Municipal Association of Victoria

Submission to the Productivity Commission Draft Report on the Revenue Raising Capacity of Local Government

Date: February 2008

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The MAV is the statutory peak body for local government in Victoria, representing all 79 municipalities.
While this paper aims to broadly reflect the views of local government in Victoria, it does not purport to reflect the exact views of individual councils.

MUNICIPAL ASSOCIATION OF VICTORIA

Table of Contents

MUNICIPAL ASSOCIATION OF VICTORIA

1. Summary

The MAV believes that some councils could increase rates and charges but this cohort is not necessarily the cohort that need to. The true capacity for increasing rates and charges has not been demonstrated in the Draft Report.

There are a number of Victorian councils under significant financial stress with little prospect of increasing significantly own-source revenues and this is the reason that infrastructure spending gaps and debt persist in these councils.

The Draft Report superficially considers State constraints on the revenue raising capacity of Victorian councils.

The prospect of Victorian councils increasing the (share of) revenue provided by charges is limited because of the extent of these constraints and councils' responsibilities for the delivery of public goods.

Given this, any appreciable increase in own-source revenues must predominantly come from rates.

The quantification of total local after tax income in the Draft Report is questionable because of the approach to business income.

Notwithstanding the problems with business income, the approach might be argued to reasonably reflect the fiscal capacity and incidence of rates and charges for municipalities *as a whole* but it does not do the same *within* municipalities and it is this that fundamentally determines the capacity to bear increases in rates and charges.

The Draft Report does not adequately recognise the difficulty of tailoring rates to capacity to pay and therefore councils' ability to spread increases equitably.

The Productivity Commission (PC) should release the findings for each council of the potential increases in own-source revenue it postulates so that they may be independently assessed.

2. Introduction

The MAV welcomes the Draft Report of the Productivity Commission. It echoes a number of views that were put by the MAV in its submission in response to the PC's Issues Paper. This includes the need for councils to improve costing and pricing practices, pursue efficiency gains where these are possible, review priority setting and decision making about which services to supply, and to have a continuing focus on forward financial planning. The MAV also concurs with the PC's finding of considerable diversity across local government and consequently the varying ability of councils to generate additional own-source income.

On the down side, the Draft Report is an academic work that in reality concludes little more than the potential for some councils to increase own-source revenue. The conclusion that some councils could increase own-source revenue is logical but the MAV questions its reliability to the extent of any additional capacity and in particular its quantification ("they are raising 90 per cent of their hypothetical benchmarks"). It would argue that the PC's approach is limited in practical terms because of:

- its apparent inclusion of all non-recurrent own-source revenue items;
- how it defines local income (businesses including farms);
- the lack of regard given by it to the distribution, rather than the quantum of local income, in determining fiscal capacity;
- potential distortions arising from the aggregation of data; and
- failure to consider the real constraints around charges, at least in the Victorian situation.

The MAV is concerned that an opportunity to investigate issues around the latter was not pursued more rigorously and in more detail.

3. Impacts of Non-Recurrent Own-Source Revenue

The PC's Draft Report differentiates between own-source revenue raising capacity and fiscal capacity. Fiscal capacity relates to taxes and charges. Own-source revenue capacity relates to all revenue except grants. It includes (net) revenue from asset sales, interest, fines, developer cash and non-cash contributions and other "capital revenue". The significant findings in the Draft Report relate to the (relative) potential to increase own-source revenue.

It is unclear what sensitivity the PC modelling has given to donated infrastructure and infrastructure assets subject to revaluation or brought to account. These items may seriously distort individual councils' underlying revenues that are recorded in annual operating statements (and hence VGC returns) because of their lumpiness and magnitude. Several councils in each year through the study period are affected in this way. For example, in 2003-04 of Victoria's 79 councils nine obtained 25 per cent or more, and 21 obtained 15 per cent or more of their revenue from this source.

The PC needs to clarify how it has addressed this issue in its modelling and the implications for its findings. The MAV submits that no potential increases in own-source revenue should be factored from non-recurrent items because these have little to do with the fiscal capacity of local areas. In fact these things work the other way – while they have a once-only revenue impact, their ongoing maintenance and renewal necessitates increasing rates and charges.

4. Definition and Application of Local Income

The PC argues that local income is the best determinant of fiscal capacity and it uses an estimate of total (average per person) after tax income for this purpose. Great caution should be taken in the quantitative conclusions drawn about the additional revenue raising capacity of individual councils (and types for that matter) based on this application. The MAV argues that this assumption is particularly crude. It is not only the quantum of local income that is important, but the distribution of that income, in determining fiscal capacity. The averaging of both incomes and revenues creates problems because both the distribution of income and incidence of rates and charges are uneven and mismatched.

The PC's model in no way deals with the fact that the potential to pay more toward services exists predominantly with one, but actual payment for those services would fall disproportionately on other, sections of the community. The prime example is two households in nearby suburbs of a Victorian municipality with median weekly household incomes of $577 and $1,728 consuming a similar basket of council services for which council charges apply. While the rates due from each are proportional to property value they are regressive to income. Charges also tend to be regressive to income because of the tendency for flat or simple charging regimes to be favoured for practical reasons[1], particularly cost. All other things equal, the introduction of increased rates and user charges will tend to their burden becoming more regressive. The implication in the Draft Report is that councils have the discretion to vary the imposition of rates and charges to address such regressive impacts.

In the model used by the PC the income of each LGA is estimated using ATO personal income tax data (ARTI) and imputed business income. It is unclear how the PC has reconciled personal income tax and own-source revenue data given the former extend only to 2003-04 and the latter used extend to 2005-06.

Notwithstanding the problems identified with the application of local income per head, the PC's definition of business income is problematic. Business income has been derived on the basis of eight per cent of Victorian councils' CIVs. For the other States that use UCV, Victorian data on ratios of SV to CIV has been extrapolated.

There are two problems related to this approach. There is considerable variation that exists in the ratio of SV/CIV across Victorian councils. The table below provides an indication of this variability based on valuations returned at January 2004. The contrast between maxima and minima and the small number of observations for some of the classes is reason for caution in accepting that these Victorian ratios are reasonably applied in the other States. The PC has made the decision to extrapolate

[1] while lower prices may apply for those with health care cards or pensioners etc. sliding-scale pricing according to income is generally to onerous

these ratios on the basis of “council type”, driven largely by population criteria, without demonstrating that this has much of, or a major impact, on relative land values. The use of these average ratios may result in highly misleading business income figures for individual councils in the other States that have then fed into the findings for council types.

CIV as a Ratio of SV - 2004

		Mean	Stdev	Min	Max	n
RAL	C/I	3.6	3.4	1.3	12.5	9
	Farm	1.3	0.2	1.1	1.8	9
RAV	C/I	3.8	1.4	2.0	7.6	12
	Farm	1.5	0.4	1.3	2.6	12
RSG	C/I	1.9	0.3	1.7	2.2	2
	Farm	1.2	0.0	1.2	1.3	2
UCC	C/I	3.5				
	Farm					
UDM	C/I	1.4	0.7	1.3	2.2	2
	Farm					
UDL	C/I	2.0	0.4	1.3	2.6	9
	Farm	1.3	0.1	1.2	1.3	2
UDV	C/I	2.2	0.4	1.6	2.8	9
	Farm	1.1	0.1	1.0	1.2	4
UFM	C/I	1.9	1.1	0.7	2.8	3
	Farm	1.1	0.2	1.0	1.4	3
UFL	C/I	2.2	0.2	1.9	2.4	4
	Farm	1.1	0.3	1.1	1.8	4
UFV	C/I	2.4	0.5	1.7	2.7	3
	Farm	1.4	0.2	1.2	1.6	3
URS	C/I	2.9	0.7	1.4	3.8	10
	Farm	1.5	0.5	1.1	2.8	9
URM	C/I	2.5	0.3	2.0	2.8	7
	Farm	1.5	0.1	1.2	1.7	7
URL	C/I	2.5	0.5	2.1	3.2	3
	Farm	1.4	0.1	1.3	1.5	3
URV	C/I	2.3		2.3	2.3	1
	Farm	0.8		0.8	0.8	1

excludes unreliable observations (SVs) for four councils

The MAV is also not confident about the application of a flat eight per cent applied to CIVs to determine local business income. While the ABS no longer reports on rates of return in its survey of industry performance, historically this source has shown considerable diversity in average rates of return both within, and across, ANZSIC codes and businesses. The approach, by implication, assumes that all business is profitable and does not take account of the differing structure of local economies. Consequently, this could result in some significant error margins in the local business income derived for councils.

MUNICIPAL ASSOCIATION OF VICTORIA

Returns by Broad ANZSIC Class

ANZSIC	Average Rate of Return 1998-99 to 2002-03 Aust (%)
Agriculture, Forestry and Fishing	3.7
Mining	26.1
Manufacturing	7.1
Electricity, Gas and Water Supply	3.4
Construction	13.0
Wholesale Trade	7.7
Retail Trade	10.7
Accommodation, Cafes and Restaurants	4.7
Transport and Storage	4.5
Communication Services	11.6
Finance, Property, Insurance & Business Services	2.3#
[redacted]	5.7~
Government Administration and Defence	[redacted]
Education	
Health and Community Services	14.1
Cultural and Recreational Services	7.2
Personal and Other Services	7.8

#property services
~ business services

How good is the estimate of "business income" income used by the PC? There is no way of knowing this exactly. ABS figures for 2004-05[2] estimated operating profit before tax at $46.3b for Victorian private businesses. Allowing an average of 30 per cent company tax would render a figure of $32.4b. Using the PC's methodology – the Victorian CIV for business of $160.9b multiplied by eight per cent renders only $12.8b. This is a considerable difference even allowing for depreciation and other business offsets.

5. Inadequate Understanding of Constraints on Charges

With respect to fees and charges the PC Draft Report states:

the "constraining effect of State Government limits on fees and charges appears to be minimal in most jurisdictions due to flexibility in most arrangements"

"The major constraint on increasing revenue from fees and charges appear to be policy choices made by local governments in response to their political environments."

[2] Cat. 81550 Australian Industry

”Most fees and charges are set by councils. A small number of fees and charges are statutorily set by other levels of government, although mainly at State level.”

The MAV would reiterate both the extent of public goods and the significance of restrictions on LFFCs[3] (licences, charges, fees and fines) with respect to major services for which Victorian local government is responsible. In its previous submission the MAV drew attention to this.

Victorian councils have considerable responsibilities for functions that are fundamentally public, and therefore have little prospect of defraying their costs through charges. They also have responsibility for some major services where the benefits are predominantly private, but where constraints apply to the levying of charges. This does not mean that they would, in all situations, increase charges if greater freedom existed. Some of these functions are the type for which councils explicitly recognise that they have community service obligations that subsequently result in the subsidisation of beneficiaries from rates.

Functions provided by Victorian councils can be arranged along a spectrum based on whether they are principally (include activities that are) public or private goods. The term principally is used because most are mixed to some degree. The following table sets out data for 2005-06 on councils’ main functions under three headings that highlight the magnitude of constraints.

[3] Note that fees and charges are only a subset of this revenue

Principally Private Goods with Constraints on Charges	**Recurrent Costs**	**% Expenses**	**LCFFs**	**% Expenses funded by LCFFs**	**Rates**	**% of Function Cost Funded by LCFFs**	**% of Function Cost Funded by Rates**
Infants & Mothers (mainly M&CH)	73.7	1.6%	1.5	0.0%	45.3	2.0%	61.4%
HACC (mainly HACC)	317.8	7.0%	51.6	1.1%	94.7	16.3%	29.8%
Libraries	138.0	3.1%	4.9	0.1%	113.2	3.5%	82.0%
Planning & Development	223.0	4.9%	49.4	1.1%	139.6	22.2%	62.6%
Building Control	48.4	1.1%	27.4	0.6%	18.3	56.6%	37.8%
Community Welfare (mainly Youth Services & Neighbourhood Houses)	90.6	2.0%	3.3	0.1%	62.8	3.6%	69.3%
	891.5	**19.7%**	**138.1**	**3.1%**	**473.8**	**15.5%**	**53.2%**
Mixed Goods with Constraints on Charges							
Local Laws (incl. Animal Control)	66.4	1.5%	33.9	0.7%	30.3	51.0%	45.6%
Preventative Services (Food Safety, Immunisation, Wastewater, Health Act)	36.1	0.8%	10.1	0.2%	20.9	28.0%	57.8%
	102.4	**2.3%**	**44.0**	**1.0%**	**51.1**	**42.9%**	**49.9%**
Principally Public Goods							
Council Operations	128.4	2.8%	3.3	0.1%	120.3	2.5%	93.7%
Local Roads	591.0	13.1%	10.1	0.2%	436.8	1.7%	73.9%
Footpaths	60.1	1.3%	2.2	0.0%	56.0	3.7%	93.3%
Kerb & Channel	36.1	0.8%	0.1	0.0%	35.0	0.3%	97.0%
Traffic Control	68.8	1.5%	2.8	0.1%	58.3	4.0%	84.7%
Street Beautification	43.5	1.0%	0.1	0.0%	40.2	0.3%	92.4%
Street Lighting	39.3	0.9%	0.1	0.0%	38.5	0.2%	97.8%
Street Cleaning	62.8	1.4%	0.7	0.0%	61.0	1.0%	97.1%
Fire Protection	31.7	0.7%	0.5	0.0%	30.2	1.6%	95.3%
Environment Protection	36.5	0.8%	0.7	0.0%	29.2	2.0%	80.0%
Passive Recreation	267.5	5.9%	7.8	0.2%	244.3	2.9%	91.3%
Community Amenities	24.7	0.5%	2.0	0.0%	21.2	8.2%	85.9%
Administration (General & Other)	449.8	9.9%	30.5	0.7%	348.6	6.8%	77.5%
	1,840.2	**40.7%**	**60.8**	**1.3%**	**1,519.6**	**3.3%**	**82.6%**
All Groups	**2,834.1**	**62.6%**	**242.9**	**5.4%**	**2,044.5**	**8.6%**	**72.1%**
Total Victoria (1)	4,524.0		841.1	**18.6%**	2,529.8		**56.2%**
Total Victoria (2)	4,524.0		1,068.2	**23.6%**	2,302.7		**51.2%**

(1) excludes refuse charges include with rates notices
(2) includes refuse charges included with rates notices

The former category includes:

- M&CH services and Libraries, where conditions of State grants preclude charging for core services;

- HACC, where the HACC fees policy sets limits on the prices those consumers are charged;

- planning and development, where maximum levels for planning permits are prescribed;

- building control where fees are capped; and

- youth services and neighbourhood houses, where there is no formal constraint but where many services are largely consumed by low income and disadvantaged persons.

The data show that this group of functions account for around 20 per cent of total outlays but associated revenue from LCFFs offset only three per cent of total outlays.

Functions that are principally public goods include, among others, local roads, footpaths and kerb and channel, passive recreation and community amenities as well as council operations and non-attributable administration costs. The data show that this group accounts for close to 41 per cent of outlays but related LCFFs can generate just one per cent of the cost.

Two of the residual functions for which councils have responsibility that do not readily fall into the aforementioned categories are local laws and preventative services. These are more in the class of "mixed good" functions where there are pricing constraints. Concessions are imposed on animal registration fees for eligible recipients and penalties prescribed. For preventative services councils cannot charge for scheduled immunisations and there is no clear legal basis for recovering wastewater management costs, other than for permitting[4].

These three groups of functions account for about 63 per cent, yet related LCFFs offset only around five per cent of total recurrent outlays and account for about nine per cent of the cost of these functions. The corollary is that the balance of functions is fundamentally private with little or no such restrictions on pricing. However, further discounting for things like parking, tourism, markets & saleyards and aerodromes, that offer no prospect of increased revenues for many councils, leads strongly to a view that the potential to increase revenue from charges is limited to a relatively small number of residual functions such as child care, kindergartens, active recreation (e.g leisure centres), swimming areas, other culture (e.g. museums and galleries) and public halls. The prices set by competitors and preferences of consumers obviously also set practical bounds on the levels of increases.

Victorian data for 2005-06 indicates that an increase of 10 per cent in LCFFs would translate to a 14 per cent increase in charges for those functions where most discretion exists. If the revenue from charges for parking, tourism, aerodromes and saleyards were held constant, an increase of 10 per cent overall would translate to a 22 per cent increase in the charges associated with those residual functions. If

[4] the State Government is also considering controls on registration fees for food premises

however, a 10 per cent increase in total own-source revenue were applied, an increase of 18 per cent in charges would be required from that cohort of functions. Holding receipts for parking, tourism, aerodromes and markets & saleyards constant would raise this to 27 per cent. However, these averages conceal unrealistically higher notional levels for particular Victorian councils. These are summarised in the attachment.

The PC Report is silent on which components of own-source income the additional revenue could be obtained, only that councils are largely unfettered with respect to charges and have considerable flexibility with respect to rates. The conclusion that must be drawn, by deduction, is that most of the increased capacity for own-source revenue identified by the PC largely resides in rates and this raises its own set of problems. It is clear that adjustments in terms of new or increased charges can only really be applied to a minority of functions and decisions about this need to have some basis in equity and should encourage the efficient allocation of resources. Neither of these are promoted if user charges are raised on services “where they can” in order to offset those “where they can’t” without having regard to the actual levels of private versus public benefit and other rationales that underpin the pricing policy for each function (service).

The Report also includes a statement in the overview (page XXIX) in reference to the incidence of fees and charges that, “As long as payment for local services is voluntary, the benefits received by individuals are at least equal to the cost”. The MAV is unclear as to the point being made here.

6. Distortions Arising from the Aggregation of Data

The MAV has been involved in previous analysis of local government financial issues that has involved the use of DOTARS classifications. Through this work it has found that the presentation of findings by these categories is not ideal. The use of summary data for presentation purposes is accepted but in order to critically evaluate the model each State should be able to scrutinise the extent of the potential own-source increases argued for each council and to assess whether the PC has controlled sufficiently for interstate and intrastate differences in structure and responsibilities.

7. Reliance on Rates

Rates are the major source of revenue in most councils. The MAV believes that given the practical constraints on LCFFs any appreciable shift in the components of own-source revenue in councils would have to occur predominantly in rates. Rates are regarded as less efficient than charges in influencing consumption.

The PC has indicated that councils should address the incidence of rates so that it aligns better with disposable income through the use of differential rates and fixed property charges. The PC states that councils should “match residents incomes with their corresponding rates on properties”. However, the PC can offer nothing new on how this may be done - councils do not have access to income data (let alone disposable income data) pertaining to specific individuals, households or businesses. The PC has elevated income above all other factors as the determinant of rate paying capacity but it is not the only criteria councils might reasonably consider. For example, ratepayers may not necessarily have a great deal of income but could be asset rich.

Victorian councils are required to consider the impact of rates on different sectors within the community, but in doing so they are required to make assumptions about factors that are not necessarily related to property type and apply them to a property-based system. How this can be reconciled with personal income or wealth is a conundrum. Rate setting is not an easy thing to do. The use of differential rates not only requires a decision to implement those rates, but determining appropriate classes and the relativities of the multipliers of each of these classes. Victorian councils are expected to be transparent about their use of differential rates and this leaves them open to challenge on equity grounds.

The PC may be interested to learn that no Victorian councils have introduced progressive tax rates on property[5] and most maintain a modest number of differential rates. These apply across classes of property e.g. commercial/industrial, farm and vacant, rather than within classes. This is a direct reflection of the difficulties indicated.

It is these difficulties that encourage the local government push to obtain a share of income tax with which to fund services. Taxes on income and consumption are much more reflective of capacity to pay, especially the former, in which the personal circumstances e.g. the number of dependents, in addition to the level of income, are taken into account.

[5] this would be consistent with a view that wealthier persons have more highly valued property

Effects on Residual LCCFs Associated with a 10% Increase in Total LCFFs or 10% Increase in Own-Source Revenue

$m	Own-Source Revenue	Rates	Total LCFFs Revenue	LCFFs from Principally Private Goods Functions with Constraints	LCFFs from Principally Public Goods Functions	LCFFs from Mixed Goods Functions with Constraints	LCFFs from Balance of Functions (1)	Parking, Markets & Saleyards, Aerodromes and Tourism	Balance After Parking, Markets & Saleyards, Aerodromes and Tourism (2)	Effect of 10% Increase in LCFFs Revenue (1)	Effect of 10% Increase in LCFFs Revenue (2)	Effect of 10% Increase in Own-Source Revenue* (1)	Effect of 10% Increase in Own-Source Revenue* (2)
Alpine(S)	12.8	8.7	1.4	0.9	0.1	0.2	0.2	0.0	0.2	66%	68%	83%	86%
Ararat(Rc)	9.8	7.8	1.2	0.5	0.1	0.1	0.5	0.1	0.3	25%	33%	27%	36%
Ballarat(C)	73.1	44.0	18.2	5.9	0.7	0.7	10.9	3.6	7.3	17%	25%	20%	29%
Banyule(C)	67.6	44.1	15.7	4.7	0.7	1.0	9.2	1.0	8.2	17%	19%	19%	22%
Bass Coast(S)	33.6	21.3	4.4	1.3	0.5	0.2	2.3	0.9	1.5	19%	30%	24%	39%
Baw Baw(S)	30.0	19.7	3.3	1.2	0.3	0.4	1.3	0.1	1.2	25%	27%	33%	35%
Bayside(C)	57.3	43.8	11.4	2.7	0.7	1.2	6.8	1.6	5.2	17%	22%	17%	23%
Benalla(Rc)	11.4	8.8	1.9	0.6	0.1	0.1	1.1	0.1	1.0	17%	19%	19%	20%
Boroondara(C)	115.5	83.5	25.2	3.2	1.1	1.0	20.0	7.1	12.9	13%	20%	13%	21%
Brimbank(C)	110.5	69.2	8.7	2.5	0.1	1.2	4.9	1.1	3.7	18%	23%	25%	33%
Buloke(S)	8.7	6.7	0.7	0.0	0.4	0.0	0.2	0.1	0.1	31%	48%	37%	57%
Campaspe(S)	36.4	19.8	15.6	1.8	0.5	0.4	13.0	4.9	8.1	12%	19%	12%	20%
Cardinia(S)	53.3	25.9	3.7	0.7	0.9	0.6	1.5	0.0	1.5	25%	25%	45%	45%
Casey(C)	142.3	77.3	9.2	3.4	1.6	1.7	2.5	0.5	2.0	37%	45%	60%	75%
Central Goldfields(S)	9.3	6.0	2.4	0.1	0.3	0.1	1.9	0.3	1.6	13%	15%	14%	17%
Colac-Otway(S)	19.5	13.2	3.7	0.8	0.4	0.2	2.3	0.7	1.7	16%	22%	18%	25%
Corangamite(S)	18.7	11.1	5.2	0.8	0.9	0.1	3.4	0.7	2.7	15%	19%	18%	22%
Darebin(C)	84.2	59.5	13.5	2.9	1.0	1.3	8.4	1.8	6.6	16%	21%	19%	24%
East Gippsland(S)	36.4	24.9	6.4	0.1	0.7	0.5	5.1	0.8	4.3	12%	15%	14%	17%
Frankston(C)	81.1	49.1	14.2	1.9	1.4	0.9	9.9	1.8	8.1	14%	17%	18%	22%
Gannawarra(S)	9.5	6.6	1.5	0.3	0.1	0.1	1.0	0.3	0.7	15%	23%	18%	27%
Glen Eira(C)	69.2	52.7	10.8	2.5	0.6	1.1	6.6	2.3	4.3	16%	25%	18%	28%
Glenelg(S)	20.5	10.8	6.2	1.1	0.1	0.1	4.9	0.5	4.5	13%	14%	15%	17%

$m	Own-Source Revenue	Rates	Total LCFFs Revenue	LCFFs from Principally Private Goods Functions with Constraints	LCFFs from Principally Public Goods Functions	LCFFs from Mixed Goods Functions with Constraints	LCFFs from Balance of Functions (1)	Parking, Markets & Saleyards, Aerodromes and Tourism	Balance After Parking, Markets & Saleyards, Aerodromes and Tourism (2)	Effect of 10% Increase in LCFFs Revenue (1)	Effect of 10% Increase in LCFFs Revenue (2)	Effect of 10% Increase in Own-Source Revenue* (1)	Effect of 10% Increase in Own-Source Revenue* (2)
Golden Plains(S)	11.1	6.8	0.9	0.5	0.1	0.1	0.2	0.0	0.2	54%	56%	79%	81%
Greater Bendigo(C)	83.3	46.4	15.6	3.4	0.5	1.1	10.6	3.8	6.8	15%	23%	20%	31%
Greater Dandenong(C)	79.9	55.6	9.8	2.2	0.5	1.0	6.1	4.7	1.4	16%	70%	20%	86%
Greater Geelong(C)	156.9	97.5	35.6	5.8	2.2	1.8	25.9	7.6	18.2	14%	20%	16%	23%
Greater Shepparton(C)	53.3	33.2	15.7	2.7	1.9	0.6	10.5	2.8	7.7	15%	20%	16%	22%
Hepburn(S)	11.3	8.4	1.1	0.6	0.1	0.1	0.3	0.0	0.2	40%	48%	48%	56%
Hindmarsh(S)	6.6	4.0	1.0	0.4	0.0	0.1	0.5	0.1	0.5	20%	23%	27%	30%
Hobsons Bay(C)	62.9	47.9	12.9	2.9	0.5	0.6	8.9	1.8	7.1	14%	18%	15%	19%
Horsham(Rc)	18.6	10.7	3.3	1.1	0.0	0.2	2.0	1.1	0.9	17%	35%	22%	47%
Hume(C)	130.0	64.1	22.7	3.8	1.4	1.4	16.1	0.0	16.1	14%	14%	21%	21%
Indigo(S)	13.8	7.1	5.1	0.5	0.1	0.2	4.3	0.0	4.3	12%	12%	13%	13%
Kingston(C)	91.1	63.4	16.3	3.6	0.6	1.2	11.0	2.0	9.0	15%	18%	17%	21%
Knox(C)	137.3	55.9	9.2	1.2	1.7	1.2	5.1	0.1	5.0	18%	18%	38%	39%
Latrobe(C)	56.5	39.7	13.7	2.5	1.5	0.9	8.9	0.7	8.2	15%	17%	16%	18%
Loddon(S)	8.1	5.6	1.5	0.5	0.1	0.1	0.8	0.3	0.4	19%	34%	22%	40%
Macedon Ranges(S)	28.0	20.5	5.4	1.3	0.8	0.4	3.0	0.3	2.7	18%	20%	19%	21%
Manningham(C)	63.6	50.4	5.2	1.9	1.1	1.0	1.3	0.3	1.1	39%	48%	45%	55%
Mansfield(S)	8.6	6.3	0.9	0.5	0.0	0.2	0.2	0.0	0.2	39%	45%	47%	54%
Maribyrnong(C)	61.9	42.0	10.4	1.5	0.7	1.0	7.1	4.6	2.5	15%	41%	17%	48%
Maroondah(C)	61.6	41.5	12.4	1.5	0.3	0.7	9.9	0.3	9.6	13%	13%	14%	15%
Melbourne(C)	309.5	127.7	156.5	11.5	16.2	0.0	128.8	63.0	65.9	12%	24%	13%	26%
Melton(S)	69.3	36.4	6.8	2.0	0.9	0.7	3.2	0.0	3.2	21%	21%	34%	34%
Mildura(Rc)	49.6	33.1	7.0	2.1	0.3	0.6	4.0	1.7	2.3	18%	30%	22%	37%
Mitchell(S)	18.6	13.1	4.4	0.8	0.1	0.4	3.1	0.0	3.0	14%	15%	15%	16%

$m	Own-Source Revenue	Rates	Total LCFFs Revenue	LCFFs from Principally Private Goods Functions with Constraints	LCFFs from Principally Public Goods Functions	LCFFs from Mixed Goods Functions with Constraints	LCFFs from Balance of Functions (1)	Parking, Markets & Saleyards, Aerodromes and Tourism	Balance After Parking, Markets & Saleyards, Aerodromes and Tourism (2)	Effect of 10% Increase in LCFFs Revenue (1)	Effect of 10% Increase in LCFFs Revenue (2)	Effect of 10% Increase in Own-Source Revenue* (1)	Effect of 10% Increase in Own-Source Revenue* (2)
Moira(S)	22.1	16.0	2.5	1.0	0.3	0.3	0.9	0.1	0.8	27%	31%	32%	37%
Monash(C)	97.4	54.8	17.5	3.2	0.3	1.1	13.0	2.8	10.2	13%	17%	18%	23%
Moonee Valley(C)	72.3	55.1	12.8	3.3	0.9	0.8	7.7	2.8	4.9	16%	26%	18%	28%
Moorabool(S)	19.6	14.2	1.3	0.5	0.2	0.2	0.4	0.0	0.4	30%	31%	38%	39%
Moreland(C)	78.0	62.0	7.1	3.2	0.0	0.4	3.5	3.1	0.3	21%	216%	23%	243%
Mornington Peninsula(S)	112.5	71.0	14.3	3.1	0.3	1.3	9.5	1.6	7.9	15%	18%	20%	24%
Mount Alexander(S)	14.4	8.9	2.4	1.1	0.2	0.2	1.0	0.3	0.7	25%	34%	31%	43%
Moyne(S)	17.8	10.7	5.9	0.6	0.0	0.1	5.2	1.9	3.2	11%	18%	12%	20%
Murrindindi(S)	14.8	9.3	2.7	0.6	0.1	0.1	1.9	0.2	1.7	14%	16%	18%	19%
Nillumbik(S)	43.3	28.5	7.8	0.7	0.1	0.7	6.3	0.3	6.0	12%	13%	15%	16%
Northern Grampians(S)	11.8	8.3	2.7	0.8	0.1	0.1	1.6	0.2	1.5	17%	18%	18%	20%
Port Phillip(C)	105.1	61.8	30.4	2.1	3.0	0.4	24.9	19.3	5.6	12%	54%	14%	62%
Pyrenees(S)	5.7	4.4	0.9	0.4	0.2	0.1	0.3	0.1	0.2	29%	48%	30%	51%
Queenscliffe(B)	5.4	3.6	1.5	0.2	0.0	0.1	1.2	1.0	0.1	13%	142%	14%	152%
South Gippsland(S)	25.6	19.1	1.7	0.6	0.1	0.3	0.8	0.0	0.8	21%	22%	26%	27%
Southern Grampians(S)	16.3	9.5	4.4	0.3	0.3	0.1	3.8	1.0	2.7	12%	16%	14%	19%
Stonnington(C)	89.1	53.0	28.1	3.0	2.5	1.2	21.4	14.5	6.9	13%	41%	14%	45%
Strathbogie(S)	9.4	7.5	1.2	0.4	0.2	0.1	0.5	0.3	0.2	26%	70%	28%	75%
Surf Coast(S)	32.0	19.9	4.5	1.2	0.6	0.6	2.1	0.3	1.8	21%	25%	28%	33%
Swan Hill(Rc)	21.4	14.4	2.9	0.7	0.2	0.2	1.9	0.8	1.1	15%	26%	19%	32%
Towong(S)	5.5	4.1	1.0	0.1	0.0	0.1	0.8	0.1	0.7	13%	15%	14%	16%
Wangaratta(Rc)	20.7	14.2	4.3	1.4	0.3	0.3	2.4	0.9	1.5	18%	28%	20%	31%
Warrnambool(C)	32.3	15.8	10.2	1.0	0.5	0.2	8.5	3.6	4.9	12%	21%	15%	26%
Wellington(S)	35.2	26.4	4.2	0.4	0.2	0.6	3.0	0.4	2.6	14%	16%	16%	19%

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West Wimmera(S)	5.7	3.6	1.2	0.2	0.1	0.0	0.8	0.0	0.8	15%	15%	17%	17%
Whitehorse(C)	88.6	49.5	25.6	2.4	0.7	0.7	21.7	3.6	18.1	12%	14%	14%	17%
Whittlesea(C)	148.6	52.9	11.2	2.1	1.6	1.1	6.5	0.0	6.5	17%	17%	40%	40%
Wodonga(Rc)	37.5	20.5	8.2	1.2	0.8	0.3	5.9	1.2	4.6	14%	18%	18%	23%
Wyndham(C)	118.4	55.2	14.5	2.1	1.2	1.8	9.4	0.7	8.8	15%	17%	26%	28%
Yarra (C)	90.0	53.3	29.1	2.9	0.8	0.6	24.8	15.6	9.2	12%	32%	13%	35%
Yarra Ranges(S)	78.7	64.8	6.9	2.4	0.2	1.2	3.2	0.2	3.0	22%	23%	24%	25%
Yarriambiack(S)	8.1	5.8	0.8	0.4	0.0	0.1	0.3	0.1	0.2	27%	39%	33%	49%
Total	4,185.3	2,529.8	827.9	138.1	60.8	44.0	584.9	202.5	382.4	14%	22%	18%	27%

Rates include refuse charges
Own-source revenue is PCs definition
* based on LCFFs share of Rates and LCFFS