

PURPOSE

The purpose of this policy is, in relation to rates and charges, to:

- provide a clear rationale to guide Council's decision-making process
- inform the community, and
- meet Council's obligations under Section 86B of the Local Government Act 1993 (the Act).

SCOPE

This policy provides the high-level framework within which Council will set the rates and charges to be levied on properties within its municipal area in accordance with the requirements of the Act.

It is intended to inform Council's annual decision-making process with respect to property and rating, but does not subvert or supersede those specific decisions on rates and charges will be made annually by Council as part of its budget process, or otherwise as required under legislation.

RELATED DOCUMENTS

- Financial Hardship Policy
- Financial Management Strategy

STATUTORY REQUIREMENTS

Acts	<i>Local Government Act 1993</i> <i>Valuation of Land Act 2001</i> <i>Fire Services Act 1997</i> <i>Local Government (Rates and Remissions) Act 1991</i>
Regulations	N/A
Australian/International Standards	N/A

DEFINITIONS

assessed annual value means the assessed annual value as determined by the Valuer-General under the Valuation of Land Act 2001;

general rate means a rate made under section 90 of the Local Government Act 1993;

ratepayer means the person liable to pay rates

rate means a general rate, separate rate, construction rate and service rate made under the Local Government Act 1993

service charge means a charge made under section 94 of the Local Government Act 1993

POLICY STATEMENT

Council's policies, processes and procedures with respect to the setting, collection and administration of rates and charges are as follows:

1. Council will only raise the revenue it needs from rates and will do so in the most efficient and equitable manner possible. Council will balance its service levels with the needs and expectations of the community and will set appropriate levels of rates to adequately fulfil its roles and responsibilities.
2. Rates will be levied on all rateable properties (unless otherwise determined by legislation, this policy or related Council policies), regardless of the extent to which Council functions and services are used by or apply to the owners or residents of those properties. This is consistent with the principle of rates being a form of taxation (s. 86A(1) of the Act)
3. The primary basis for determining the level of general rates (and, where determined appropriate, other rates) levied on individual properties will be the Annual Assessed Value (AAV) of properties, as determined by the Valuer-General. AAV is the estimated rental value of the property or four percent of the capital value of the property (whichever is greater).
4. Council will levy a general rate on all rateable properties (unless otherwise determined by legislation, this policy or related Council policies). This rate will recover the cost of Council's functions and services for which specific users cannot be readily identified or for which a regime of full cost recovery through user charges has not been established by Council.
5. The general rate will consist of a 'cents in the dollar' rate which is consistent with the principle of rates being a form of taxation (as above) with a minimum amount payable by all rateable properties, irrespective of AAV.
6. Council, by absolute majority, may declare that the general rate varies within the municipal area or within different parts of the municipal area according to any or all, or a combination of any or all, of the following factors:
 - (a) the use or predominant use of the land;
 - (b) the non-use of the land;
 - (c) the locality of the land;
 - (d) any planning zone;

- (e) any other prescribed factor.
7. Council will provide for exemptions from the general rate under in the circumstances set out in Council's Rate Exemption – Charitable Purposes Policy.
 8. Council will levy one or more service rate for fire protection, with associated minimums. Fire services levies will be levied in accordance with notifications provided by the State Fire Commission under relevant legislation.
 9. Council will levy service charges in respect of waste management. This is based on a fixed sum per property per service, where the service is available.
 10. Variations to rates will be applied (or where provided, additional rates set), in accordance with the Act in circumstances where Council determines there is a reasonable basis for charging differentiation to occur. In particular, variations will be applied:
 - (a) in respect of the waste management charge in recognition of variations in the level of service provided, including bin size and/or frequency of service. The variation in service level will include the provision of larger bins and/or multiple bins at a property owners' request, and
 - (b) in respect of fire protection in accordance with statutory notice provided to Council by the State Fire Commission.
 11. Rebates will be applied to general rates otherwise payable in respect to specific properties and/or classes of ratepayers where Council determines that there is a social, economic or equity benefit to the community in providing such rebates. Specific rebates will be applied for pensioners who are eligible for a rate remission under the *Local Government (Rates and Charges Remissions) Act 1991*, in recognition that this group of ratepayers represents a significant section of the community which, as a whole, has a more limited capacity to rates. Rebate amounts are determined by the State Department of Treasury and Finance. The following procedures apply to claiming pensioner remissions and rebates:
 - (a) the applicant pensioner must be liable to pay the rates on the property and occupy the property as their principal place of residence on or before the 1st day of July in the year for which they are claiming assistance, and
 - (b) applications for pensioner rebates must be submitted on the prescribed form.
 12. Where rates remain unpaid after the due date, Council will apply penalties and interest in accordance with section 128 of the Act unless exempted by clause 17 (an up to date direct debit agreement) and clause 18 has been complied with (the issuing of necessary overdue reminder notices).
 13. A remission of penalties and/or interest, either in whole or in part, may be granted if the interest / penalty was incurred:
 - (a) as a result of an error by Council, or

- (b) due to extraordinary or compassionate grounds, being serious illness or accident of ratepayer or immediate family at the instalment due date or death of immediate family member at the time of the instalment due date.

Requests for remission must be in writing to the General Manager and will only be considered where remission has not been granted previously.

14. Where Council receives official notification of a property owner's deceased estate, Council will exempt the property from interest and penalties until probate is received, up to a maximum period of 12 months.
15. Rates will be levied in early July each year payable by four instalments during the balance of the financial year. Rates can be paid in full by the first instalment due date, however Council does not offer a discount for the early payment of rates.
16. Ratepayers who are experiencing financial difficulties may:
 - (a) apply to Council in writing to repay their rates via an agreed repayment arrangement. Interest and penalties will be charged on any payment arrangements. However the threat of legal action will be withdrawn in such cases, provided that the terms of the arrangement are met. Where a ratepayer fails to meet their obligation under the arrangement the arrangement will be terminated and Council may commence legal action to recover outstanding rates and charges, or
 - (b) make application to Council for financial hardship assistance in accordance with Council's Financial Hardship Policy and or Postponement of Rates Policy.
17. Where a ratepayer enters into an agreement with Council to pay their rates balance in-full via a direct debit arrangement by the end of the current financial year, and the agreement is adhered to, no penalties and interest will be charged.
18. Where a ratepayer fails to pay any instalment within 21 days of the date on which the rates are due, Council may require the ratepayer to pay the full amount owing for the financial year. Council will issue overdue reminder notices not earlier than 7 days after the due date giving notice that the ratepayer has 14 days to pay in full or to make an agree payment arrangement.
19. Where a debt remains outstanding past the due date and the necessary notices have been issued pursuant to clause 18, Council may instigate recovery proceedings in accordance with the Act. Recovery proceedings may include, but are not limited to, levy notices, the garnishing of wages or any other legal remedy.
20. All costs incurred by Council in respect of any recovery process will be charged against the property.
21. If a ratepayer wishes to object to the levied property rates on the basis that the ratepayer believes the rates have been calculated incorrectly, an objection may be made on the following grounds:
 - (a) the land specified in the rates notice is exempt from the payment of those rates
 - (b) the amount of those rates is not correctly calculated having regard to the relevant factors

- (c) the basis on which those rates are calculated does not apply
- (d) he or she is not liable for the payment of the rates specified in the rates notice, or
- (e) he or she is not liable to pay those rates for the period specified in the rates notice.

Objections are to be made in writing to the General Manager within 28 days of the rates notice being issued.

Background

Section 86B of the Act requires that Council adopts a rates and charges policy, which is to comply with the requirements of that section.

Section 86A of the Act requires that Council, in adopting policies and making decisions concerning the making or varying of rates, must take into account the principles 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 in respect of that land to pay rates.

This Policy is adopted in accordance with the requirements of section 86B and is intended to take into account the principles set out in section 86A.

DOCUMENT CONTROL

Version:	2.0	Adopted	30/10/2023	Commencement Date	31/10/2023
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Previous Versions:	Item 5 (17 June 2019) as per Council Minutes				
Responsible Directorate	Community and Corporate Services		Controller:	Manager Finance	
ECM Document No.:	Policies by Directorate				