



RATES AND CHARGES POLICY

POLICY TYPE	POLICY ADOPTED (DATE)	MINUTE NUMBER	POLICY DOCUMENT NUMBER (TRIM):
Council	24 June 2019	111/19	D527117
DOCUMENT CONTROLLER	RESPONSIBLE MANAGER	STRATEGIC PLAN 2009-2030 (STRATEGY REFERENCE)	DATE OF NEXT REVIEW
General Manager	General Manager	5.5.3 – Ensure revenue modelling meets Council's funding requirements to provide equitable pricing relevant to services delivered	June 2020
PURPOSE	<p>The purpose of this Policy is to outline the Council's approach to determining and collecting rates from its ratepayers.</p> <p>This Policy also ensures that Council meets its legislative responsibilities under the provisions of the <i>Local Government Act 1993</i>.</p>		
SCOPE	<p>This policy covers:</p> <ul style="list-style-type: none"> • revenue raising powers under the provisions of the <i>Local Government Act 1993</i>; • strategic focus; • the valuation basis for rating purposes; • the use of differential rates where appropriate; • setting of a fixed charge and rate capping; • objections to rate notices; • rebates and remissions; • payment of rates; • late payment of rates; • sale of property for unpaid rates; and • postponement of rates. 		
POLICY	<p>1. Introduction: Council rates are a form of property tax and are the primary source of income for the delivery of local government services to the community. Rates are administered in line with the provisions of the <i>Local Government Act 1993</i>.</p> <p>2. Legislative Requirements: The rating and valuation methods available to local government are covered under various pieces of legislation. In particular Part 9 of the <i>Local Government Act 1993</i> and the <i>Valuation of Land Act 2001</i> are the most relevant to Council in securing rate revenues.</p> <p>The General Principles in relation to making or varying rates are outlined at Section 86A of the <i>Local Government Act 1993</i> as follows:</p> <p>(1) A council, in adopting policies and making decisions concerning the making or varying of rates, must take into account the principles that –</p> <ul style="list-style-type: none"> (a) rates constitute taxation for the purpose 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 in respect of that land to pay rates. 		

(2) *Despite subsection (1), the exercise of a council's powers to make or vary rates cannot be challenged on the grounds that the principles referred to in that subsection have not been taken into account by the council.*

Council will as required, not earlier than 1 June and not later than 31 August in any year, determine the Rates and Charges to apply for the financial year.

3. Strategic Focus:

Council is constantly faced with balancing its service levels, the needs and expectations of the community and setting appropriate tax (rate) levels to adequately resource and fulfil its roles and responsibilities. In determining its rating policies Council gives consideration to the:

- Strategic Plan;
- Long Term Financial Strategy;
- *Local Government Act 1993*;
- Current economic climate;
- Consumer Price Index changes;
- Local Government Cost Index; and
- Likely impacts on the community.

4. Rates and Charges:

(i) Property Valuation Base

Council has three choices under the Act for determining its rate charges:

- Land Value;
- Capital Value; and
- Assessed Annual Value (AAV)

The Office of the Valuer-General provides the valuations to Council on a cyclical basis (usually each six (6) years). Council was last subject to a municipal wide revaluation with an effective date of 1 July 2015. Under the Act Council is mandatorily required to use the valuations provided to it in setting its rates each year. Council has no role in determining the valuation of properties and all ratepayers are able to dispute their valuation direct with the Valuer General's Office.

Council is also provided with adjustment factors for the various classes of property in the municipal area by the Valuer-General each two years. Council is required to consider these adjustment factors in determining the rates and charges to apply. The most recent adjustment factors were provided to Council with an effective date of 1 July 2019.

Following the 2015 revaluation, Council determined that the use of AAV per rateable property provided the fairest and most equitable method for the levying of rates on the basis that:

- Rates constitute a system of taxation and the equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pays more tax than ratepayers of lesser wealth; and
- Property value is a generally accepted indicator of wealth.

The AAV represents an independent assessment of the rental value of a property or a 4 per cent minimum of the capital value (whichever is the greater).

(ii) General Rate

Council sets a General Rate which is to apply to all properties in the municipal area unless varied based on a differential model determined by Council. Council has also determined that a General Rate Fixed Charge per property or tenancy is to apply as this is the most fair and equitable means of ensuring that all ratepayers contribute equally to the administration of Council's services and the development and maintenance of community infrastructure.

The General Rate is to be varied on a differential basis, based on land use, for the following purposes:

- Residential; and
- Primary Production.

Residential Assessments

Residential properties generally have available to their owners and occupiers the same services as other ratepayers. However, in most cases other classes of assessments such as commercial and industrial users have a greater impact on the main services such as road maintenance and generally derive a greater benefit from the services provided.

Primary Production Assessments

Primary production properties tend to be more remote from some of the services provided by Council in terms of infrastructure including but not limited to sealed or formed roads, footpaths and street lighting.

(iii) Rate Caps

Council will annually consider the use of rate capping to ensure that the increases applied to the various categories of ratepayers are appropriate.

Council will only apply rate capping if in its opinion it is justifiable in order to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to rapid changes in valuation and other factors beyond the ratepayer's control.

(iv) Service Rates and Charges

Waste Management

Waste Management Service Charge – Council provides a waste collection and disposal service throughout the City. Council also provides a domestic recycling service to all residential properties and a limited collection service to non-residential areas. For this service, Council in accordance with Section 94(3) of the Act, applies a differential service charge based on the predominant use of the land as follows:

- Residential;
- Primary Production; and

- All other land.

Residential land will be provided a weekly garbage bin collection and a fortnightly recycling bin collection for each tenancy.

Primary Production land will be provided a weekly garbage bin collection and a fortnightly recycling bin collection.

All other land will be provided with either a single garbage bin collection three times per week or the collection of 3 bins once per week. A separate cardboard collection service will be provided in non-residential areas on a scheduled basis as advised to the properties. A limited recycling collection service is also provided in the main commercial districts.

Fire Protection

Fire Protection Service Rate - Council is required by the provisions the *Fire Services Act 1979* to collect fire service contributions on behalf of the State Fire Commission. The amount of this rate and the minimum charge which is to apply is determined independent of Council by the State Fire Commission.

5. Objections to Rate Notices:

Council will consider any objections to rate notices in accordance with Section 123 of the *Local Government Act 1993*.

6. Rebates and Remissions:

Any individual application for a rebate and/or remission from payment of rates is to be provided to Council in writing and is to comply with the adopted policies from time to time in operation.

Council will annually consider whether to provide any rebate or remission to not-for-profit community organisations where they own or are responsible for the payment of rates. Any not-for-profit organisation that wishes to be considered for either a rebate or remission is required to make a formal application for Council to consider.

Council may also from time to time determine to provide a remission to a ratepayer, group of ratepayers or a class of ratepayers where it has determined that special circumstances exist.

Pensioner Rate Remissions are provided to eligible concession card holders pre-approved by the State Revenue Office. Concessions are only available on a ratepayer's principal residence at an amount predetermined by the State Government. Ratepayers seeking a rate concession are not to withhold payment pending assessment by the State Revenue Office of their eligibility. In circumstance where a concession is approved after payment has been received a refund will be provided to the ratepayer.

7. Payment of Rates:

Rates are due and payable in full by 31 August each year. However, ratepayers can elect to pay their rates in four equal instalments on 31 August, 31 October, 28 February and 30 April each year.

	<p>Ratepayers who have difficulty in paying their rates either in full or by the instalment due dates are encouraged to contact Council's Rates Office to make an alternative payment plan. Such enquiries are treated confidentially by Council.</p> <p>Instalment payments must be made on or before the due date as failure to do so will result in the full outstanding amount becoming due and payable immediately.</p> <p>8. Late Payment of Rates: Council has determined that penalties will apply for late payment of any rate or instalment which remains outstanding on the due date. The penalty percentage rate is determined by Council each year in line with the provisions of the <i>Local Government Act 1993</i>.</p> <p>Rates which remain unpaid for a period exceeding 30 days from the due date of an instalment will be subject to recovery action through either a recognised Debt Collection Agency and/or Magistrates Court. Prior to initiating recovery action Council will provide the ratepayer with 14-days' notice in writing advising of its intention to commence legal action.</p> <p>9. Sale of Property if Rates Remain Unpaid: The <i>Local Government Act 1993</i> provides that a Council may sell any property where the rates have been in arrears for a period of three (3) years or more. Council is required to:</p> <ul style="list-style-type: none"> (a) notify the owner of the land of its intention to sell the land; (b) provide the owner with details of the outstanding amounts; and (c) advise the owner of its intention to sell the land if payment of the outstanding amount is not received within 90 days. Except in extraordinary circumstances, Council will enforce the sale of land for arrears of rates. <p>10. Postponement of Rates: An application for a postponement of payment of rates on the grounds of hardship must be made in writing addressed to the General Manager.</p>
LEGISLATION AND RELATED DOCUMENTS	<i>Local Government Act 1993</i> <i>Fire Services Act 1979</i> <i>Valuation of Land Act 2001</i>
ATTACHMENT/S (IF APPLICABLE)	N/A