2022 – 2025 Rating Strategy
Summary of Modelled Rating Scenarios

A summary of the rating scenarios modelled and assumptions made are:

#	Scenario & Aim	Model assumptions	Advantage / Disadvantage	Refer
1	Uniform rate in dollar *Aim: Examine effect of uniform rate in dollar*	Apply uniform rates in $ across all categories	***Advantage (rates and charges per assessment):*** **Comm - Colac/Ellim: Average decrease 42%** **Comm- Bal of Shire: Average decrease 32%** **Holiday Rental: Average decrease 8%** **Res- Colac/Ellim: Average decrease 7%** ***Disadvantage (rates and charges per assessment):*** **Farm : Average increase 21%** **Res- Bal of Shire: Average increase 7%**	 Note 1-2 Note 1 & 3 Note 6-7 Note 9 Note 4-5 Note 6 & 8
2	Uniform rate in dollar – staged introduction *Aim: Investigate staged introduction of uniform rate in $* *(Staged over 3 years*)	Phase in uniform (single) rate for all rating categories above or below 100% of the base over three years	***Advantage (rates and charges per assessment):*** **Comm - Colac/Ellim: Average decrease 17% in Yr 1&2 and lesser extent in Yr 3** **Comm- Bal of Shire: Average decrease 13% in Yr 1&2 and lesser extent in Yr 3** **Res- Colac/Ellim: Average decrease 3% in Yr 1&2 and lesser extent in Yr 3** **Holiday Rental: Average decrease 3% in Yr 1&2 and lesser extent in Yr 3** ***Disadvantage (rates and charges per assessment):*** **Farm : Average increase 9% in Yr 1&2 and lesser extent in Yr 3** **Res- Bal of Shire: Average increase 2% in Yr 1&2 and lesser extent in Yr 3**	 Note 1-2 Note 1&3 Note 6-7 Note 4-5 Note 6 & 8
3	*Sub scenario* Uniform rate in dollar – staged introduction	Phase in uniform (single) rate for all rating categories above or below 100% of the base over three years and Comm/Ind categories aligned in Year 1)	***Advantage (rates and charges per assessment):*** **Comm - Colac/Ellim: Average decrease 17% in Yr 1&2 and lesser extent in Yr 3** **Comm- Bal of Shire: Average decrease 3% in Yr 1&2 and lesser extent in Yr 3** **Res- Colac/Ellim: Average decrease 3% in Yr 1&2 and lesser extent in Yr 3** **Holiday Rental: Average decrease 3% in Yr 1&2 and lesser extent in Yr 3** ***Disadvantage (rates and charges per assessment):*** **Farm : Average increase 9% in Yr 1&2 and lesser extent in Yr 3** **Res- Bal of Shire: Average increase 2% in Yr 1&2 and lesser extent in Yr 3**	 Note 1-2 Note 1 & 3 Note 6-7 Note 4-5 Note 6 & 8
4	"Commercial – Colac/Elliminyt" rating category should pay the same rate in the dollar as "Commercial- Balance of Shire" rating category.	• "Commercial – Colac/Ellim" rate in $ to = "Commercial – BoS" (0.005012)	***Advantage (rates and charges per assessment):*** **Comm - Colac/Ellim: Average decrease 13% - up to $10K for highest CIV** ***Disadvantage (rates and charges per assessment):*** **Farm : Average increase 1%** **Res- Bal of Shire: Average increase 1%** **Comm- Bal of Shire: Average increase 1%**	 Note 1-2 Note 4 & 5 Note 3 & 5 Note 5

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	Aim: To stimulate the Colac /Elliminyt business sector.	• Revenue reduction to be collected from all other categories	**Res- Colac/Ellim: Average increase 1%** **Holiday Rental: Average increase 1%**	Note 3 & 5 Note 5
5	Farm rate differential to be reduced to 73%. (from previous rating strategies)	• "Farm" rate in $ to be 73% of "Res- Colac/Ellim" rate. • Revenue reduction to be collected from all other rating categories.	***Advantage (rates and charges per assessment):*** **Farm : Average decrease 2%** ***Disadvantage (rates and charges per assessment):*** **Comm - Colac/Ellim: Average increase <1%** **Res- Bal of Shire: Average increase <1%** **Comm- Bal of Shire: Average increase <1%** **Res- Colac/Ellim: Average increase <1%** **Holiday Rental: Average increase <1%**	 Note 1 & 2 Note 4 Note 3 & 4 Note 4 Note 3 & 4 Note 4
6	*Sub scenario* Farm rate differential to be reduced to 70%.	• "Farm" rate in $ to be 70% of "Res- Colac/Ellim" rate. • Revenue reduction to be collected from all other rating categories.	***Advantage (rates and charges per assessment):*** **Farm : Average decrease 5%** ***Disadvantage (rates and charges per assessment):*** **Comm - Colac/Ellim: Average increase 1%** **Res- Bal of Shire: Average increase 1%** **Comm- Bal of Shire: Average increase 1%** **Res- Colac/Ellim: Average increase 1%** **Holiday Rental: Average increase 1%**	 Note 1 & 2 Note 4 Note 3 & 4 Note 4 Note 3 & 4 Note 4
7	*Sub scenario* Farm rate differential to be reduced to 67%.	• "Farm" rate in $ to be 67% of "Res- Colac/Ellim" rate. • Revenue reduction to be collected from all other rating categories.	***Advantage (rates and charges per assessment):*** **Farm : Average decrease 8%** ***Disadvantage (rates and charges per assessment):*** **Comm - Colac/Ellim: Average increase 2%** **Res- Bal of Shire: Average increase 2%** **Comm- Bal of Shire: Average increase 2%** **Res- Colac/Ellim: Average increase 2%** **Holiday Rental: Average increase 2%**	 Note 1 & 2 Note 4 Note 3 & 4 Note 4 Note 3 & 4 Note 4
8	*Sub scenario* No Municipal Charge	Delete Municipal Charge. Revenue reduction to be collected from all other	**Wide range of effects for individual properties.** **Low value properties benefit as the increase in rates (due to a higher RID) can be less than the decrease in the Municipal Charge.**	

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#	Scenario & Aim	Model assumptions	Advantage / Disadvantage	Refer
		categories equally. (This will affect the rates in the $)	**Overall effect by rating category is:** ***Advantage (rates and charges revenue contribution):*** **Res- Colac/Ellim: Decrease contribution by 1.1%** **Res- Bal of Shire: Decrease contribution by 0.5%** **Holiday Rental: Decrease contribution by 0.1%** ***Disadvantage (rates and charges revenue contribution):*** **Farm : Increase contribution by 1%** **Comm - Colac/Ellim: Increase contribution by 0.4%** **Comm- Bal of Shire: Increase contribution by 0.2%**	 Note 1 & 2 Note 3 & 4 Note 5 Note 6 & 7 Note 8 & 9 Note 10 & 11
9	Reduce Municipal Charge to 5% (being $98.40)	• Amount to be raised from Municipal Charge to be 5% of the total amount to be raised from Municipal Chg & general rates (being $98.40). • Revenue reduction to be collected from all other categories equally. (This will affect the rates in the $)	**Wide range of effects for individual properties.** **Low value properties benefit as the increase in rates (due to a higher RID) can be less than the decrease in the Municipal Charge.** ***Advantage (rates and charges revenue contribution):*** **Res- Colac/Ellim: Decrease contribution by 1.1%** **Res- Bal of Shire: Decrease contribution by 0.2%** **Holiday Rental: Decrease contribution by 0.1%** ***Disadvantage (rates and charges revenue contribution):*** **Farm : Increase contribution by 0.5%** **Comm - Colac/Ellim: Increase contribution by 0.2%** **Comm- Bal of Shire: Increase contribution by 0.1%**	 Note 1 & 2 Note 3 & 4 Note 5 Note 6 & 7 Note 8 & 9 Note 10 & 11
10	Reduce Municipal Charge to $100.	• Municipal Charge to be reduced from $195 to $100. (which equates to 5.1% of rates & charges revenue). • Revenue reduction to be collected from all other categories equally. (This will affect the rates in the $)	***[Effect is very similar to Scenario 9]*** **Wide range of effect for individual properties.** **Low value properties benefit as the increase in rates (due to a higher RID) can be less than the decrease in the Municipal Charge.** ***Advantage (rates and charges revenue contribution):*** **Res- Colac/Ellim: Decrease contribution by 1.1%** **Res- Bal of Shire: Decrease contribution by 0.2%** **Holiday Rental: Decrease contribution by 0.1%**	 Note 1 & 2 Note 3 & 4 Note 5 Note 6 & 7

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#	Scenario & Aim	Model assumptions	Advantage / Disadvantage	Refer
			Disadvantage (rates and charges revenue contribution):: **Farm : Increase contribution by 0.5%** **Comm - Colac/Ellim: Increase contribution by 0.2%** **Comm- Bal of Shire: Increase contribution by 0.1%**	Note 8 & 9 Note 10 & 11
11	Holiday rental – Same as Comm. – Bal of Shire (140% differential) *Aim: Holiday rental properties should pay more, or the same as the Commercial rate in the dollar.*	• "Hol rental" rate in $ to = "Comm – Bal of Shire" • Additional revenue to be deducted from "Residential – Bal of Shire"	***Disadvantage (rates and charges per assessment):*** **Holiday Rental: Average increase 34%** ***Advantage (rates and charges per assessment):*** **Comm - Colac/Ellim: Average decrease 2%** **Comm- Bal of Shire: Average decrease 2%** **Res- Colac/Ellim: Average decrease 2%** **Res- Bal of Shire: Average decrease 2%** **Farm: Average decrease 2%**	 Note 1 & 2 Note 5 Note 5 Note 3 & 5 Note 3 & 5 Note 4 & 5
12	*Sub scenario* Holiday rental – Same as Comm. – Bal of Shire (165% differential)	• "Hol rental" rate in $ to = "Comm – Colac/Ellim" Additional revenue to be deducted from "Residential – Bal of Shire"	***Disadvantage (rates and charges per assessment):*** **Holiday Rental: Average increase 55%** ***Advantage (rates and charges per assessment):*** **Comm - Colac/Ellim: Average decrease 3%** **Comm- Bal of Shire: Average decrease 3%** **Res- Colac/Ellim: Average decrease 3%** **Res- Bal of Shire: Average decrease 3%** **Farm: Average decrease 3%**	 Note 1 & 2 Note 5 Note 5 Note 3 & 5 Note 3 & 5 Note 4 & 5
13	Lower rate in $ for long term (ie: 12 months or greater) rental properties. *Aim: Offer a discounted rate to motivate/reward for providing more secure housing.*	• Create "virtual' new rating category with 50 properties @ total CIV $31,280,000 (being average Hol Rent CIV$625,600 x 50) • Use Farm rate (lowest rate) in $ (0.002685) • Revenue reduction to be collected from Hol Rental category	This scenario is not a feasible option for the following reasons: - Relevant properties cannot be identified, therefore a rating category cannot be created, and - The scenario does not comply with legislated differential rating principles. Applying the scenario modelling assumptions to a hypothetical Long Term Rental rating category would result in 50 properties to be transferred from the Holiday Rental category. This would result in lower revenue of $112,000 (being CIV $31,280,000 X 0.003580) being raised from that category. Conversely, the new category would only raise $84,000 in revenue. The shortfall of $28,000 could only be collected from the Holiday Rental category by increasing the Holiday Rental differential, which would have flow on effects for other rating categories.	

#	Scenario & Aim	Model assumptions	Advantage / Disadvantage	Refer
			The objective of this scenario may be best achieved by considering a rebate/concession scheme. This would require consideration of: - feasibility of a rebate (including implications for other rating categories), - establishing eligibility criteria, - developing an assessment process, and - establishing a budget provision for the cost of the rebate/concession.	