



# Community Engagement Plan

*Rating and Valuation Strategy Review 2023-24*



[yoursay.hobartcity.com.au](https://yoursay.hobartcity.com.au)

Prepared by



City of **HOBART**

## 1. Background Information

The City of Hobart is undertaking a review of its Rating and Valuation Strategy (the Review). The City requires a sustainable Rating and Valuation Strategy (Strategy) to ensure that programs, services and infrastructure needs of the community are met now but also into the future to avoid burdening future generations of ratepayers with large rate increases. It's also important that the City has sufficient revenue to ensure it can meet the Community Vision and the strategic objectives outlined in the Capital City Strategic Plan 2019-2029.

Up until 2022-23 the City of Hobart had a simple rating strategy, utilising the Assessed Annual Value (AAV) valuation base and applying the same rate in the dollar to all properties to calculate the amount of rates to be levied on individual properties.

In 2021 the Valuer-General completed a revaluation of all properties in the Hobart municipal area. The changes to property valuations was unprecedented with large increases experienced particularly for residential properties. This was driven by population growth, private rental vacancy rates being low, COVID impacts and limited housing supply. This caused a shift in the rate burden from commercial to residential. Council approved the introduction of a differential rating system and limiting rate increases through rates capping to ensure equity of the distribution of the rate burden. The 2022-23 rating strategy using rates capping is not sustainable for future years.

All councils are different and have characteristics specific to locality. As a result, it is dependent upon the individual council to determine the most appropriate Strategy for its own municipal area.

It is important that the community is engaged on any change to the City's Strategy and understands how any changes will impact and benefit them.

## 2. Establishing Purpose

The purpose of the engagement is to:

- Provide opportunities for the broader community to be informed about and provide feedback on the City's rating and valuation strategy.
- Determine a fair and equitable method of raising rates that is informed and supported by the broader community.

## 3. Engagement Objectives

<b>Purpose types</b>	<b>Objectives</b>	<b>Success Criteria</b>
Decision making	To shape the Council's decisions on adopting a rating and valuation strategy that is informed by community and stakeholder feedback.	Broad participation levels that represent a good cross section of the community  Stakeholders report confidence in the process.  A clear demonstration as to how community input influenced the decision.
Engagement opportunities	To ensure that the community has the opportunity to be	Provision of a variety of engagement opportunities

	informed about and have input into decisions which affect them.	Broad participation levels
--	---	----------------------------

#### 4. Establishing Parameters

##### **Geographic**

This project will affect all rate payers that own properties within the City of Hobart municipal area.

##### **Legislative**

Council rates are a form of taxation rather than a fee for service. Section 86A of the LG Act states that:

- (a) rates constitute taxation for the purposes of local government, rather than a fee for a service; and
- (b) the value of rateable land is an indicator of the capacity of the ratepayer...to pay rates.

##### **Budget**

The costs to undertake the review will be absorbed within current operating budgets.

##### **Timeline**

It is proposed that the Review be undertaken from November 2022 to February 2024. An Options Paper is expected to be provided to Council in September 2023 and thereafter a draft Rating and Valuation Strategy provided to the Community for feedback.

#### 5. Stakeholder Analysis

Stakeholders for the project include but are not limited to:

- City of Hobart rate payers covering owners of all property types including residential, commercial, industrial, public enterprise, vacant, quarry and mining and sport and recreation
- Hobart business community
- Community sector – particularly housing and homelessness
- City of Hobart reference groups

Note: A full stakeholder analysis will be undertaken.

#### 6. Level of Participation

The IAP2 level of participation is **INVOLVE**

Public participation goal: To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.

Promise to the community: We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how the public input influenced the decision.

#### 7. Community Engagement Design

Engagement for this project will be undertaken in the following three stages.

##### *Stage 1: Understanding and options*

Outcomes: The City will work collaboratively with a Community Advisory Group to inform an Options Paper that reflects the views of key stakeholders.

##### **Community Advisory Group**

In stage one the City will establish a Community Advisory Group (CAG) through a public expressions of interest process, made up of representatives from community and business groups. The CAG will consider rating principles and threshold rating and valuation decisions that will feed into an Options Paper to support Council's decision making.

The CAG will participate in a series of workshops that cover the following:

- The current state – information on how rates are currently calculated and why the City is undertaking a review
- Rates modelling – work through a variety of models for calculating rates; demonstrate the impacts of proposed changes on various stakeholder groups
- Options - consider a number of rating options for the future of the City

#### *Stage 2: Options Paper Development & Review*

Outcome: The City will develop an options paper that is informed by the Community Advisory Group process. The options paper will be provided for community feedback to inform the development of a rating and valuation strategy for the City.

#### **Advisory and Reference Groups Briefing**

Provide a briefing to and seek feedback from the City's relevant advisory and reference groups including:

- Hobart Older Persons Reference Group
- Access Advisory Committee
- Community Sector Reference Group
- Housing and Homelessness Alliance
- Business Consultative Group

#### **Your Say Hobart**

Develop a page on the City's Your Say Hobart platform for the broader community to review the Options Paper and provide feedback. Tools options may include:

- Upload a formal submission
- Complete an online survey
- Participate in a community discussion boards
- Ask the team a question

#### **Rates drop in information sessions**

Host in person information sessions for members of the public to ask the rates team about the rating options. These could be held in a number of locations including the Council Centre, Mathers House, etc.

#### *Stage 3: Revenue Strategy*

Outcome: The City will develop a proposed rating and valuation strategy that considers stakeholder and community feedback and will assist in Council decision making.

#### **Key stakeholder feedback**

The draft Rating and Valuation Strategy document may be distributed to key relevant stakeholders including the CAG for a final review prior to the draft being presented to Council for adoption.

## 8. Community Engagement - Reporting Back

Throughout each stage of engagement, the results of engagement will be reported back to participants via the following methods:

Stage 1: The CAG will receive a summary of the minutes and outcomes of each workshop.

Stage 2: Those providing feedback in this stage will have the option of signing up for project updates to be sent via e-newsletter and an engagement summary report will be prepared and made available via the Your Say Hobart.

Stage 3: The final project outcome will be reported to all participants via e-newsletter and information made available on the City's Your Say Hobart page and website.

## 9. Community Engagement Evaluation

Criteria	Description	Goal	Engagement Stage
Participants of the CAG felt their contributions were valued	Seek feedback from the CAG regarding their experience of the engagement process.	75% of participants demonstrate high levels of satisfaction with the workshops	Stage 1
Geographic and demographic spread of participants	Record the number of different groups represented in the process.	A diverse range of groups and stakeholders are represented in the feedback	All stages
The decision-making process was clearly communicated so participants understood how and why decisions are made.	Review information and engagement reports distributed to participants detailing the decision-making project.	Project team review Participants indicate a high level of agreement that this has been provided	All stages
The process supported positive relationships and acknowledged conflicts, which were worked through in a constructive way.	Conflicts were resolved and participants had adequate opportunity to work through conflicts.	Project team review CAG workshop feedback	All stages
The feedback received influenced the outcome of the project	The final document clearly demonstrates the community input.	Project team review	All stages