rates revenue in the 2018-2019 budget. If the Bill becomes legislation in its current form, Council's current rating strategy will be non-compliant with the new Act.

Where do we start?

This paper uses Council's current rating strategy and the property rate base as it applies for the 2018-2019 financial year as the starting point for discussion.

Council's rating strategy currently has five different land categories but eight differential rating categories as follows:

- Residential - Maryborough
- Residential - Other
- Vacant Land - Maryborough
- Vacant Land - Other
- Commercial - Maryborough
- Commercial - Other
- Industrial
- Farm

Council also levies a municipal charge of \$262.65 per property (noting that single farm enterprises are entitled to an exemption for all but one of the municipal charges levied on that single farm enterprise). The municipal charge generates 17.7% of the total revenue raised from property rates. Council has 1,027 properties rated as farms and they pay 472 municipal charges.



The eight current differentials

Council's current eight differential rating categories are defined as follows:

Residential - Maryborough

Meaning that rateable land which has an occupiable dwelling able to be issued with a certificate of occupancy, is used solely for residential purposes and is situated within the Maryborough District boundary. To ensure an equitable contribution towards the total rate income, having regard to the location, use and services available to the land by proximity to the major service centre.

Residential - Other

Meaning that rateable land which has an occupiable dwelling able to be issued with a certificate of occupancy, is used solely for residential purposes, and is situated outside the Maryborough District boundary. To ensure an equitable contribution towards the total rate income, having regard to the location, use and services available to the land where the infrastructure cost and service provision has been affected by reason of its distance from the major service centre - Maryborough.

Vacant Land - Maryborough

Meaning that rateable land where no occupiable dwelling is erected (an occupiable dwelling has a Certificate of Occupancy issued), and is situated within the Maryborough District boundary. To ensure an equitable contribution towards the total rate income and encourage the development of vacant land within the Maryborough District boundary.

Vacant Land - Other

Meaning that rateable land where no occupiable dwelling is erected (an occupiable dwelling has a Certificate of Occupancy issued) and is situated outside the Maryborough District boundary. To ensure an equitable contribution towards the total rate income and encourage the development of vacant land outside the Maryborough District boundary.



Commercial - Maryborough

Meaning that rateable land which is used solely for commercial purposes and is situated within the Maryborough District boundary. To ensure an equitable contribution towards the total rate income which recognises the objective of maintaining an environment which is beneficial to the continuing operation of these properties, as well as the use and services available to the land.

Commercial - Other

Meaning that rateable land which is used solely for commercial purposes and is situated outside the Maryborough District boundary. To ensure an equitable contribution towards the total rate income, which recognises the objective of maintaining an environment which is beneficial to the continuing operation of these properties where the cost of infrastructure and commercial opportunity differ from Maryborough Commercial, as well as the use and services available to the land.

Industrial

Meaning that rateable land which is used solely for industrial purposes. To ensure an equitable contribution towards the total rate income which recognises the objective of maintaining an environment which is beneficial to the continuing operation of these properties, reflects the cost of infrastructure and encourages development.

The difference between commercial and industrial land is mainly one of use. In general, commercial areas are used for trading goods and services while industrial areas serve as sites of production. Commercial areas are most valuable when they receive heavy traffic from potential customers.



Farm

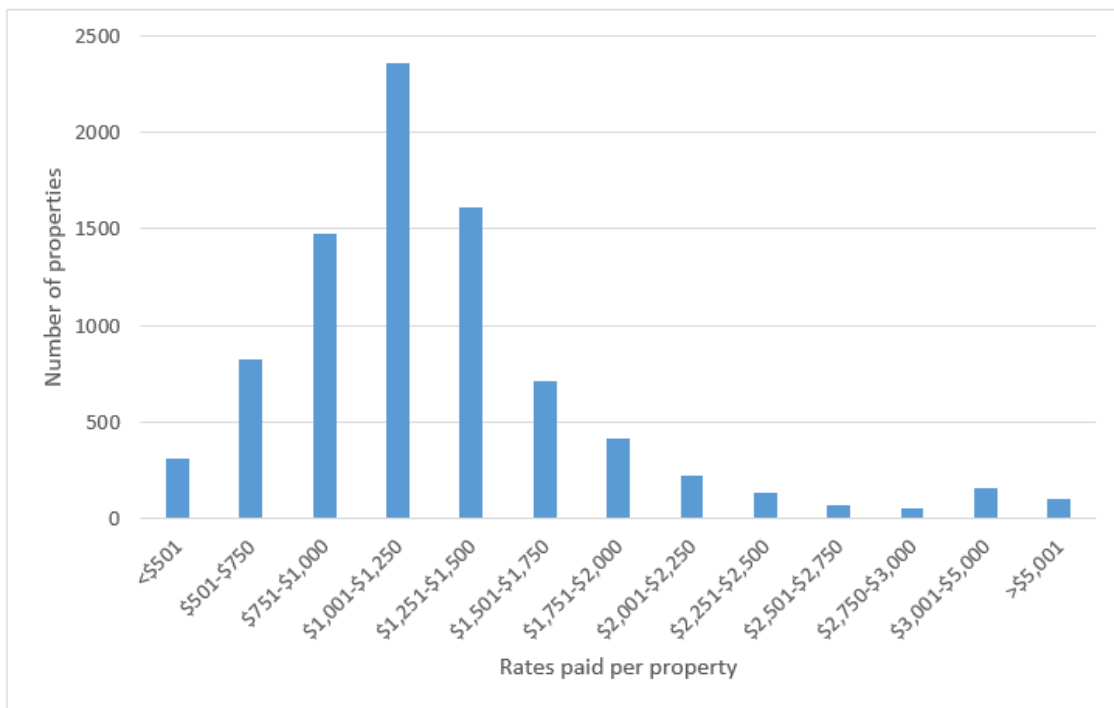
Meaning that rateable land, in aggregate, which is not less than 16 hectares (40 acres) in area and which is used primarily for carrying on one or more of the following businesses or industries:

Grazing (including agistment) dairying, pig farming, poultry, farming, fish farming, tree farming, bee-keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind.

To ensure an equitable contribution towards the total rate income commensurate with the nature of the land the capital improved value of which has been affected by reason of its abnormally large area and the use to which it is put in comparison to the general land size of the majority of rateable properties within the municipal district.

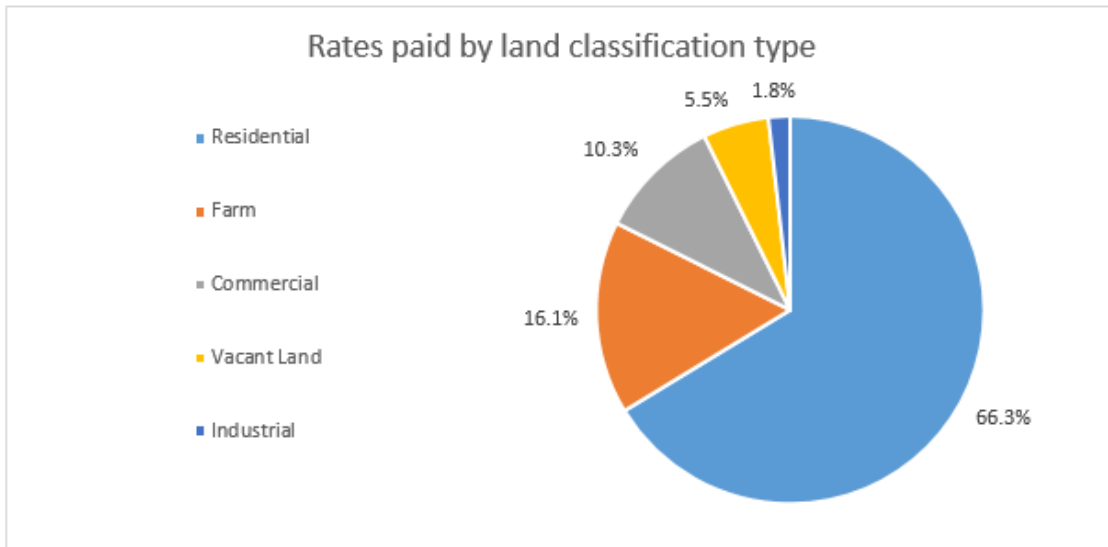
Rates per assessment

The following table shows that 7,711 or 91.4% of properties pay less than \$2,000 per year (\$38.46 per week) in rates. The remaining 8.6% of properties paying more than \$2,000 per year account for 24.9% of Council's total rate revenue.



Rate revenue by land classification type

Currently residential properties contribute two thirds of Council's rate revenue, with farm properties contributing 16%, commercial properties 10% and industrial and vacant land contributing the remaining 7% of rate revenue.



Farm rates snapshot

Council has 472 single farm enterprises consisting of 1,027 farm assessments, or 2.2 assessments per single farm enterprise. The total area of farmland is 96,749 hectares and is valued at \$424.121 million at an average of \$4,384 CIV per hectare (\$1,774 per acre). The average single farm enterprise has a CIV of \$898,560, pays total rates of \$3,951 or \$19.27 per hectare (\$7.80 per acre). The most valuable farm land in the municipality is located in the Joyces Creek and Moolort areas and towards Baringhup West. The best farm land in this area is valued at \$7,000 per hectare (\$2,833 per acre) and pays rates of \$34.15 per hectare (\$13.82 per acre).

Farms are businesses and rates are deductible for income tax purposes. Using the marginal tax rate of 32.5 cents in the dollar (for income over \$37,000) Council's average current after-tax farm rate is \$13.01 per hectare (\$5.27 per acre). A farm enterprise pays \$3,293.06 after tax per \$1 million CIV of farm land, in comparison to a \$1 million CIV of Maryborough residential land which pays \$5,393.25 in rates after tax or 64% more.

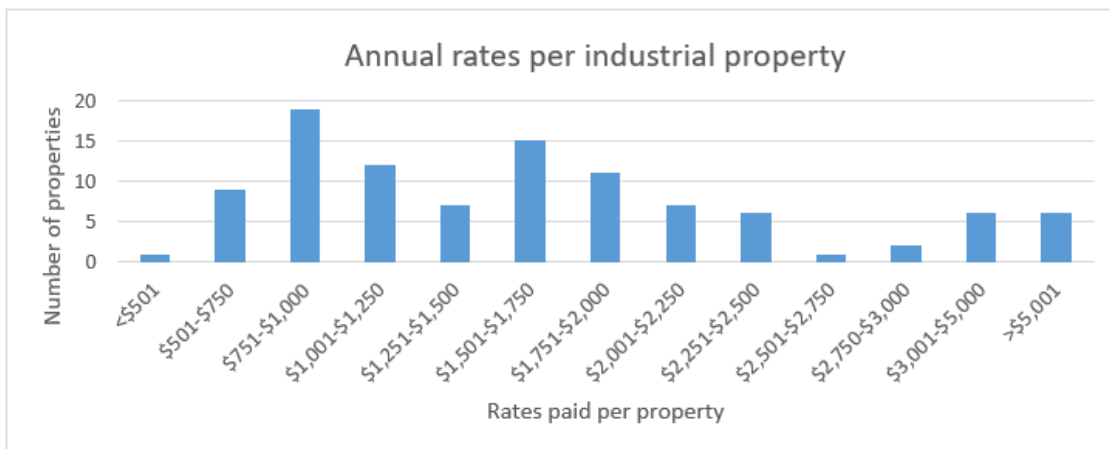
Current Capital Improved Valuations

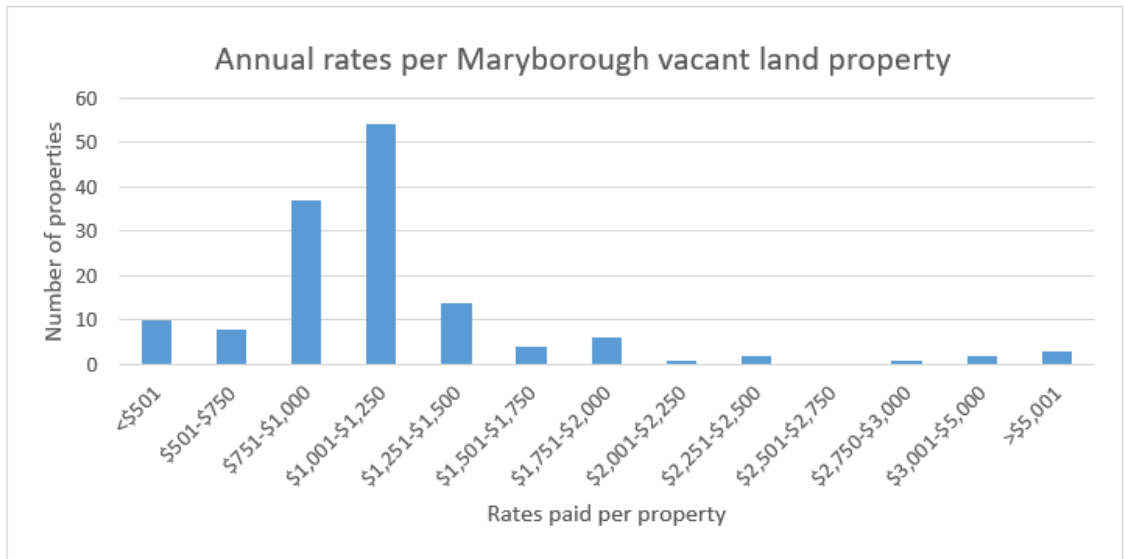
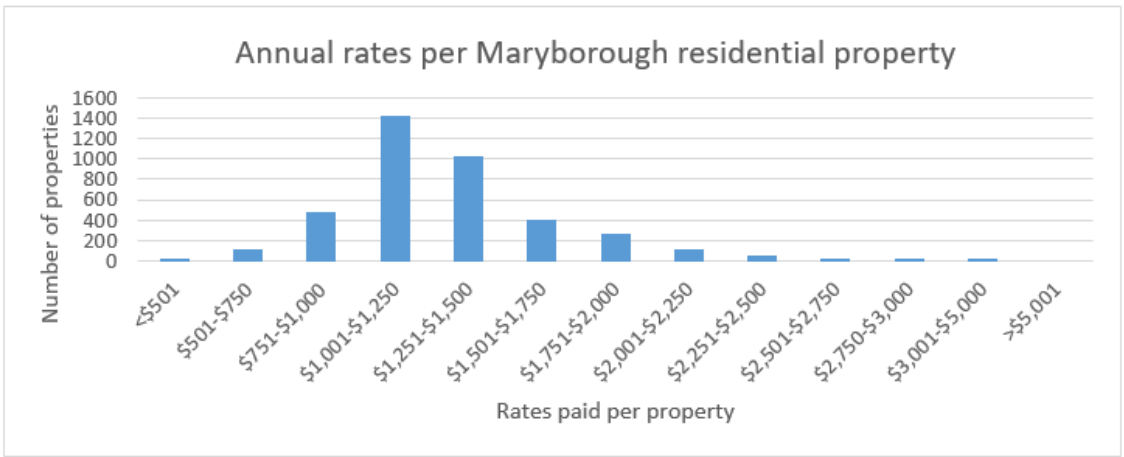
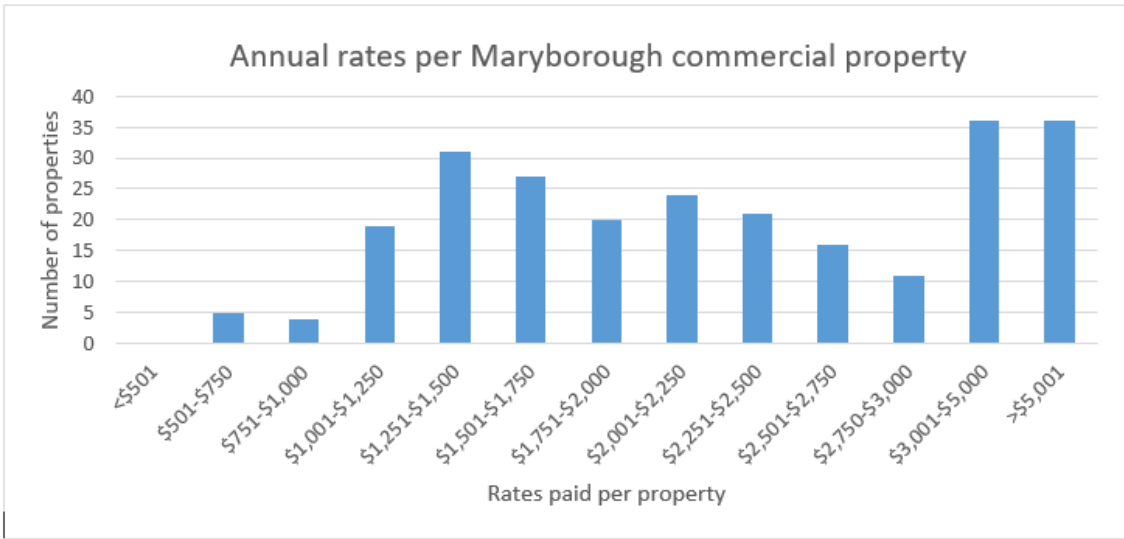
The CIV of each property at the 10th, 30th, 50th (median), 70th and 90th percentile is as follows:

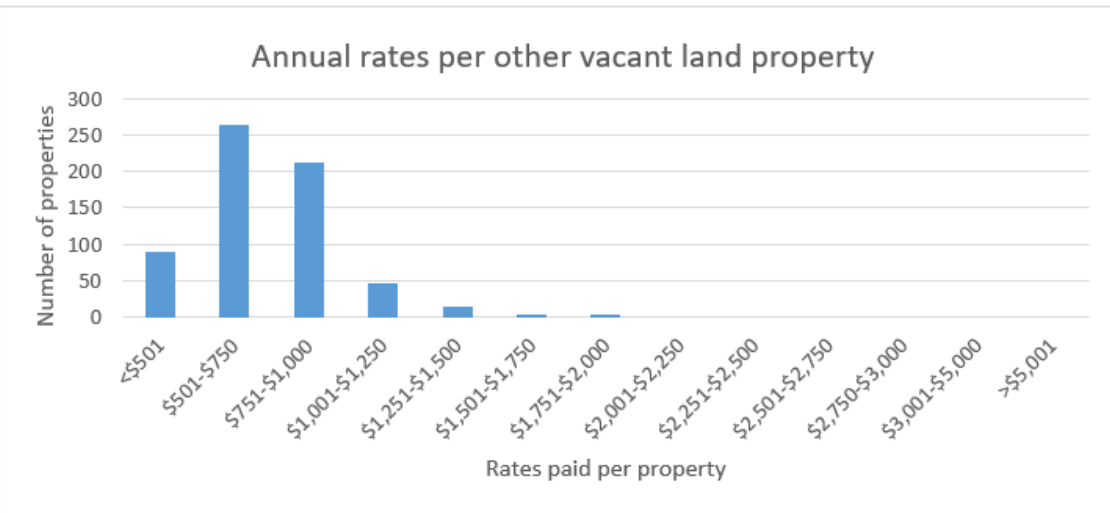
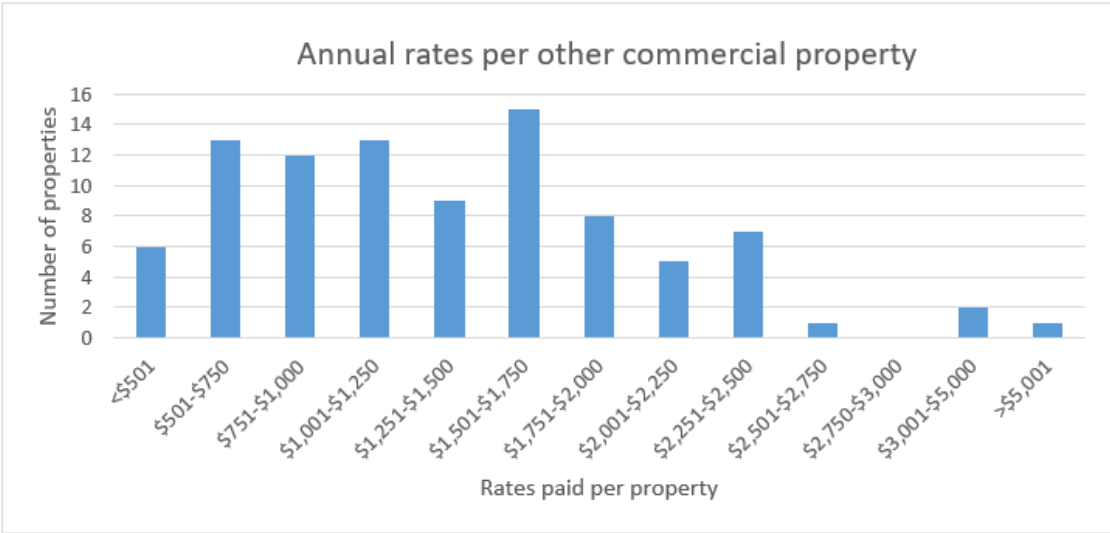
Current System	10th Percentile	30th Percentile	50th Percentile	70th Percentile	90th Percentile
Differential Category	CIV	CIV	CIV	CIV	CIV
Residential - Maryborough	\$130,000	\$165,000	\$190,000	\$220,000	\$300,000
Residential - Other	\$115,000	\$160,000	\$205,000	\$250,000	\$320,000
Vacant Land - Maryborough	\$47,000	\$70,000	\$85,000	\$95,000	\$175,000
Vacant Land - Other	\$23,000	\$44,000	\$55,000	\$75,000	\$100,000
Commercial - Maryborough	\$115,000	\$170,000	\$240,000	\$325,000	\$770,000
Commercial - Other	\$44,000	\$105,000	\$180,000	\$235,000	\$330,000
Industrial	\$85,000	\$135,000	\$240,000	\$300,000	\$570,000
Farm	\$70,000	\$130,000	\$240,000	\$420,000	\$860,000

Annual rates paid for each differential

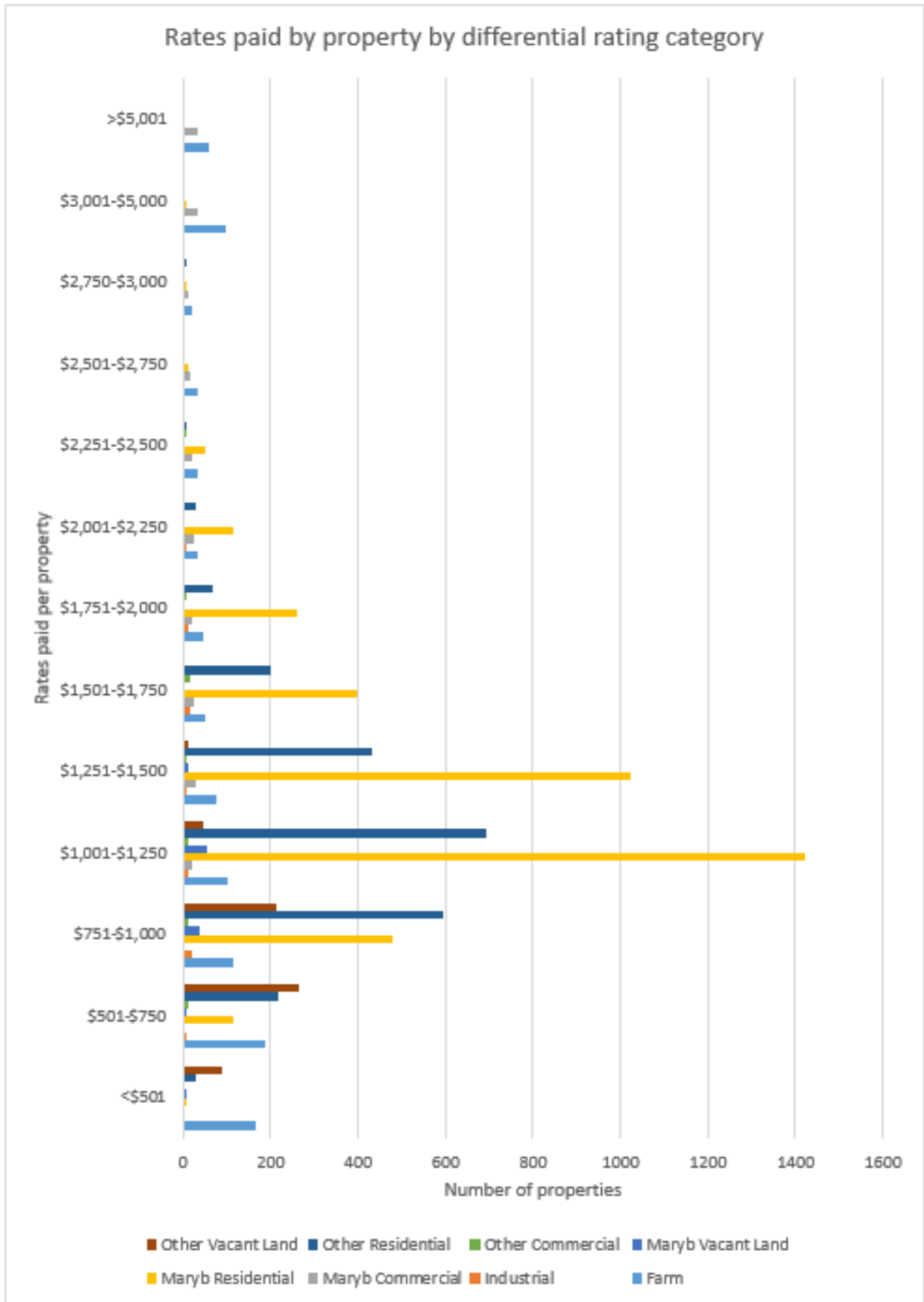
The following graphs show the annual rates paid in bands for each of the eight current differential rates.







These eight charts have been combined to create the following picture of how much each property pays in rates.



What are the problems with the current rating system?

Three main issues have been identified with the current rating system:

- The yield from the municipal charge is almost 18%
- The Maryborough/Other split within some differentials
- There is no mechanism for dealing with “rate shock”

Each of these issues are discussed in more detail below.

The yield from the municipal charge is almost 18%

Council raises rates income from properties by two means:

- Rates levied on capital improved valuation (CIV)
- Municipal charge

The rates levied on capital improved valuation move directly in relation to valuation. Thus a house with a \$400,000 CIV will pay twice the rates on CIV as a house with a \$200,000 CIV. This is consistent with the vertical equity principle in the rating better practice guide.

A municipal charge is a flat amount charged on every[#] rateable property irrespective of the valuation of that property. By its very nature, the municipal charge is a regressive tax, (that is, the rate of taxation is higher on a low valued property than it is on a high valued property), and works in direct conflict to the vertical equity principle.

([#] Single farm enterprises are entitled to an exemption for all but one of the municipal charges levied on that single farm enterprise.)

The municipal charge is the same for every property levied (\$262.65 in 2018-2019). The municipal charge on a retail building with a CIV of \$100,000 has a taxation effect ten times greater than the same municipal charge on a retail building with a CIV of \$1,000,000.

Part 8 of the Local Government Act 1989 (the Act) deals with “Rates and Charges on Rateable Land”. The Local Government Bill 2018 (the Bill) was brought before parliament by the Andrews Labor government with the intention of it replacing the 1989 Act. However the Bill failed to pass through parliament prior to parliament dissolving ahead of the November 2018 State election.

One significant difference between the Bill and the Act relates to the municipal charge. The Bill proposed to restrict the amount of total rates revenue that can be raised via a municipal charge to 10%, down from the 20% allowed in the Act. This will have a significant impact on Council if the Bill is passed in its current form because Council’s municipal charge is budgeted to generate 17.7% of total rates revenue in the 2018-2019 budget.



With the Andrews Labor government re-elected, it is highly likely that the Local Government Bill 2018 will be reintroduced into parliament in its current form.

The Local Government Bill Exposure Draft Frequently Asked Questions stated that “the 10% limit on the municipal rate (formerly municipal charge), will commence after the 2020 Council general elections.” In practice this would have meant implementation in the 2021-2022 financial year. If the Bill is passed with the same transitional provision, then Council will have a maximum of three budgets to transition this change.

Because the municipal charge is a regressive tax, reducing it provides a benefit to properties with a lower CIV and provides a detrimental impact on properties with a higher CIV. There is a break-even CIV point for rates paid by the owners of individual properties in each differential rating category, and this break-even point is shown in full in the commentary on Option 2 on page 24.

Any reduction in the total income raised by the municipal charge would need to be offset by an increase in the total income raised by valuation-based rates, and this would impact all properties across all differential rating categories. Single farm enterprises who currently have municipal charge exemptions for multiple properties would be adversely impacted by a reduction in the municipal charge.

The Maryborough/Other split within some differentials

Council’s rating strategy currently has five different land categories but eight differential rating categories as follows:

- Residential - Maryborough
- Residential - Other
- Vacant Land - Maryborough
- Vacant Land - Other
- Commercial - Maryborough
- Commercial - Other
- Industrial
- Farm

Currently within the residential, vacant land and commercial differential rating categories there is a split between “Maryborough” and “Other” properties (“Other” properties are defined as being located outside of the Maryborough District Boundary). This split is not in the current industrial or farm differential rating categories.

The original logic behind the split differential rating categories is that properties situated in Maryborough have closer access to more services therefore they should pay a higher rate than properties situated beyond Maryborough.

However, when assessing the Capital Improved Valuation (CIV) for each property, the valuer takes into account the distance of an individual property from services, including those located in Maryborough. This is why a house in Maryborough has a higher CIV than exactly the same house on the same size block in say Bealiba.

Thus, during the property valuation process, the Valuer gives properties situated beyond Maryborough a reduced valuation to take into account the distance of that property from Maryborough based services. This reduced valuation leads to a direct reduction in rates paid.

Having a separate lower differential rate for properties situated beyond Maryborough, also leads to a direct reduction in rates paid on that property. However, the current combination of both factors leads to a “double dipping” effect for properties situated beyond Maryborough which allows them to pay less rates than they otherwise would. Thus, it appears that the original logic on which the “Other” splits concept was based, is actually flawed.

There is no mechanism for dealing with “rate shock”

Rate shock is defined as the movement (both up or down) in total rates paid by any one differential rating category in any one year by ten percent or more. This situation occurs when as a result of a revaluation when the movement in the valuation of one particular differential rating category is far greater than the average movement in valuations across the Shire. The current rating strategy does not contain any mechanism to manage rate shock.

Prior to 31 December 2018 municipal revaluations were conducted every two years, and on some occasions the two-yearly movement in valuation for one differential rating category has been significantly above the movement in valuation for the whole Council. The change in State legislation requiring annual property revaluations should significantly reduce the occurrence and impact of such a situation.

History has shown that farm land is particularly susceptible to significant changes in valuation over a short time frame, predominantly in response to factors such as extreme weather events, major changes in international commodity prices and sharp changes in interest rates. One such situation occurred with the 31 December 2017 revaluation where dryland cropping land values in many Shires in the Western part of Victoria rose significantly from their 2015 levels and well above the average valuation increase across those Shires.

This caused “rate shock” in those Shires and a major redistribution of the rate burden from the non-farmland sector to the farmland sector. As most Councils in this situation did not have a mechanism to deal with rate shock in their rating strategy, some Councils chose to make snap changes to their rating system. One such Council was the Northern Grampians Shire which made a last minute decision to lower their farm rate differential to 47% in order to ensure that their farm differential rating category only paid the capped 2.25% rate increase.

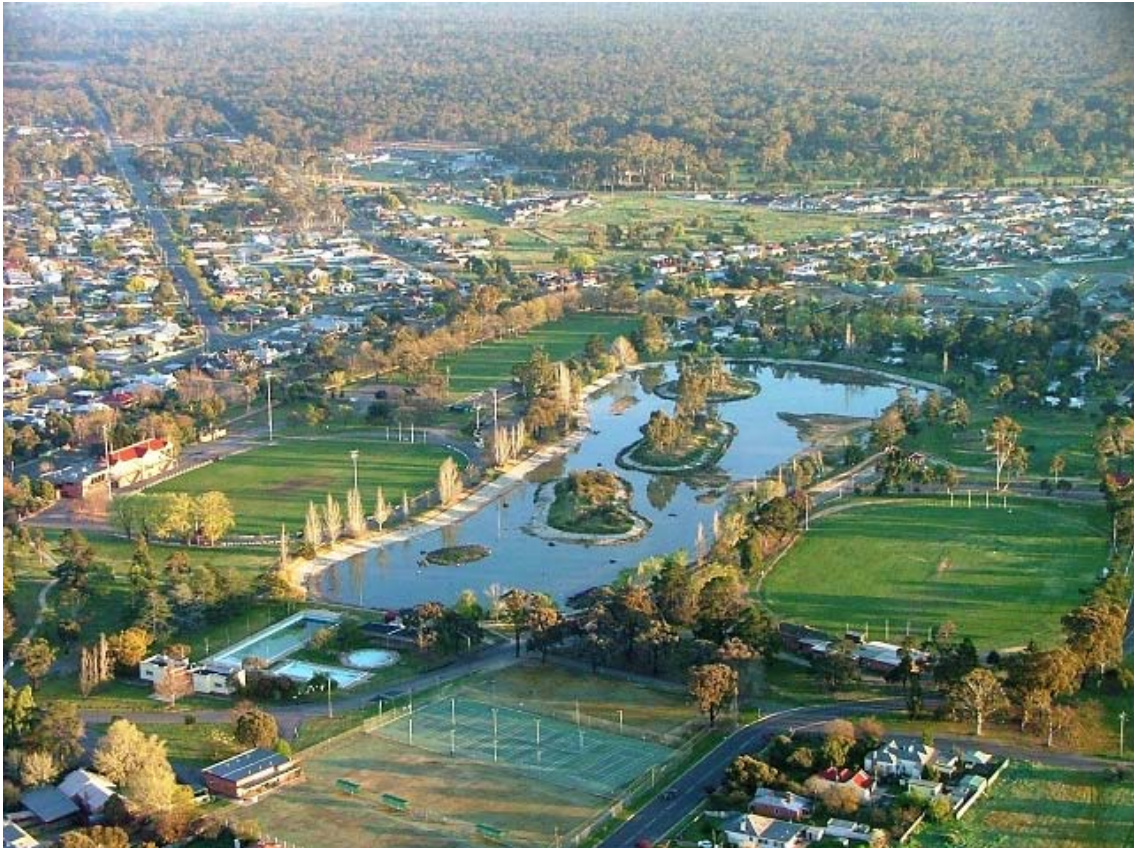


What are the options?

Council has chosen to consider four options when reviewing its rating strategy

- Do nothing
- Reduce the municipal charge to 10% of total property rating income
- Reduce the municipal charge to 10% of total property rating income and remove the three “Maryborough/Other” differential rating splits
- Reduce the municipal charge to 10% of total property rating income and move to a uniform rate

Each of these four options is considered in more detail on the following pages.



Option 1 – Do nothing

Rationale – the do nothing option is based on the premise that the ratepayer base is currently broadly accepting of the status quo. This is evidenced by there being negligible public commentary or feedback about the current differential rating system.

Council currently has eight differential rating categories plus a municipal charge of \$262.25 per property. The differential rates and their relativities to the Maryborough Residential differential rating category are shown in the table below:

Differential Rating Category	Number of Properties	% of Properties	Differential Relativity
Residential - Maryborough	3,903	46.3%	100.0%
Residential - Other	2,289	27.1%	80.0%
Vacant Land - Maryborough	142	1.7%	180.0%
Vacant Land - Other	631	7.5%	150.0%
Commercial - Maryborough	250	2.9%	160.0%
Commercial - Other	92	1.1%	120.0%
Industrial	102	1.2%	110.0%
Farm	1,027	12.2%	80.0%
Total	8,436		

The total rates paid (rates on CIV plus the municipal charge) in 2018-2019 is as follows:

Current System	10th	30th	50th	70th	90th
	Percentile	Percentile	Percentile	Percentile	Percentile
Differential Category	Rates Paid	Rates Paid	Rates Paid	Rates Paid	Rates Paid
Residential - Maryborough	\$929.28	\$1,108.87	\$1,237.14	\$1,391.07	\$1,801.55
Residential - Other	\$734.33	\$919.05	\$1,103.78	\$1,288.50	\$1,575.85
Vacant Land - Maryborough	\$696.34	\$908.77	\$1,047.31	\$1,139.67	\$1,878.55
Vacant Land - Other	\$439.24	\$600.83	\$685.48	\$839.38	\$1,031.75
Commercial - Maryborough	\$1,206.40	\$1,657.95	\$2,232.65	\$2,930.50	\$6,583.95
Commercial - Other	\$533.16	\$908.74	\$1,370.51	\$1,709.15	\$2,294.06
All Industrial	\$741.99	\$1,024.19	\$1,616.81	\$1,955.45	\$3,479.33
Farm	\$407.88	\$654.18	\$1,105.73	\$1,844.63	\$3,650.83

Given that the Andrews government has flagged its intention to cap revenue raised by the municipal charge to 10%, the “do nothing” option is not considered a viable option given the high probability that this cap will be enshrined in law within the next year.

Benefits – the primary benefit of this option is that there is no change to the current system and therefore individual ratepayers do not receive any significant change to the rates that they pay other than as a result of changes in property valuations.

Issues – the primary issue is that should the Local Government Bill 2018 be passed into legislation, this rating system will immediately be non-compliant and requiring change.

Option 2 - Reduce the municipal charge to 10% of total property rating income

Rationale – that it appears highly likely that the Victorian State government will legislate to cap the total revenue generated by the municipal charge at 10% of total rates revenue (rates on CIV plus the municipal charge). Council currently raises 17.7% of its total rates revenue from the municipal charge.

Under this option the total revenue generated by the municipal charge would be capped at 10% of total rates revenue (rates on CIV plus the municipal charge). If this option was applied for the 2018-2019 year it would result in the municipal charge being reduced from the current \$262.25 to \$147.70 per property.

The total rates paid by individual properties to generate the same 2018-2019 total rates revenue would be as follows:

Municipal Charge capped at 10%	10th	30th	50th	70th	90th
	Percentile	Percentile	Percentile	Percentile	Percentile
Differential Category	Rates Paid	Rates Paid	Rates Paid	Rates Paid	Rates Paid
Residential - Maryborough	\$877.65	\$1,074.18	\$1,214.55	\$1,383.00	\$1,832.20
Change from base	-\$51.63	-\$34.69	-\$22.59	-\$8.07	\$30.65
Residential - Other	\$664.28	\$866.42	\$1,068.56	\$1,270.70	\$1,585.14
Change from base	-\$70.05	-\$52.63	-\$35.22	-\$17.80	\$9.29
Vacant Land - Maryborough	\$622.73	\$855.19	\$1,006.80	\$1,107.87	\$1,916.43
Change from base	-\$73.61	-\$53.58	-\$40.51	-\$31.80	\$37.88
Vacant Land - Other	\$341.43	\$518.31	\$610.97	\$779.43	\$990.00
Change from base	-\$97.81	-\$82.52	-\$74.51	-\$59.95	-\$41.75
Commercial - Maryborough	\$1,180.86	\$1,674.98	\$2,303.86	\$3,067.50	\$7,065.38
Change from base	-\$25.54	\$17.03	\$71.21	\$137.00	\$481.43
Commercial - Other	\$444.17	\$855.19	\$1,360.54	\$1,731.13	\$2,371.24
Change from base	-\$88.99	-\$53.55	-\$9.97	\$21.98	\$77.18
Industrial	\$672.75	\$981.60	\$1,630.18	\$2,000.80	\$3,668.59
Change from base	-\$69.24	-\$42.59	\$13.37	\$45.35	\$189.26
Farm	\$382.32	\$651.84	\$1,145.96	\$1,954.52	\$3,931.00
Change from base	-\$25.56	-\$2.34	\$40.23	\$109.89	\$280.17

The impact of this change is relatively easy to summarise. Because the municipal charge is a regressive tax, reducing it provides a benefit to properties with a lower CIV and provides a detrimental impact on properties with a higher CIV. There is a break-even CIV point for rates paid by the owners of individual properties in each differential rating category, and this point is shown in the following table.

Differential Category	Pay Less	Breakeven CIV	Pay More
Residential - Maryborough	2,893 properties	< \$235,000 >	920 properties
Residential - Other	1,942 properties	< \$295,000 >	347 properties
Vacant Land - Maryborough	123 properties	< \$130,000 >	19 properties
Vacant Land - Other	627 properties	< \$155,000 >	4 properties
Commercial - Maryborough	54 properties	< \$150,000 >	196 properties
Commercial - Other	50 properties	< \$200,000 >	42 properties
All Industrial	47 properties	< \$215,000 >	55 properties
Farm	324 properties	< \$135,000 >	703 properties
TOTAL	6,060 properties		2,286 properties

Under this option 7,917 of the 8,436 (93.9%) of properties have a change in total rates paid per year (either up or down) by less than \$2.00 per week.

This option produces a minimal change to the relative total contributed by each of the five land use categories.

Land Use	Base		Option 2		Change	
	Total Rates	Share	Total Rates	Share	Total Rates	Share
Residential	\$7,686,000	66.3%	\$7,550,000	65.1%	-\$136,000	-1.2%
Farm	\$1,865,000	16.1%	\$1,975,000	17.0%	\$110,000	0.9%
Commercial	\$1,200,000	10.3%	\$1,267,000	10.9%	\$67,000	0.6%
Vacant Land	\$643,000	5.5%	\$596,000	5.1%	-\$47,000	-0.4%
Industrial	\$209,000	1.8%	\$215,000	1.9%	\$6,000	0.1%
TOTAL	\$11,603,000	100.0%	\$11,603,000	100.0%	\$0	0.0%

Benefits – this option will make Council's rating system compliant with the 10% cap on revenue generated by the municipal charge proposed in the Local Government Bill 2018. As the municipal charge is a regressive tax (in that it taxes lower valued properties at a higher rate than higher valued properties), this option also addresses the vertical equity principle of rating (i.e. those who are better off should pay more than those worse off) and improves the overall equity of the rating system.

Issues – the primary issue is that higher valued properties will pay more rates than they are presently. As most of the higher value properties are predominately commercial, industrial and farm properties, this impact is partially offset by the fact that rates are an income tax deduction and these ratepayers are paying the increased rates in after-tax dollars.



Option 3 - Reduce the municipal charge to 10% and remove the three “Other” splits

Rationale:

- That it appears highly likely that the Victorian State government will legislate to cap the total revenue generated by the municipal charge at 10% of total rates revenue (rates on CIV plus the municipal charge). Council currently raises 17.7% of its total rates revenue from the municipal charge.
- That the current reduced differential rate for the “Other” differential rating categories creates a “double-dipping” effect that is unfair.

Removing the three “Other” differential rating categories will make Council’s rating strategy both simpler to understand and administer, and more equitable, as it will remove the current “double dipping” effect enjoyed by residential, vacant land and commercial properties located beyond Maryborough.

Under this option the total revenue generated by the municipal charge would be capped at 10% of total rates revenue (rates on CIV plus the municipal charge). If this option was applied for the 2018-2019 year it would result in the municipal charge being reduced from the current \$262.25 to \$147.70 per property.

The total rates paid by individual properties to generate the same 2018-2019 total rates revenue would be as follows:

Municipal Charge capped at 10% and no “Splits”	10th Percentile	30th Percentile	50th Percentile	70th Percentile	90th Percentile
Differential Category	Rates Paid	Rates Paid	Rates Paid	Rates Paid	Rates Paid
Residential - Maryborough	\$834.75	\$1,019.73	\$1,151.85	\$1,310.40	\$1,733.20
Change from base	-\$94.53	-\$89.14	-\$85.29	-\$80.67	-\$68.35
Residential - Other	\$755.48	\$993.30	\$1,231.13	\$1,468.95	\$1,838.90
Change from base	\$21.15	\$74.25	\$127.35	\$180.45	\$263.05
Vacant Land - Maryborough	\$594.81	\$813.61	\$956.31	\$1,051.44	\$1,812.48
Change from base	-\$101.53	-\$95.16	-\$91.00	-\$88.23	-\$66.07
Vacant Land - Other	\$366.50	\$566.27	\$670.92	\$861.18	\$1,099.00
Change from base	-\$72.74	-\$34.56	-\$14.56	\$21.80	\$67.25
Commercial - Maryborough	\$1,120.14	\$1,585.22	\$2,177.14	\$2,895.90	\$6,658.82
Change from base	-\$86.26	-\$72.73	-\$55.51	-\$34.60	\$74.87
Commercial - Other	\$519.76	\$1,035.58	\$1,669.78	\$2,134.86	\$2,938.18
Change from base	-\$13.40	\$126.84	\$299.27	\$425.71	\$644.12
Industrial	\$641.89	\$932.59	\$1,543.06	\$1,891.90	\$3,461.68
Change from base	-\$100.10	-\$91.60	-\$73.75	-\$63.55	-\$17.65
Farm	\$363.84	\$617.52	\$1,082.60	\$1,843.64	\$3,703.96
Change from base	-\$44.04	-\$36.66	-\$23.13	-\$0.99	\$53.13

The two primary impacts of this option are:

- Because the municipal charge is a regressive tax, reducing it provides a benefit to properties with a lower CIV and provides a detrimental impact on properties with a higher CIV.
- Removing the “Other” categories from the residential, commercial and vacant land rates has a detrimental impact on all properties in these three differential rating categories and provides a benefit to properties in the other five differential rating categories.

When combined, these two impacts have a counter-balancing effect which eliminates some of the change impact. The primary reason for this effect is because many of the properties in the “Other” differential rating categories are properties with a lower than average CIV.

However, there is no denying that the majority (82.9%) of properties currently rated in the three “Other” differential rating categories face an increase in rates. This is entirely consistent with the rationale of this option.

There is a break-even CIV point for rates paid by the owners of individual properties in each differential rating category, and this point is shown in the following table.

Differential Category	Pay Less	Breakeven CIV	Pay More
Residential - Maryborough	3901 properties	< \$730,000 >	2 properties
Residential - Other	152 properties	< \$97,000 >	2,137 properties
Vacant Land - Maryborough	139 properties	< \$415,000 >	3 properties
Vacant Land - Other	353 properties	< \$63,000 >	278 properties
Commercial - Maryborough	204 properties	< \$465,000 >	46 properties
Commercial - Other	9 properties	< \$51,000 >	83 properties
Industrial	95 properties	< \$675,000 >	7 properties
Farm	723 properties	< \$425,000 >	304 properties
TOTAL	5,576 properties		2,860 properties

Under this option 6,898 of the 8,436 (81.8%) of properties have a change in total rates paid per year (either up or down) by less than \$2.00 per week.

However, 2,498 properties out of the 3,012 properties (82.9%) in the three “Other” differential rating categories will be faced with a rate rise, and 1,413 properties face a rate rise of greater than \$2.00 per week, at an average of \$4.09 per week or \$212.76 per year. The overall rate rise for these three differential rating categories is an average of 10.7%, which constitutes “Rate Shock” under this strategy. Therefore if this option is adopted, it should be phased in over two or more years.

This option produces a minimal change to the relative total contributed by each of the five land use categories.

Land Use	Base		Option 3		Change	
	Total Rates	Share	Total Rates	Share	Total Rates	Share
Residential	\$7,686,000	66.3%	\$7,802,000	67.3%	\$116,000	1.0%
Farm	\$1,865,000	16.1%	\$1,763,000	15.1%	-\$102,000	-1.0%
Commercial	\$1,200,000	10.3%	\$1,168,000	10.1%	-\$32,000	-0.2%
Vacant Land	\$643,000	5.5%	\$672,000	5.8%	\$29,000	0.3%
Industrial	\$209,000	1.8%	\$198,000	1.7%	-\$11,000	-0.1%
TOTAL	\$11,603,000	100.0%	\$11,603,000	100.0%	\$0	0.0%

However, when analysed by differential rating category there is a clear transfer of the rating burden from other residential properties to Maryborough residential properties, and a significant increase in the rate burden for the commercial other properties.

Differential Category	Base		Option 3		Change	
	Total Rates	Share	Total Rates	Share	Total Rates	Share
Residential - M	\$5,081,000	43.8%	\$4,757,000	41.0%	-\$324,000	-2.8%
Residential - O	\$2,605,000	22.5%	\$2,920,000	25.2%	\$315,000	2.7%
Farm	\$1,865,000	16.1%	\$1,863,000	16.1%	-\$2,000	0.0%
Commercial - M	\$1,070,000	9.2%	\$1,072,000	9.2%	\$2,000	0.0%
Commercial - O	\$130,000	1.1%	\$160,000	1.4%	\$30,000	0.3%
Vacant Land - M	\$185,000	1.6%	\$173,000	1.5%	-\$12,000	-0.1%
Vacant Land - O	\$458,000	3.9%	\$455,000	3.9%	-\$3,000	0.0%
Industrial	\$209,000	1.8%	\$203,000	1.8%	-\$6,000	-0.1%
TOTAL	\$11,603,000	100.0%	\$11,603,000	100.0%	\$0	0.0%

Benefits – this option will make Council's rating system compliant with the 10% cap on revenue generated by the municipal charge proposed in the Local Government Bill 2018. As the municipal charge is a regressive tax (in that it taxes lower valued properties at a higher rate than higher valued properties), this option also addresses the vertical equity principle of rating (i.e. those who are better off should pay more than those worse off) and improves the overall equity of the rating system. This option also eliminates the “double-dipping” discount effect that is embedded in the existing differential rating system for those properties in the three “Other” differential rating categories.

Issues – the primary issues are that higher valued properties will pay more rates than they are presently, and that four out of five properties in the three “Other” differential rating categories will be faced with a rate rise. (Notwithstanding that the increase in rates paid by properties in the “Other” differential rating categories is a logical and positive consequence of removing the “double-dipping” benefit that they currently enjoy).



Option 4 - Reduce the municipal charge to 10% and move to a uniform rate

Rationale:

- That it appears highly likely that the Victorian State government will legislate to cap the total revenue generated by the municipal charge at 10% of total rates revenue (rates on CIV plus the municipal charge). Council currently raises 17.7% of its total rates revenue from the municipal charge.
- That the current rating strategy contains eight differential rating categories which increases the complexity and subjectivity of the rating system. Moving to a uniform rate is based on the premise that the capital improved valuation of a property is the sole measure of all of the attributes of that property and removes the need to treat various groups of properties differently.

Removing all of the differential rating categories would make Council's rating strategy both simpler to understand and administer, and more equitable, as it will remove all of the subjectivity of the existing taxing discounts and penalties in the current differential rating categories.

Under this option the total revenue generated by the municipal charge would be capped at 10% of total rates revenue (rates on CIV plus the municipal charge). If this option was applied for the 2018-2019 year it would result in the municipal charge being reduced from the current \$262.25 to \$147.70 per property.

The total rates paid by individual properties to generate the same 2018-2019 total rates revenue would be as follows:

Municipal Charge capped at 10% and a uniform rate	10th Percentile	30th Percentile	50th Percentile	70th Percentile	90th Percentile
Differential Category	Rates Paid	Rates Paid	Rates Paid	Rates Paid	Rates Paid
Residential - Maryborough	\$851.00	\$1,040.35	\$1,175.60	\$1,337.90	\$1,770.70
Change from base	-\$78.28	-\$68.52	-\$61.54	-\$53.17	-\$30.85
Residential - Other	\$769.85	\$1,013.30	\$1,256.75	\$1,500.20	\$1,878.90
Change from base	\$35.52	\$94.25	\$152.97	\$211.70	\$303.05
Vacant Land - Maryborough	\$401.97	\$526.40	\$607.55	\$661.65	\$1,094.45
Change from base	-\$294.37	-\$382.37	-\$439.76	-\$478.02	-\$784.10
Vacant Land - Other	\$272.13	\$385.74	\$445.25	\$553.45	\$688.70
Change from base	-\$167.11	-\$215.09	-\$240.23	-\$285.93	-\$343.05
Commercial - Maryborough	\$769.85	\$1,067.40	\$1,446.10	\$1,905.95	\$4,313.40
Change from base	-\$436.55	-\$590.55	-\$786.55	-\$1,024.55	-\$2,270.55
Commercial - Other	\$385.74	\$715.75	\$1,121.50	\$1,419.05	\$1,933.00
Change from base	-\$147.42	-\$192.99	-\$249.01	-\$290.10	-\$361.06
Industrial	\$607.55	\$878.05	\$1,446.10	\$1,770.70	\$3,231.40
Change from base	-\$134.44	-\$146.14	-\$170.71	-\$184.75	-\$247.93
Farm	\$446.58	\$771.18	\$1,366.28	\$2,340.08	\$4,720.48
Change from base	\$38.70	\$117.00	\$260.55	\$495.45	\$1,069.65

The two primary impacts of this option are:

- Removing all of the differential rating categories provides a benefit to all properties currently rated above the Maryborough Residential rate (ie vacant land, commercial and industrial properties) and provides a detrimental impact on all properties currently rated below the Maryborough Residential rate (ie other residential and farm land properties).
- Because the municipal charge is a regressive tax, reducing it provides a benefit to properties with a lower CIV and provides a detrimental impact on properties with a higher CIV.

This option creates a quantum change in the imposition of rates across the whole rate base, creating stark groups who benefit and groups who receive a detrimental impact.

Under this option there is only a break-even CIV point for rates paid by the owners of individual properties in the two residential differential rating categories, and this point is shown in the following table. For the farm differential rating category every property pays more, whilst for all the remaining differential rating categories every property pays less.

Differential Category	Pay Less	Breakeven CIV	Pay More
Residential - Maryborough	3,861 properties	< \$411,000 >	42 properties
Residential - Other	112 properties	< \$88,000 >	2,177 properties
Vacant Land - Maryborough	142 properties	nil	0 properties
Vacant Land - Other	631 properties	nil	0 properties
Commercial - Maryborough	250 properties	nil	0 properties
Commercial - Other	92 properties	nil	0 properties
Industrial	102 properties	nil	0 properties
Farm	0 properties	nil	1,027 properties
TOTAL	5,190 properties		3,246 properties

Under this option 4,933 of the 8,436 (58.5%) of properties have a change in total rates paid per year (either up or down) by less than \$2.00 per week.

Six of the eight differential rating categories face rate shock with this option, with residential other and farm properties experiencing large rate rises and vacant land and commercial properties experiencing large rate reductions. In total 3,973 or 47.1% of properties face rate shock ranging from a 42.9% rate decrease to a 31.6% rate increase. The average rate change for each of the differential rating categories is:

• Residential Maryborough – 3,903 properties with an average rate decrease of 4.4%
• Residential Other – 2,289 properties with an average rate increase of 14.4%
• Vacant Land Maryborough – 142 properties with an average rate decrease of 41.9%
• Vacant Land Other – 631 properties with an average rate decrease of 34.7%
• Commercial Maryborough – 250 properties with an average rate decrease of 34.7%
• Commercial Other – 92 properties with an average rate decrease of 17.7%
• Industrial – 102 properties with an average rate decrease of 9.1%
• Farm – 1,027 properties with an average rate increase of 26.8%

If this option is to be implemented it should be phased in over a number of years, in order to manage the rate shock.

This option produces a significant change to the relative total contributed by each of the five land use categories.

Land Use	Base		Option 2		Change	
	Total Rates	Share	Total Rates	Share	Total Rates	Share
Residential	\$7,686,000	66.3%	\$7,550,000	65.1%	-\$136,000	-1.2%
Farm	\$1,865,000	16.1%	\$1,975,000	17.0%	\$110,000	0.9%
Commercial	\$1,200,000	10.3%	\$1,267,000	10.9%	\$67,000	0.6%
Vacant Land	\$643,000	5.5%	\$596,000	5.1%	-\$47,000	-0.4%
Industrial	\$209,000	1.8%	\$215,000	1.9%	\$6,000	0.1%
TOTAL	\$11,603,000	100.0%	\$11,603,000	100.0%	\$0	0.0%

Benefits – this option will make Council's rating system compliant with the 10% cap on revenue generated by the municipal charge proposed in the Local Government Bill 2018. As the municipal charge is a regressive tax (in that it taxes lower valued properties at a higher rate than higher valued properties), this option also addresses the vertical equity principle of rating (i.e. those who are better off should pay more than those worse off) and improves the overall equity of the rating system. This option would make Council's rating strategy both simpler to understand and administer.

Issues – the primary issue is that there is a significant transfer of the rating burden from the commercial, industrial and vacant land properties to farm properties and to a lesser extent residential properties. Six of the eight differential rating categories face rate shock under this option, therefore if this option is to be implemented it should be phased in over a number of years, in order to manage the rate shock.



Dealing with “Rate Shock”

Rate shock is defined by Council as the movement (both up or down) in total rates paid by any one differential rating category in any one year by ten percent or more.

Where rate shock occurs for one or more particular differential rating category in any particular year, it is recommended that Council cap the movement in total rates raised for that differential rating category at 10% by changing the level of the rate in the dollar CIV.

For example, with the current rating system this would then have the effect of moving the relativities between the eight differential rating categories away from the base of:

- Residential - Maryborough 100%
- Residential - Other 80%
- Vacant Land - Maryborough 180%
- Vacant Land - Other 150%
- Commercial - Maryborough 160%
- Commercial - Other 120%
- Industrial 120%
- Farm 80%

Capping should then continue until such time as the relativities between the eight differential rating categories returns to the base levels.

A review of the past three Council revaluations provides the following information:

	CIV	CIV	CIV
Differential Rating Category	31.12.2013	31.12.2015	31.12.2017
Residential - Maryborough	\$725,565,530	\$700,935,000	\$791,124,000
Residential - Other	\$429,836,872	\$414,577,000	\$488,700,000
Vacant Land – All #	\$54,506,538		
Vacant Land - Maryborough		\$16,024,000	\$16,010,000
Vacant Land - Other		\$35,547,000	\$38,075,000
Commercial - Maryborough	\$101,388,270	\$100,789,000	\$122,501,000
Commercial - Other	\$16,496,600	\$16,005,000	\$17,337,000
All Industrial	\$28,675,476	\$28,406,000	\$32,369,000
Farm	\$320,496,429	\$317,349,000	\$424,121,000
TOTAL	\$1,676,965,715	\$1,629,632,000	\$1,930,237,000

noting that Vacant Land was not split into Maryborough/Other at this valuation

An analysis of the change in CIV by differential rating category reveals only relatively minor movements in the 2015 revaluation but some more significant movements in 2017 revaluation, with four of the differential rating categories receiving rate shock as defined by this strategy.

	CIV % Increase or Decrease	CIV % Increase or Decrease	CIV Increase or Decrease v average CIV Increase
Differential Rating Category	31.12.2015	31.12.2017	31.12.2017
Residential - Maryborough	-3.4%	12.9%	-5.6%
Residential - Other	-3.6%	17.9%	-0.6%
Vacant Land - All	-5.4%		
Vacant Land - Maryborough		-0.1%	-18.5%
Vacant Land - Other		7.1%	-11.3%
Commercial - Maryborough	-0.6%	21.5%	3.1%
Commercial - Other	-3.0%	8.3%	-10.1%
All Industrial	-0.9%	14.0%	-4.5%
Farm	-1.0%	33.6%	15.2%
TOTAL	-2.8%	18.4%	

