RATING STRATEGY ADVISORY GROUP

INFORMATION KIT

November, 2017
Background

In 2017 Council considered abolishing differential rates and introducing a uniform rate with no municipal charge for the financial year 2017/18. This would have resulted in a major redistribution of the rates burden to the farming sector.


Following receipt of the Commission of Inquiry report, the Minister for Local Government has recommended Council establish a Rating Strategy Advisory Group (RSAG) that:

i. Has terms of reference to assist the Council develop its rating strategy by:
   a) Identifying and recommending principles for formulating a rating strategy.
   b) Advising on the residential rate and consideration of differential rates.
   c) Advising on the equitable sharing of the rate revenue and changes to current charges and rebates.
   d) Proposing improvements to communication and engagement on the budget and rating strategy.
   e) Producing a discussion paper with recommendations for Council before public comment.

ii. Comprises an independent non-voting Chair with knowledge of local government rating, and representatives of key groups of ratepayers with voting rights.

iii. Is assisted by an external rating expert and Council staff in administration and management support.

iv. In approaching its tasks has regard to the operation of the Wyndham City Council Rating Strategy Advisory Group; the findings of the Victorian Auditor-General’s Office (VAGO) Rating Practices in Local Government and the findings of the VAGO Audit of Public Participation and Community Engagement in Local Government.

v. Gives significant regard to being informed by the outcomes of a Citizens’ Jury-type approach involving members of the local community.

The Minister for Local Government also recommended that Council:

- Consider the recommendations of the Rating Strategy Advisory Group and public comment on the recommendations before developing a draft rating strategy, and
- Prepare a rating strategy in accordance with the Local Government Better Practice Guide to determine the rating structure that will provide the most equitable imposition of rates and charges. The strategy should be developed after the results of the 1 January 2018 general revaluation of properties is known.

In October 2017, Council resolved to endorse the proposed Rating Strategy Advisory Group structure, which includes:

- 4x General ratepayers (2 from Ararat, 2 from rural towns)
- 2x Commercial ratepayers
- 2x Industrial ratepayers
- 4x Farm ratepayers (2 from lifestyle / small farms, 2 from large farms)
- 1x Independent Chair with prior knowledge of municipal rating strategies
- 1x External Rating Expert
- 4x Senior Council officers, and
- 1x Municipal Monitor
Selection process

The following process is proposed for selecting membership of the RSAG:

a) **Independent Chair:** A public expression of interest (EoI) will be advertised by Council for the role of **RSAG Independent Chair.** Applicants must have extensive experience in Municipal Rating Strategies and each applicant will be asked to provide supporting information regarding this requirement. Council’s **Director Corporate Strategy, Risk and Governance,** supported by the CEO and Director Assets, Finances and Corporate Services, will manage the selection process for the **RSAG Independent Chair.**

b) **General RSAG Membership:** A public expression of interest (EoI) will be advertised by Council for membership of the RSAG. Applicants are not required to have an understanding of Municipal Rating Strategies, as this information will be provided via an induction process. Applicants will need to provide supporting information for the membership category that they wish to fill (i.e. General, Commercial, Industrial and Farm). Council’s **Director Corporate Strategy, Risk and Governance** will manage the selection process for RSAG Membership.

c) **External Rating Expert Role:** The Mayor and CEO will work with the Municipal Association of Victoria (MAV) or similar bodies to determine a suitable person for this role. This role shall be filled by a person who has no direct affiliation with Ararat (i.e. does not own property or a business in Ararat) and does not have relatives in Ararat.

The external rating expert is a paid role. The Independent chair shall be an honorary position although travel and other out-of-pocket expenses shall be reimbursed. A small allowance will be paid to the 12 community members.

Citizen’s Jury

A Citizens Jury (or similar structure) will be convened to review the RSAG findings, and the results of this process will also be presented to Council.

Target dates

To ensure the RSAG processes completes in time to inform Council prior to the 2018/19 Budget process, the following table shows the target timetable:

<table>
<thead>
<tr>
<th>Proposed Action</th>
<th>Target Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expression of Interest media releases:</td>
<td></td>
</tr>
<tr>
<td>• Independent Chair</td>
<td>Mid October – Early November 2017</td>
</tr>
<tr>
<td>• RSAG membership</td>
<td></td>
</tr>
<tr>
<td>Closing date for Expressions of Interest</td>
<td>Early November 2017</td>
</tr>
<tr>
<td>Assessment of applicants, including</td>
<td></td>
</tr>
<tr>
<td>• Confirmation for successful applicants</td>
<td>Mid November 2017</td>
</tr>
<tr>
<td>• Letter to all unsuccessful applicants</td>
<td></td>
</tr>
<tr>
<td>Appointment of External Rating Expert</td>
<td>Mid November 2017</td>
</tr>
<tr>
<td>Council advised of RSAG membership (via Council Assembly)</td>
<td>Mid/Late November 2017</td>
</tr>
<tr>
<td>Convene first RSAG meeting, including</td>
<td>Late November 2017</td>
</tr>
<tr>
<td>• Terms of Reference</td>
<td></td>
</tr>
<tr>
<td>• Citizen’s Jury process</td>
<td></td>
</tr>
<tr>
<td>• Rating Strategy training schedule</td>
<td></td>
</tr>
<tr>
<td>• Media releases, etc</td>
<td></td>
</tr>
<tr>
<td>• Detailed background information provided for reading</td>
<td></td>
</tr>
</tbody>
</table>
Items that are out of scope

The Rating Strategy Advisory Group will not be asked to consider:
- The amount of rates collected by Council;
- The fees and charges for kerbside waste and recycling services;
- Council’s other policies and strategies, except to the extent they relate to rating strategies;
- The cost effectiveness of providing Council services;
- The range of services and facilities provided by Council; or
- Council’s capital works program.

Council’s responsibilities

1. Council will provide the Rating Strategy Advisory Group with the necessary expert advice to enable it to reach its recommendations. This may include:
   - Council’s current Rating Strategy;
   - References to relevant parts of the Local Government Act 1989;
   - Ministerial guidelines and reports;
   - Financial modelling generated by Council staff; and
   - Rating model and information from other Councils as requested.
   - Information to assist the group to understand the principles of the Revenue & Rating system and associated data relevant to our community.
   - Council will support participation of officers as requested to inform the meeting, supporting meeting processes and other meeting requirements.

2. Council will use information that has been obtained from the Group and the wider community as part of its decision making process.

3. Councillors may be invited to attend the Reference Group’s meetings to observe proceedings.

Term of appointment

The RSAG shall cease on 30 June 2018, unless otherwise extended by Council.

How to apply

Simply complete the attached form and return it to Council by 5pm, Friday, 10 November 2017. Forms can also be emailed to council@ararat.vic.gov.au. To obtain more information, please call Mr Alistair Rowe, Manager Corporate Support on 5355 0203 or email rowe@ararat.vic.gov.au
Expression of Interest  
Rating Strategy Advisory Group

1. Please provide your details below

Name
Home Address
Contact number
Email address

2. What property group are you most familiar with?

- Residential  
- Industrial  
- Commercial  
- Farm  
- <200Ha  
- >200Ha  

3. Please tell us about any skills and experience you may have that would contribute to your membership in the Group.

4. Please tell us why you are interested in being a member of the Group.

5. If you would like to be considered for the role of Chair, please tell us about any prior experience you may have in chairing similar groups.

I have read the Information Kit and would like to be considered for inclusion in Council’s Rating Strategy Advisory Group.

Signed: __________________________ Date: _________

Please return this form to Ararat Rural City Council by mailing to PO Box 246, Ararat Vic 3377; or dropping it into reception at 59 Vincent Street Ararat; or email to council@ararat.vic.gov.au

For further information, please call Mr. Alistair Rowe, Manager Corporate Support on 5355-0203, or email arowe@ararat.vic.gov.au

Expressions of interest will close at 5pm on Friday, 10 November 2017