



DRAFT

RATING STRATEGY

2019-23

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1. PURPOSE

The purpose of the Rating Strategy is to set out the system of rates and charges adopted by Council for the purposes of distributing the rates burden across the municipality on a fair and equitable basis. The Strategy is reviewed and adopted every four years following a general election of the Council. This Rating Strategy is for the four year period 2019-23.

In 2005 Council developed a Rating Strategy, which was adopted in conjunction with the adoption of the 2005-06 Budget. Council has annually reviewed this strategy as part of its budget process, but in 2013-14 as a response to budget submissions received, it undertook to do a more detailed review of its entire Rating Strategy in order to investigate the concerns raised by some sectors within the community. Further to this the Victorian Auditor General's Report into the results from the 2012-13 audits highlighted the need for Council's to "apply a robust and strategic approach to the collection and use of revenue through rates and charges" and to improve the quality of the Rates Strategy and to implement a Rating Policy. Council during the 2013-14 review looked in depth at the various elements of its current rating package, the objective being to consider ways in which these could be varied to "more equitably distribute the rates burden across the municipality".

In the 2018-19 year Council formed the Rates Strategy Review Advisory Committee (Committee) to provide community input and opinion on the setting of key rating principles in the review of the Council's 2018-19 Rates Strategy, and to make recommendations to Council on revisions to the Rates Strategy and an overarching Rates Policy. A key outcome of which was to achieve a fair and equitable distribution of the rate burden across all members of the community.

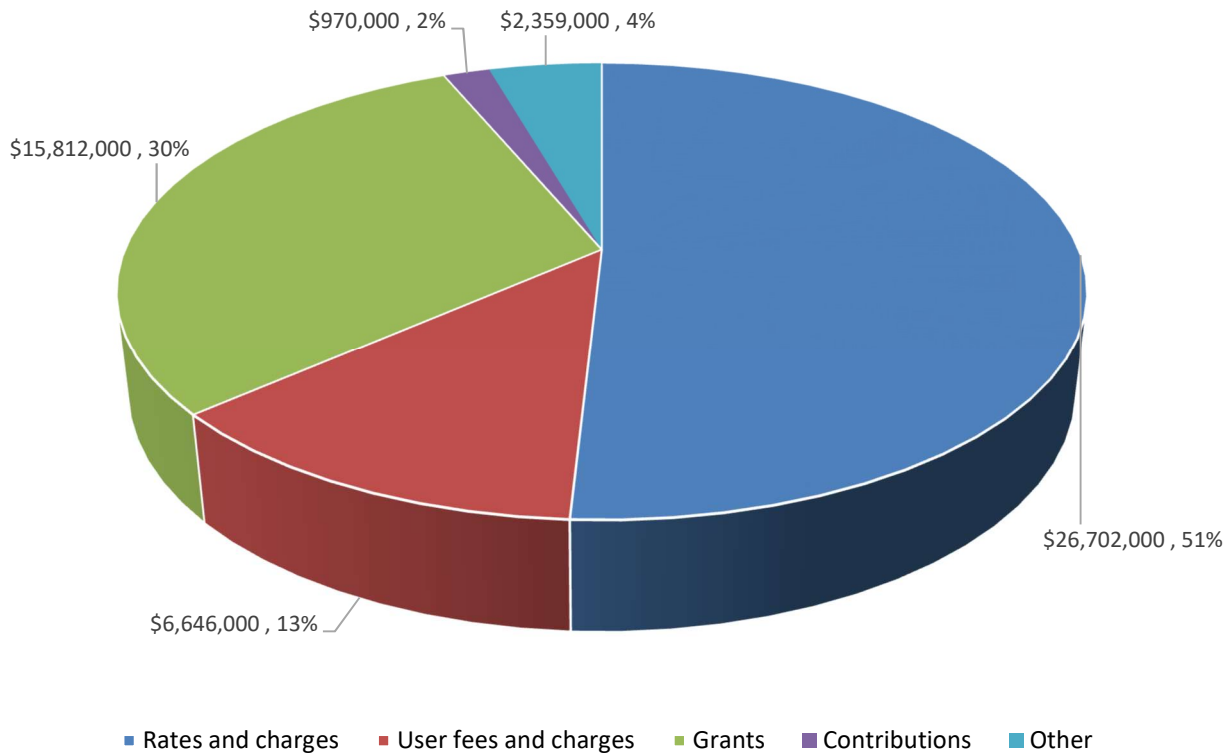
The responsibilities of the Committee were:

- To identify and recommend principles for formulating the HRCC's rating strategy and policy
- Advise on the factors for consideration of any differential rates
- Advise on the equitable sharing of the rate burden and changes to current charges, rebates and exemptions
- Propose improvements to communication and engagement on the budget and rating strategy
- Consider feedback and submissions from members of the public that may be obtained during the review
- Produce a discussion paper with recommendations for Council.

The Council has considered the Committee's recommendations and have incorporated them into the development of this Rating Strategy for the 2019-23 years.

2. REVENUE COMPOSITION

The composition of Council's revenue for the 2018-19 year is shown in the graph below.



In determining if services should be funded by specific charges or through rates, Council has to consider the aspect of whether services are either entirely or partially “public goods”, these being services providing a broad benefit to the community rather than a particular benefit to individuals or groups. In the case of public goods it is often difficult or impractical to exclude non-payers from the benefits or to attribute costs.

Where possible, Council sets user charges based on the cost of provision of those services where there is clearly a direct benefit to users, such as the garbage collection service, in which the revenue from the charges for household garbage services are set to meet the total cost of all waste services, including collection, treatment and disposal (but excluding Council overheads).

At the same time small scale services or those where it would be difficult to attribute costs or collect fees are funded through rates.

3. CURRENT RATING STRUCTURE

3.1 Rating System

The rating system used at Horsham for the 2018-19 year is as follows:

- General Rates levied using differential rates based on Capital Improved Valuations multiplied by specified rates in the dollar, being General rates including Residential, Commercial and Industrial properties (2018-19: 0.4908 cents/\$CIV) and Farm rates at 80% of the General rate (2018-19: 0.3926 cents/\$CIV)
- Municipal Charge levied on all rateable properties, representing 13.6% of total revenue from the municipal charge and general rates, with exemptions for properties making up single farm enterprises and cultural and recreational lands (2018-19: \$287 per property)
- Cultural and Recreational rates levied on recreational land based on Capital Improved Valuations at concessional rates in the dollar of between 0% and 50% of the General rate (2018-19: 0.0000-0.2454 cents/\$CIV)
- Service Rates and Charges levied for garbage collection based on the type and size of the services provided, with a discretionary service for those outside the residential urban areas of Horsham and Natimuk, including the provision of a free-to-user recycling service for residential garbage service recipients (2018-19: \$224-\$394 per property)
- Deferments and/or waivers of rates and charges in specific hardship cases
- Rebates and Concessions offered in some circumstances as set out in legislation such as for the State funded Pensioner Rebate Scheme and as per Council policy and other agreements.

3.2 Comparison with Other Councils

A comparison of Horsham's rates and charges for the 2018-19 year with other comparable councils is shown in the table below.

Council	Budget	Rates	Residential	Commercial	Industrial	Farm	Cult & Rec	Municipal Charge	SEIFA Index
Moyne	\$45,469	\$22,385	100%	100%	100%	100%	na	\$261	7.00
Glenelg	\$46,789	\$23,857	100%	100%	100%	100%	50%	\$0	2.00
Mildura	\$105,535	\$69,700	100%	120%	120%	90%	10%	\$100	1.00
Buloke	\$32,937	\$13,316	100%	100%	100%	90%	na	\$170	3.00
Corangamite	\$39,363	\$21,532	100%	100%	100%	90%	50%	\$198	5.00
Hindmarsh	\$18,160	\$8,645	100%	90%	90%	90%	50%	\$199	2.00
Swan Hill	\$46,724	\$27,624	100%	125%	100%	82%-86%	96%	\$0	2.00
Horsham	\$51,014	\$26,702	100%	100%	100%	80%	50%	\$287	4.00
Southern Grampians	\$42,581	\$19,607	100%	100%	100%	80%	na	\$195	5.00
Colac Otway	\$47,363	\$30,204	100%	165%	165%	75%	na	\$188	3.00
Yarriambiack	\$24,138	\$12,183	100%	100%	100%	72%	na	\$73	1.00
Ararat	\$29,844	\$16,919	100%	100%	100%	55%	na	\$92	1.00
Northern Grampians	\$33,830	\$17,377	100%	100%	100%	47%	58%	\$156	1.00

Out of 10

Swan Hill: 82% dry land and 96% irrigation land

Northern Grampians: Reduced its farm rate by 18% in 2018-19 to achieve 2.25% increase

3.3 Valuation Outcomes

Council currently chooses to rate properties based on the Capital Improved Value (CIV) method, on the basis that this more accurately reflects the true value of the property, and also under the Local Government Act 1989 it allows Council to be able to apply differential rates when they believe they are applicable. Council effective from 1 January 2019, undertakes its valuations on a yearly basis in accordance with the Valuation of Land Act 1960 and has appointed the Valuer General as the Valuation Authority who in turn employs an independent contract Valuer. The last revaluation was undertaken effective January 2018.

The following table shows the general revaluation outcomes since 2004 and the impact on the property valuation proportion and general rate burden (excluding municipal charge).

Valuation Changes			Valuation Proportion			General Rate Burden			Farm
Year	General	Farm	Year	General	Farm	Year	General	Farm	Diff
2002-03	0%	0%	2002-03	69%	31%	2002-03	69%	31%	95%
2004-05	37%	38%	2004-05	68%	32%	2004-05	69%	31%	95%
2006-07	15%	20%	2006-07	69%	31%	2006-07	69%	31%	95%
2008-09	9%	7%	2008-09	68%	32%	2008-09	70%	30%	95%
2010-11	6%	14%	2010-11	68%	32%	2010-11	69%	31%	90%
2012-13	8%	4%	2012-13	69%	31%	2012-13	71%	29%	90%
2014-15	11%	22%	2014-15	67%	33%	2014-15	72%	28%	80%
2016-17	12%	14%	2016-17	67%	33%	2016-17	72%	28%	80%
2018-19	5%	17%	2018-19	65%	35%	2018-19	70%	30%	80%

There are also often large variations between revaluation years and these are expected to be reduced due to revaluations occurring on an annual basis rather than every second year.

New property assessments and additional value has been created by way of new sub-divisions and constructions in the General Sector specifically but to a lesser extent in the Farm Sector as well. These new properties have helped contribute to rate revenue in total and have thus reduced the rate burden for all categories of properties.

4. PROPOSED RATING STRUCTURE

4.1 Rating System

The rating system proposed at Horsham for the 2019-23 years is as follows:

- General Rates levied using differential rates based on Capital Improved Valuations multiplied by specified rates in the dollar, being:
 - Residential rates at 100% of the General rate, Commercial rates at 95% of the General rate, Industrial rates at 95% of the General rate and Farm rates at 67% of the General rate.
- Municipal Charge levied on all rateable properties, representing approximately 10% of total revenue from the municipal charge and general rates, with exemptions for properties making up single farm enterprises and cultural and recreational lands. (This aligns with the proposed Local Government Bill (2018) which has capped the Municipal Charge to a maximum of 10% of the total revenue from the municipal charge plus general rates)
- Cultural and Recreational rates levied on recreational land based on Capital Improved Valuations at concessional rates in the dollar of between 0% for those with little other sources of revenue and 50% of the General rate with significant revenue raising capacity
- Service Rates and Charges levied for garbage collection based on the type and size of the services provided, with a discretionary service for those outside the residential urban areas of Horsham and Natimuk, including the provision of a free-to-user recycling service for residential garbage service recipients
- Deferments and/or waivers of rates and charges in specific hardship cases
- Rebates and Concessions offered in some circumstances as set out in legislation such as for the State funded Pensioner Rebate Scheme and as per Council policy and other agreements.
- A rebate of \$30 in addition to the State funded Pensioner Rebate Scheme to eligible pensioners

4.2 General & Differential Rates

Until the year 2000-01, Council levied a uniform rate in the dollar on all properties, whether they were residential, commercial, industrial or farm. It then resolved that the equity of the rating system would be enhanced if the different characteristics of the farming sector were recognised by applying a differential rate at 95% of the general rate applied to all other non-concessional rateable properties.

Taking the above into account the farm rate was determined in the year 2000-01 after noting the relative changes in valuations between the farming and residential sectors in particular following the 2000 revaluation, and the lower accessibility of the farming sector to some of the services provided in the municipality generally. In doing so Council was mindful that a concession granted to one sector has to be paid for by all others but it believes that the equity principle is furthered by the application of this differential.

In 2010-11, Council further reduced its differential rate to benefit the farming sector from 95% to 90% (of the general rate) having considered the outcomes of its biennial revaluation, the impact of low commodity prices on farming incomes and uncertainty about the continuation of the Exceptional Circumstances financial support (which was subsequently withdrawn). In doing so, it considered the issue of geographical distance from standard Council services and the ability of farmers to use and access those services.

In 2014-15, Council reduced its farm differential rate by a further 10% to 80% of the general rate, in recognition of the changes to relative property values, the high value of land as an input to farm operations, and in recognition of some lesser access to services associated with the rural isolation of the majority of the farming sector.

For the 2019-23 years, Council proposes to reduce the farm differential rate by a further 13% to 67% of the general rate to recognise the changes to relative property values (in 2018), the high value of land as an input to farm operations, and in recognition of some lesser access to services associated with the rural isolation of the majority of the farming sector. Council also proposes to introduce a commercial differential rate of 95% of the general rate and an industrial differential rate of 95% of the general rate in recognition of the changes to relative property values following the 2018 general revaluation of properties and reliance on the level of economic activity of the farming sector.

4.3 Municipal Charge

The municipal charge is intended to cover some of the “administrative costs” of a Council, examples of which are elections, governance, valuations and corporate expenses. The 2018-19 level of \$287 is the result of applying the charge of \$95.00 set at the time of municipal restructure in 1995 until 1997-98, after which changes in the amount of the charge have followed the annual rate percentage increases declared by Council, except for 2014-15 and 2015-16 when there was no increase to the municipal charge. Council determined in 2016-17 to again increase the charge in-line with the overall rate increase and this approach has been maintained.

For the 2019-23 years, Council proposes to reduce the municipal charge to \$200 which represents 10% of total revenue from the municipal charge and general rates, to reduce the regressive nature of the charge on lower valued properties and bring it in-line with that proposed in the Local Government Bill (2018). Council will consider reducing this further in future years to address the regressive nature of this charge.

4.4 Service Rates and Charges

Council provides for the collection and disposal of household garbage, as well as providing for the depositing of industrial and other waste to landfill. A 240 litre bin service has been in existence since before municipal restructure, with weekly collection using bins supplied by the Council to householders in the urban area, and to commercial and industrial premises on request. The service is mandatory for all residential tenements in the urban areas of Horsham and Natimuk.

From the year 2000 Council has offered a residential 240 litre bin service to rural properties where this is feasible, as well as to residential properties in rural townships. The service is optional and the charge the same as in urban areas, although the provision cost is substantially greater due to the increased travelling

involved in collection. However, Council's view is that rural dwellers should not be financially penalised to provide the service and that cross subsidization is justified in this case.

In 2001 Council extended the garbage service by providing an optional 120 litre service at a reduced charge, with the two-fold purpose of leading to a reduction of garbage going to landfill and to encourage recycling. Again some cross subsidization occurs as the collection costs are not substantially less for the small bins, but Council believes the strategy outlined justifies this.

Council resolved in 2002 to add a recycling bin service for residential users using distinctively coloured wheeled bins. Recycling bins are provided only on request. Not all rural users have been offered the service as it is not practical at this stage. The cost of the residential recycling service is included in the overall garbage charge and in 2018-19 this was increased by approximately \$30 due to national issues with recycling and contamination issues for the market of recyclable products in to China. Relevant state bodies are working with industry to look at alternative markets and products to keep these costs down in the future.

At the request of the occupiers of some commercial premises the Council agreed in 2008 to provide a recycling service. This chargeable service is restricted to occupiers not using the Council's commercial garbage service, for which the recycling service is at no additional cost.

For the 2019-23 years, Council proposes no change to its policy on service rates and charges.

4.5 Deferments, Discounts and Waivers

Council has a separate and specific policy for the handling of hardship cases which allows deferment of all or part of rates for varying times depending on circumstances, interest may also be waived in hardship cases. Applicants are required to specify the hardship grounds, on consideration of which Council may grant a deferment, which would generally continue until circumstances change, the land is sold or the person dies, when the rates and interest deferred would be taken from the sale proceeds. Council has in the past only granted interest waivers for hardship. Council has traditionally not granted waivers or discounts.

For the 2019-23 years, Council proposes no change to its policy on deferments, discounts or waivers.

4.6 Concessions and Rebates

The most important rate concession available to ratepayers is the Municipal Rates Pension Concession set at a maximum of half the rates and charges levied on eligible pensioners. This is fully funded by the State Government. Eligible pensioners are also entitled to receive a concession on the Fire Services Property Levy. The total concession amounts for 2018-19 were \$498,729.

There are currently no known Councils that offer a rate rebate for Health Care Cards, and Council has decided not to offer any further rate concessions for holders of these cards.

An additional rebate of \$30 is offered to eligible pensioners from 2019-20 to recognise the impact of rates on this section of the community.

Other concessions are given to the Office of Housing (Department of Human Services) 50% of their total general rates (excluding the Municipal charge) on the low value rental units, for disadvantaged sectors of the community. Council provides rebates for properties which are involved in Sport, Cultural & Recreational activities under the Culture and Recreational Rates Concession policy which was adopted with the 2015-16 Council Budget. Council proposes to undertake a review of this policy prior to 30 June 2019.

For the 2019-23 years, Council proposes no further reviews or changes to its policy on concessions and rebates.

4.7 Payment of Rates

Rates may be paid by quarterly instalment or as a yearly lump sum payment in February. The Council also widely publicises the opportunity it allows for paying rates by arrangement throughout the year as it can be managed and encourages ratepayers who may be having difficulty to discuss payment arrangements with rates staff. Council considered moving to quarterly only payment options for the 2013-14 year and again in

2017-18 but elected to continue to offer a lump sum option in February, in consideration of the benefits specifically to the farm sector.

For the 2019-23 years, Council proposes no change to its policy on payment of rates.

5. FINANCIAL IMPACT OF PROPOSED CHANGES

5.1 Modelling

For the purposes of determining the financial impact of the proposed rating strategy on each category or class of ratepayer, the current and proposed rating structures have been modelled over the next five years based on the assumptions below.

5.2 Assumptions

The following assumptions have been made in regard to future rating years for the purposes of modelling the financial impact of the proposed rating structure:

- Future rate cap increases have been set at 2.5%
- Future property valuation increases have been based on the average valuation increases over the past two general revaluations (i.e. 2016 and 2018) and applied annually with a capped upper limit of 10% and lower limit of 5%
- The growth in the number of assessments has been based on the average growth over the past two general revaluations period (i.e. 2016/17 to 2018/19) and applied annually with a capped upper limit of 10% and lower limit of 5%.

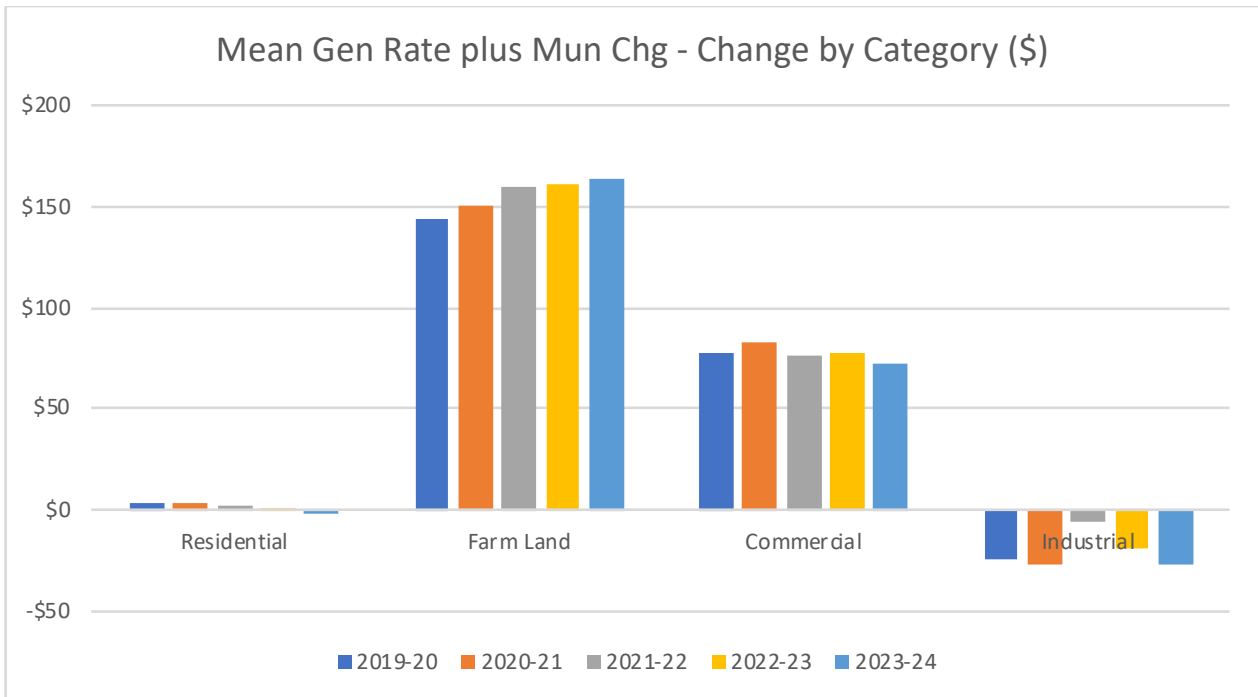
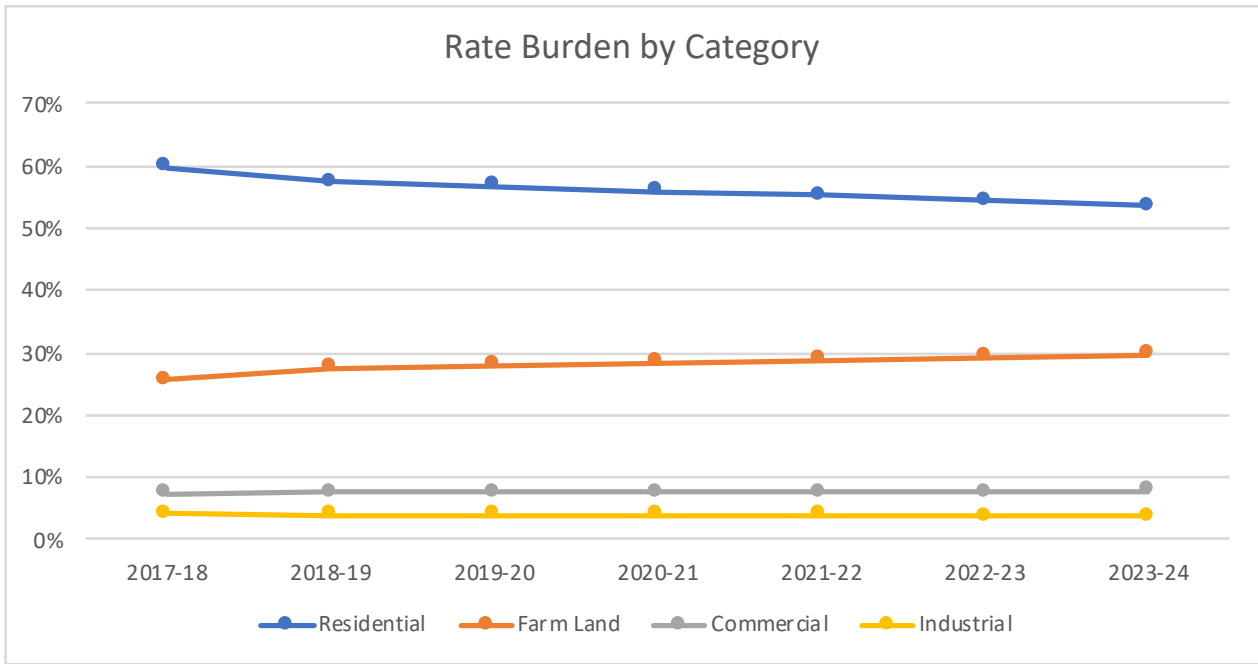
5.3 Financial Impact

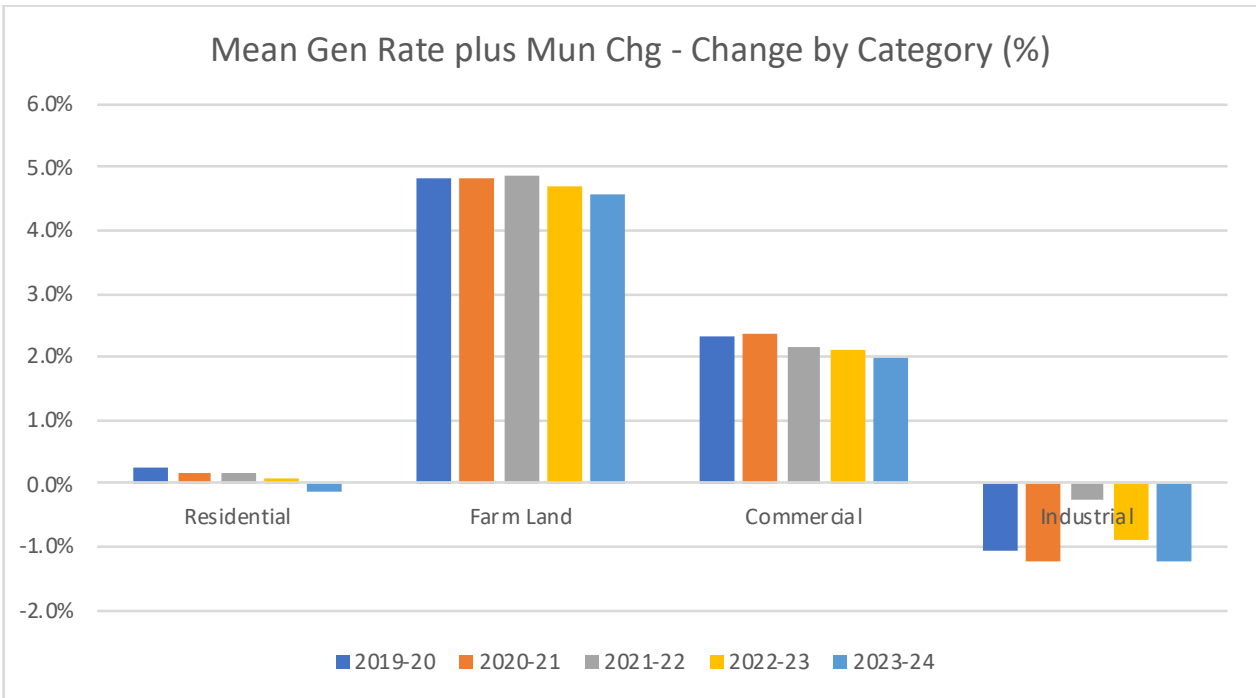
5.3.1 Summary

Measure	Residential	Farm	Commercial	Industrial
Rate burden: 2018-19	57.5%	27.5%	7.5%	4.0%
Rate burden: 2019-20	58.7%	25.7%	7.8%	4.0%
Change	+1.2%	-1.8%	+0.3%	0.0%
Average rate: 2018-19	\$1,577	\$2,979	\$3,371	\$2,235
Average rate: 2019-20	\$1,636	\$2,871	\$3,534	\$2,229
Change	+\$59	-\$108	+\$163	-\$6

The above table compares the rate burden and average rate (general rate and municipal charge) for the 2018-19 year and that which would exist in the 2019-20 year under the proposed rating structure. It shows that under the proposed rating structure, farm land would experience a reduction in the rate burden of 1.8% to 25.7%, which is the level that existed prior to the 2018 general revaluation. The rate burden would be transferred to the other rating categories with residential land bearing most of the change. However, due to the large number of residential assessments the average rate impact would be limited to an increase of \$59 compared to commercial properties which would increase by \$163 on average. Industrial properties would be largely unaffected.

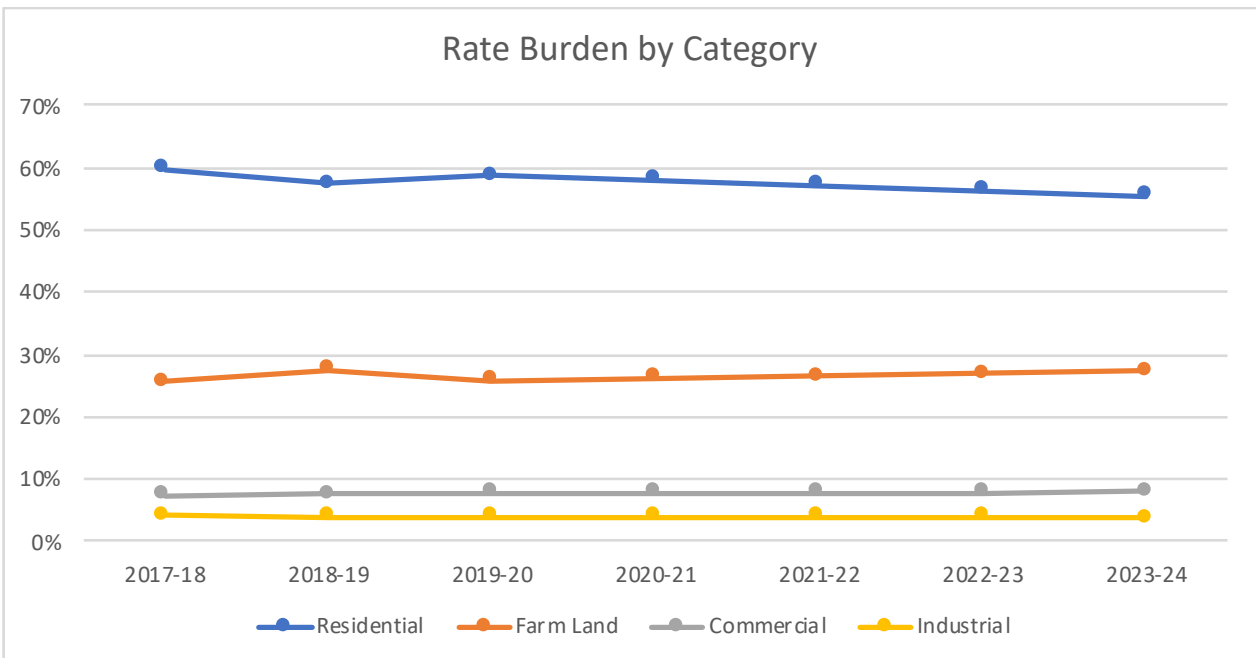
5.3.2 Current

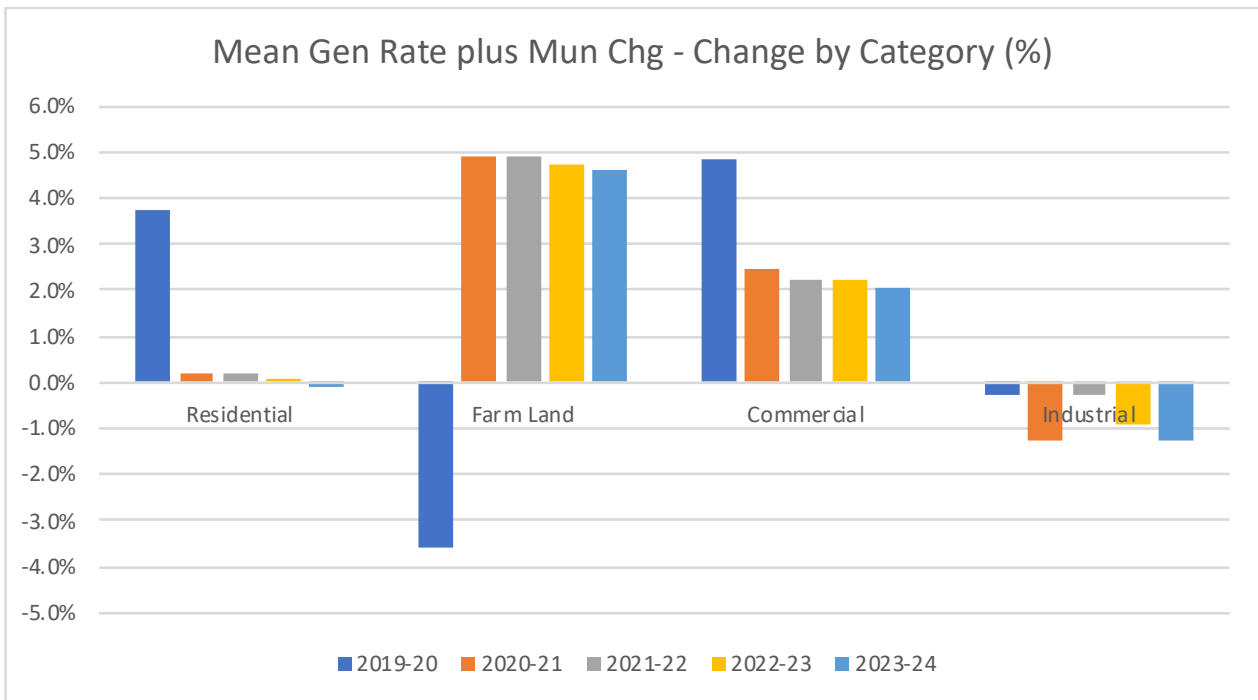
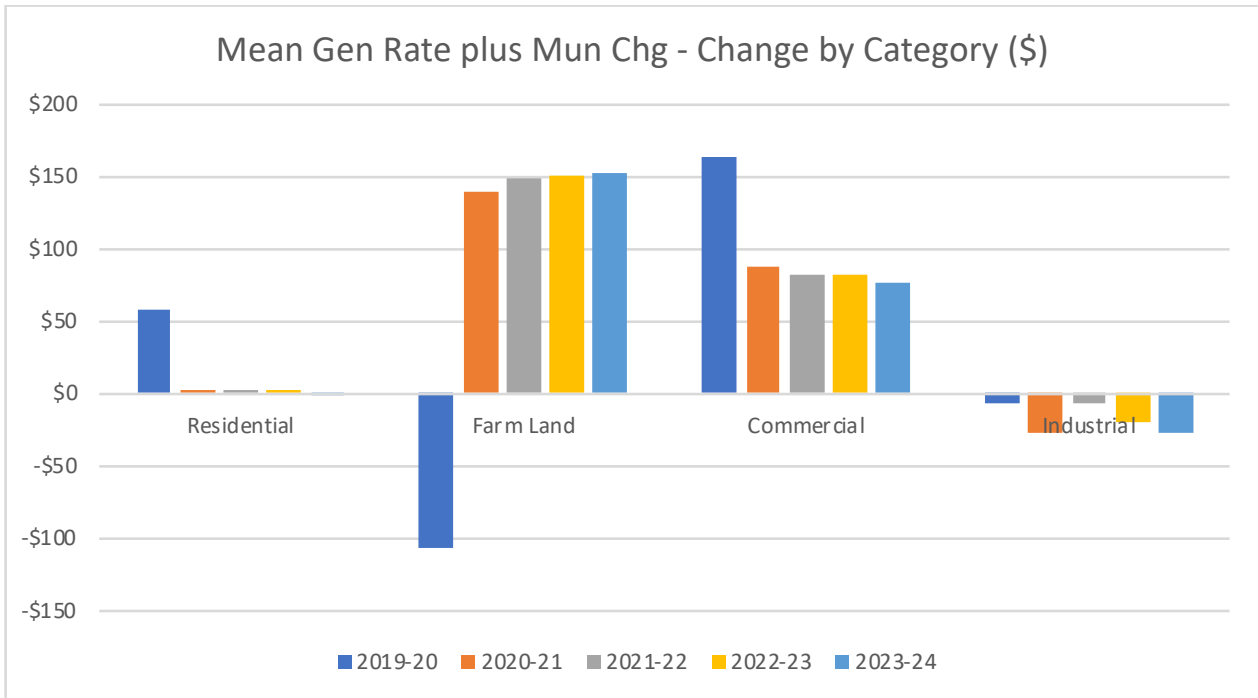




Under the current rating structure, the general rate and municipal charge burden for farm land will increase from 27.5% in 2018-19 to 28.0% in 2019-20 and then continue to increase to 29.7% by 2023-24. Residential land will decrease from 57.5% to 53.5%, Commercial land will increase from 7.5% to 7.7% and Industrial land will decrease from 4.0% to 3.8% over the same period. This will result in average rate increases for farm land of between 4.6% and 4.8% per annum over the five year period. This is compared to residential land which will experience average rate changes of between -0.1% and 0.2% per annum, commercial land with increases of between 2.0% and 2.3% and industrial land with decreases of between -0.3% and -1.2% over the five year period.

5.3.3 Proposed

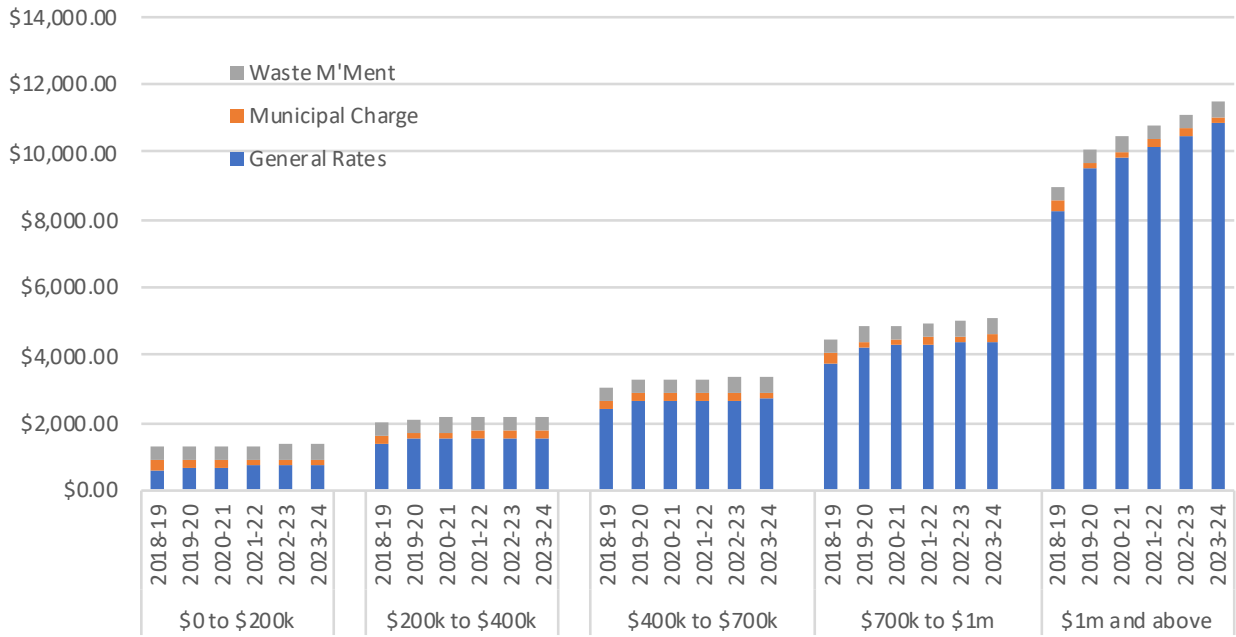




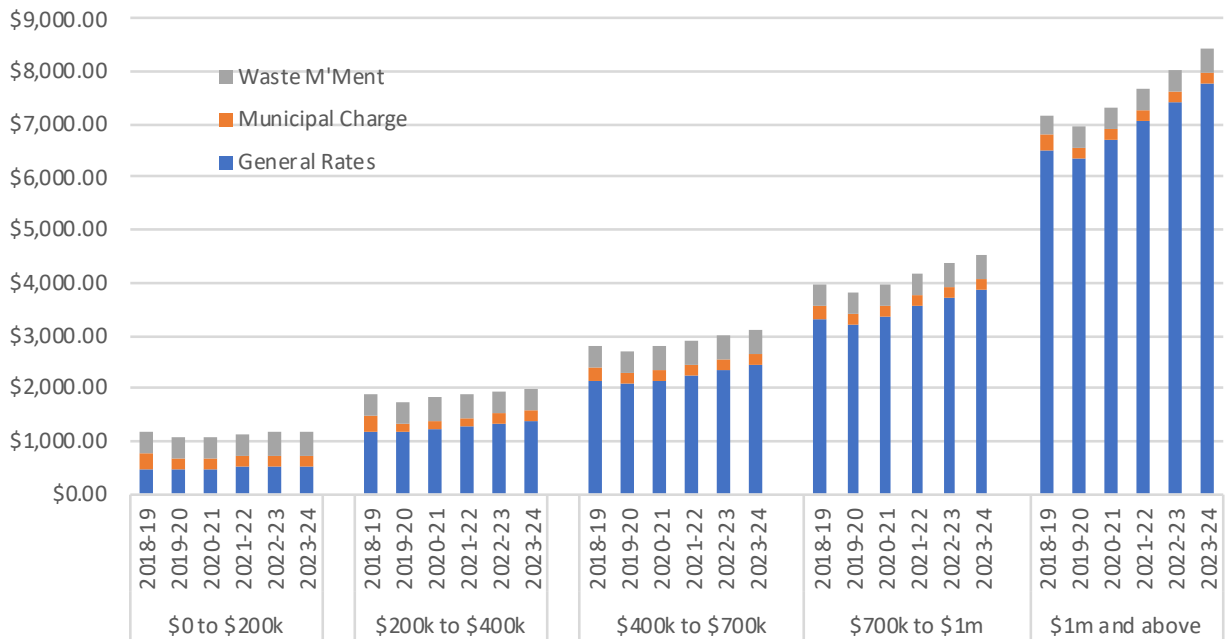
Under the proposed rating structure, the general rate and municipal charge burden for farm land will decrease from 27.5% in 2018-19 to 25.7% in 2019-20 and then continue to increase to 27.3% by 2023-24. Residential land will increase from 57.5% in 2018-19 to 58.7% in 2019-20 and then will decrease to 55.5% by 2023-24. Commercial land will increase from 7.5% in 2018-19 to 7.8% in 2019-20 and then will increase to 7.9% by 2023-24. Industrial land will decrease from 4.0% in 2018-19 to 3.8% by 2023-24.

This will result in an average rate decrease for farm land in 2019-20 of -3.6% or -\$108 and then average increases between 4.6% and 4.9% per annum for the remaining years. This is compared to residential land which will experience an average rate increase of 3.7% or \$59 in 2019-20 and then rate changes of between -0.1% and 0.2% per annum. Commercial land will experience an average rate increase of 4.9% or \$163 in 2019-20 and then increases of between 2.0 and 2.5%. Industrial land will experience an average rate decrease of -0.3% or -\$6 in 2019-20 and then decreases of between -0.3% and -1.3%.

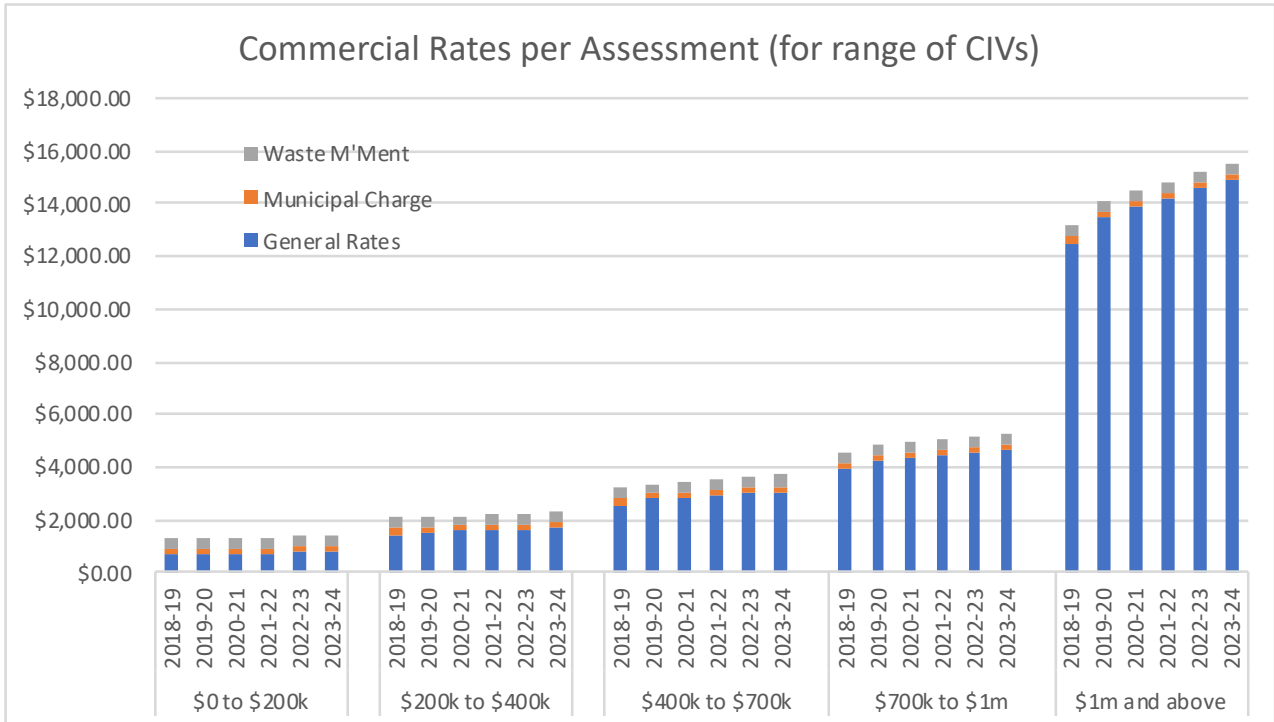
Residential Rates per Assessment (for range of CIVs)



Farm Land Rates per Assessment (for range of CIVs)

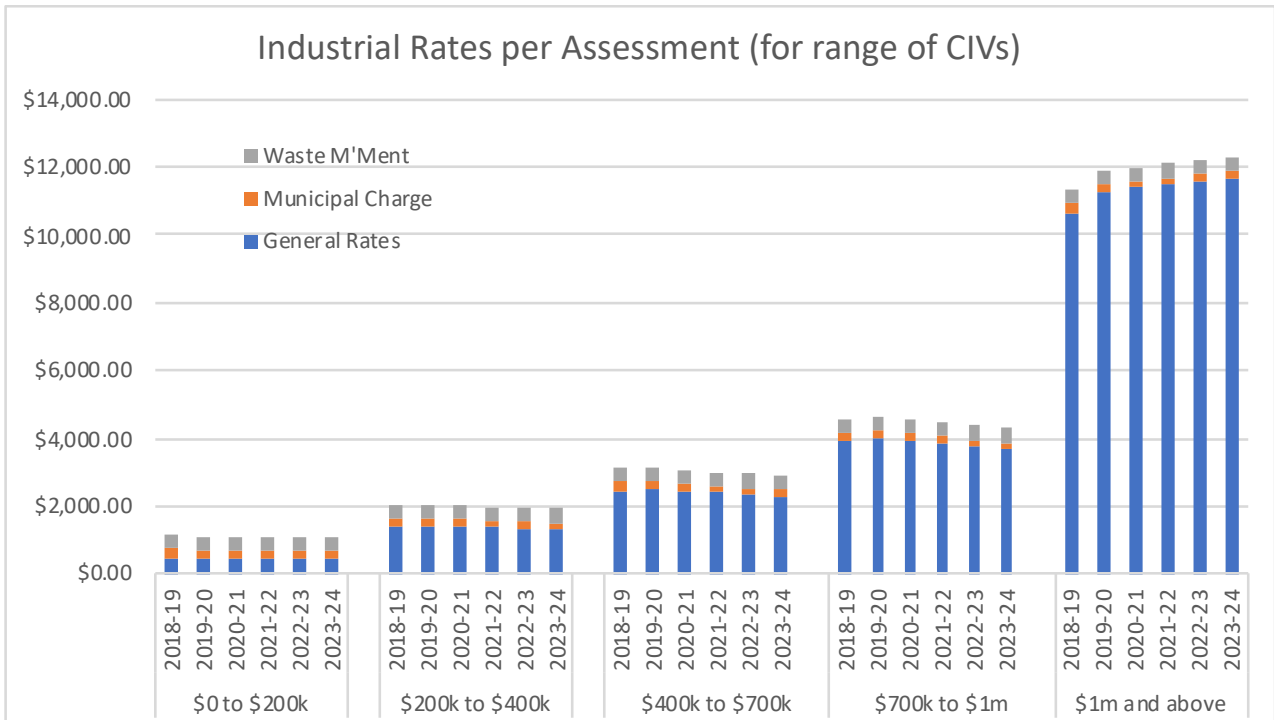


Commercial Rates per Assessment (for range of CIVs)



Due to the regressive nature of the municipal charge, lower value properties such as residential properties valued under \$200,000 would experience a rate decrease of -\$13 in 2019-20 in the average general rate and municipal charge. For farm, commercial and industrial properties, they would experience a rate increase from the reduction in the municipal charge due to the higher average value of these properties.

Industrial Rates per Assessment (for range of CIVs)



APPENDIX A: Definition of Land

Residential Land

Definition:	Residential land is identified as any rateable land which, is not Commercial land, Industrial land, Farm land or Cultural and Recreational land.
Objectives:	The objectives of the rate are to: <ul style="list-style-type: none">• Ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:<ul style="list-style-type: none">– Construction and maintenance of infrastructure assets– Development and provision of health and community services– Provision of general support services.
Characteristics:	Is land that is not used for commercial, industrial, farming or cultural and recreational purposes.
Types and classes	The types and classes of rateable land within this rate are those having the relevant characteristics described above.
Use of rate:	The money raised by this rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.
Level of rate:	100% of the general rate.
Use of land:	Is any use permitted under the Horsham Planning Scheme.
Geographic location:	The geographic location of the land is wherever it is located within the municipal district.
Planning scheme zoning:	The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Horsham Planning Scheme.
Types of buildings	The types of buildings on the land within this rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2018/19 financial year.

Commercial Land

Definition:	Commercial land is identified as any rateable land on which a building designed or adapted for occupation is erected which is used for commercial purposes.
Objectives:	The objectives of the rate are to: <ul style="list-style-type: none">• Ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:<ul style="list-style-type: none">– Construction and maintenance of infrastructure assets– Development and provision of health and community services– Provision of general support services• Recognise the changes to relative property values and reliance on the level of economic activity of the farming sector.
Characteristics:	Is land that is used for commercial purposes including: <ul style="list-style-type: none">• Retail shops• Offices• Services businesses, car parks, garden centres, car yards, boat yards, entertainment centres (theme parks), hotels and motels

- Land which has improvements and/or buildings used for commercial purposes.

Types and classes The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

Use of rate: The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

Level of rate: 95% of the general rate.

Use of land: Is any use permitted under the Horsham Planning Scheme.

Geographic

location: The geographic location of the land is wherever it is located within the municipal district.

Planning scheme

zoning: The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Horsham Planning Scheme.

Types of

buildings The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2018/19 financial year.

Industrial Land

Definition: Industrial land is identified as any rateable land on which a building designed or adapted for occupation is erected which is used for industrial purposes.

Objectives: The objectives of the rate are to:

- Ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:
 - Construction and maintenance of infrastructure assets
 - Development and provision of health and community services
 - Provision of general support services.
- Recognise the changes to relative property values and reliance on the level of economic activity of the farming sector.

Characteristics: Is land that is used for industrial purposes including:

- Manufacturing
- Quarrying
- Land which which is located in an industrial zone or other area in the Municipality.

Types and classes The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

Use of rate: The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

Level of rate: 95% of the general rate.

Use of land: Is any use permitted under the Horsham Planning Scheme.

Geographic

location: The geographic location of the land is wherever it is located within the municipal district.

Planning scheme

zoning: The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Horsham Planning Scheme.

Types of buildings

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2018/19 financial year.

Farm Land

Definition: Is farm land as defined under the Valuation of Land Act 1960.

Objectives: The objectives of the rate are to:

- Ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:
 - Construction and maintenance of infrastructure assets
 - Development and provision of health and community services
 - Provision of general support services.
- Recognise the changes to relative property values, the high value of land as an input to farm operations, and in recognition of some lesser access to services associated with the rural isolation of the majority of the farming sector.

Characteristics: Is farm land that is:

- Not less than 2 hectares in area
- Used primarily for grazing (including agistment), dairying, pig farming, poultry farming, fish farming, tree farming, bee keeping, viticulture, horticulture, fruit growing or growing of crops of any kind
- Used by a business that has significant and substantial commercial purpose or character, seeks to make a profit on a continuous or repetitive basis and is either making a profit or has reasonable prospect of making a profit from its activities.

Types and classes: The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

Use of rate: The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

Level of rate: 67% of the general rate.

Use of land: The use of the land within this differential rate, in the case of improved land, is any use of land.

Geographic

location: The geographic location of the land within this differential rate is wherever it is located within the municipal district.

Planning scheme

zoning: The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Horsham Planning Scheme.

Types of buildings

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2018/19 financial year.

Cultural and Recreational Land

Definition:	Is land as defined under the Cultural and Recreational Lands Act 1963.
Objectives:	The objectives of the rate are to recognise the large contribution that these community organisations and the volunteers make to the Municipality in the provision of sporting, cultural and recreational activities:
Characteristics:	Is cultural and recreational land that is: <ul style="list-style-type: none">• Occupied by a body which exists for cultural or recreational purposes and applies its profits in promoting the furthering of this purpose• Owned by the body, by the Crown or by Council• Not agricultural showgrounds.
Types and classes	The types and classes of rateable land within this rate are those having the relevant characteristics described above.
Use of rate:	The money raised by this rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.
Level of rate:	0%-50% of the general rate depending on the level revenue raising capacity in recognition of the large contribution that these community organisations and the volunteers make to the Municipality in the provision of sporting, cultural and recreational activities.
Use of land:	The use of the land within this rate, in the case of improved land, is any use of land.
Geographic location:	The geographic location of the land within this rate is wherever it is located within the municipal district.
Planning scheme zoning:	The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Horsham Planning Scheme.
Types of buildings	The types of buildings on the land within this rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2018/19 financial year.