



C 007 – RATES AND CHARGES POLICY

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Responsible Officer	General Manager
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1. INTRODUCTION

Section 86B of the *Local Government Act 1993 (the Act)*, as amended in December 2011, provides that a Council must adopt and implement a policy on the levying of rates and charges.

This document sets out the policy of Tasman Council on the levying of rates on rateable properties.

2. POLICY STATEMENT

In order for Tasman municipality to achieve the aims of its strategic plan, long-term asset management and financial obligations, Council must raise revenue sufficient for the purpose of governance, administration and to provide for appropriate goods and services for the community.

Council's practices and decisions regarding rates are underpinned by:

- accountability, transparency and simplicity
- efficiency, effectiveness and timeliness
- equitable distribution of the rates responsibility across the community
- consistency with Council's strategic, corporate and financial direction and budgetary requirement
- compliance with the requirements and intent of the relevant legislation and accepted professional conventions and ethics.

This Policy is designed to assist the community and ratepayers in understanding the basis of rates and the judgements that are being made by Council in setting of rates and charges.

The Act empowers local government to levy rates and charges on land and provides some principles for consideration when developing rating policies. The key principle in levying rates recognises that rates constitute a system of taxation for the purpose of local government, rather than a fee for service

This policy introduces the basic elements of rating and valuation methods that Tasman Council intends to apply in exercising its powers, or performing its functions, under Part 9 of the *Local Government Act 1993* and the *Valuation of Land Act 2001*.

3. OBJECTIVE

The Council's chief function is to provide services to the whole Tasman municipality. Rates are a major source of revenue that Council uses to fund services, infrastructure or facilities utilised by ratepayers and visitors.

Some of the main activities are:

- Maintenance and upgrade of roads and associated infrastructure;
- Capital works program for buildings and infrastructure;
- Maintenance and development of parks and reserves;
- Community services – community grants, event support and hosting of festivals, immunisations;
- Community facilities – halls, indoor and outdoor sports and recreation areas, boat ramps and jetties;
- Regulatory services – building, health and planning advice. Permits and inspections for food premises, fire hazards, road closures and nuisances;
- Information services - property information, rates and valuation enquiries;
- Animal control and registration;
- Community information and registration;
- General Medical Practitioner living assistance;
- Refuse disposal – inert landfill and waste transfer station;
- Waste Collection and recycling disposal service;
- Street lighting and public amenities;
- Community development;
- Tourism and area promotion;

The amount of rates required each year is determined by evaluating Council's financial requirements to deliver and maintain the services required by the community. Grant programs, inflation and interest rates also influence the amount of rates required.

This policy is aimed at how Council applies its powers and performs its functions in accordance with Part 9 of the Act when levying and collecting rates.

This policy will meet the requirements of Section 86B of the *Local Government Act 1993*, which states each Council must prepare and adopt a Rates and Charges Policy.

4. SCOPE

This policy covers:

- Property valuation base
- Council's revenue raising powers
- General rate
- Fixed rate
- Services rate and charges
- Rate Concessions
- Remission of rates
- Payment of rates
- Late payment of rates
- Penalty and interest
- Recovery of rates
- Sale of land for non-payment of rates

5. PROCEDURE

Under the Act, Local Government has the choice of three bases of property valuation:

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

All properties within the Tasman municipal area are valued by the Valuer General in accordance with the *Valuation of Land Act 2001* to determine a property's land value, its capital value and its AAV.

Council considers all of these in the adoption of valuations of land within the municipality. The AAV of a property is the estimated yearly rental value of the property and the current base used for valuations of land in which Council levies its rates.

APPLICATION OF POLICY – RATING SYSTEM

General Rate

In accordance with Section 90 of the Act, each year Council adopts the AAV as determined by the Valuer General as the valuation method to be used in determining rates. The AAV represents an assessment of the rental value of a property or a 4% minimum of the capital value. Council will levy a general rate on all rateable land whether or not it provides any services in respect of that land. A general rate is set by Council each year. It is calculated by multiplying AAV by a rate set by Council.

Fixed Rate

According to Section 91 of the Act Council may have a fixed component of the general rates that applies equally to all rateable properties within the municipal area and that the revenue from the fixed rate component cannot exceed 50% of the Council's general rate revenue.

The application of a fixed rate recognised that all rateable properties should make a fixed contribution to the cost of Council's operations and services.

In addition to the variable portion of the general rate, Council have determined that the most equitable model for rating is AAV plus fixed component. Thereby all rateable land will be charged a fixed general charge and the other component of the general rate will be calculated on a rate in the dollar of the AAV of each rateable land.

The rate in the dollar charged will be the same for all rateable land. This is used as a fixed component and leveller for the general rate.

Service Rates and Charges

In accordance with Section 93 and 94 of the Act, Council may make a service rate for a financial year of rateable land.

Council sets an annual Waste Management Charge that is applied equitably to each rateable land assessment within the municipal area at a rate set by Council's annual Rates Resolution. The purpose of the charge is to maintain Waste Services at the Nubeena Waste Transfer Station, maintenance of waste bins in all public open spaces and Tasman Council's contractual obligation to the Copping Waste Transfer Station.

Council sets an annual service rate for Kerbside Garbage and Recycling Collection which is applied to all residential properties where there is a current dwelling at a rate set by Council's Annual Rates Resolution. See Council Policy "C 028 – Request for Mobile Garbage Bin Policy".

Council collect a State Government Waste Levy on behalf of the State Government. Under the State Government *Waste and Resource Recovery Act 2022*, the levy will be applied to all rateable properties to cover the levy payable by Council for each rating year. The amount of this rate is determined independent of Council by the State Government.

Council collect a Fire Service Levy on behalf of the State Fire Commission as required by the provisions of the *Fire Services Act 1979*. The amount of this rate and the minimum charge which is to apply is determined independent of Council by the State Fire Commission.

Rates Concession

The State Government's pensioner rates remission provides a remission for Council rates (capped at a maximum amount each year). Eligibility of a pensioner remission is determined by the State Government Department of Treasury and Finance to eligible concession card holders.

To be eligible to receive a remission as at the 1 July each year, you must be liable to pay the rates on the property for which you are claiming a remission and the property must be your principal place of residence. You must hold one of the following cards:

- Pension Concession Card;
- Health Concession Card; or a
- Department of Veteran's Affairs Gold Card marked TPI.

The date the card was granted on must be on or before the 1st July of the current financial year. The card must be presented to Council when submitting an application form. In the case of joint ownership, at least one of the owners must meet the above eligibility criteria. There is a limit of only one per household.

Applications for pensioner remissions cannot be received prior to 1 July of the current financial year. All applications must be received by 31 March to receive the remission for the current financial year. Retrospective applications can be submitted, however, conditions apply.

Ratepayers must not withhold payment of rates pending the outcome of an assessment of an application. Rates must be paid in accordance with the rates notice. In circumstances where a concession is approved after the rates have been paid in full a refund can be provided to the ratepayer.

Remission of Rates

In accordance with Section 129 of the Act Council has the power to grant remissions to all or part of any rates payable by a ratepayer. Application for remission must be submitted to Council in writing to the General Manager. Applications for remission of rates and charges will be considered under the discretionary provisions of Section 129 of the Act. See Council Policy "Remission of Rates".

Decisions to grant a remission to a ratepayer or class of ratepayers will be made by Council at an Ordinary Council Meeting after considering all of the relevant facts and circumstances.

Objection to a Rates Notice

An objection must be made to Council within 28 days in writing and addressed to the General Manager. The General Manager may amend the rates notice if considered appropriate or refuse to amend the notice, in accordance with Section 123 of the Act.

A person may appeal to the Magistrates Court (Administrative Appeals Division) for a review if the General Manager fails to amend the rates notice within 20 days after lodging the objection or refuses to amend the notice.

Payment of Rates

In accordance with Section 124 of the Act Council offer two methods of payment options to its ratepayers, in full or by four equal instalments as indicated in the annual rates resolution and specified on the issued annual rates notice.

Council will provide for a range of payment options, including:

- Direct debit
- Australia Post
- BPay
- BPoint
- Direct deposit
- Centrepay
- In person at the Tasman Council Office

Any arrears from the prior financial year will be attached to the first instalment amount with all payments going directly to any applicable arrears first.

If a ratepayer fails to pay an instalment within 21 days of the date of an instalment, Council may require the ratepayer to pay the full amount owing for the financial year.

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment schedule, are invited to contact the Rates Office to discuss alternative payment arrangements. Such enquiries are treated confidentially by Council.

Payment arrangements are to be made in writing by e-mail or completing Council's Application for Payment Arrangement Form. Any requests to amend the signed agreement are to be in writing within 14 days' notice. Interest will continue to be charged on all outstanding rates.

Late Payment of Rates

Should rates not be paid by the due date as specified on the annual rates notice, daily interest will be applied in accordance with Section 128 of the Act. Interest will be applied on the outstanding balance daily.

Ratepayers who have a direct debit payment agreement in place with Council and the full amount of rates is paid within the financial year the agreement is made, no interest will be charged. Ratepayers that have a direct debit agreement in place and subsequently defaults on a payment, will be charged daily interest on any rates arrears from the date of the default.

Interest will be charged on all accounts that have a component of the previous year's rates outstanding. This interest will apply to the total amount outstanding (including the current year's rates). Ratepayers can contact council's Rates Officer to enter into a payment arrangement to suit individual financial circumstances.

If any rates or instalments are not paid on or before the date they fall due Council will charge daily interest calculated in accordance with the following formula.

$$P = \frac{LTB + 6\%}{365}$$

where –

P is the prescribed percentage;

LTB is the official ten-year long term bond rate as determined by the Reserve Bank as at the close of business on the last day of business preceding 1 March.

When a payment is made for rates, council applies the money received in accordance with Section 131 of the Act as follows:

- First - in payment of any costs awarded to, or recoverable by, the council in any court proceedings undertaken by the council for the recovery of the rates;
- Second - in discharging any liability for interest;
- Third - in payment of any penalty;
- Fourth - in discharging liabilities for rates in the order in which those liabilities arose.

A remission of interest, either in whole or in part, may be granted if the interest was incurred:

- as a result of an error by Council, or
- 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.

Council will make notes on all overdue accounts detailing any conversations held with the customer regarding overdue rates amounts, payment arrangement and correspondence sent, and any recovery action taken.

Recovery of Rates

In accordance with Section 133 of the Act, Councils Rates Officer will apply timely debt recovery practice. This includes that where two instalments remain unpaid and no arrangement for payment has been entered into, Council will commence recovery action through a debt collection agency for resolution. If Council takes such action the ratepayer will be liable for all costs associated with the action.

Council actively provides ratepayers with the opportunity to pay arrears by the issuing of reminder notices and pre-collection letters.

Failing to adhere to an alternative payment arrangement made with Council may result in the remaining arrears being collected through a debt collection agency for resolution.

Recovery from certain persons

In accordance with section 134 of the Act, a council may recover rates from any of the following persons:

- (a) The ratepayer or owner of the land;
- (b) The occupier of the land, with his or her agreement;
- (c) The ratepayer or owner of the land at the time the rates were made.

Rents Under Leases for Unpaid Rates

In accordance with Sections 135 and 136 of the Act, Council, by notice in writing, may require a tenant to pay their rent directly to Council in satisfaction of their rent payments.

Sale of Land for Non-payment of Rates

The *Local Government Act 1993* provides that a Council may sell any property that is not Crown Land where the rates have been in arrears for the period of three (3) years or more. Council has the power under Section 137 of the Act to sell the property to recover the outstanding debt.

Decisions to sell property to recover outstanding rates and charges will be made by Council at an Ordinary Council Meeting after considering all of the relevant facts and circumstances.

Prior to commencing any action to sell the property, Council is required to:

- notify the owner of the land of its intention to sell the land;
- provide the owner with the outstanding amounts; and
- advise the owner of its intention to sell the land if payment of the outstanding amount is not received within 90 days. Where extraordinary circumstances exist, Council will enforce the sale of the land for arrears of rates.

The sale of land pursuant to Section 137 of the Act is done so by the way of a public auction, Council will advertise its intention to sell through local media and notices issued to the said property.

In the event the owner cannot be contacted the procedures as outlined within the Act will be followed.

Supplementary Valuations

In certain circumstances, valuations must be determined between general revaluations. These are known as supplementary valuations and are required when the circumstances of a property changes which affect the property's value.

Some circumstances that may trigger a supplementary valuation are as follows:

- Construction of a new building(s) on the land;
- Extension or a renovation of an existing building;
- Subdivision or consolidation of the land;
- Demolition of a building(s) on the land;
- Other improvements to the land such as out buildings, swimming pools;
- Change of the land's usage;
- Realignment of the properties boundary; and
- Property becomes rateable

When any of the above situations arise, a supplementary valuation will be undertaken by the Valuer-General. The supplementary valuation will bring the valuation of the property in line with the general valuation of other properties in the municipal area. The values are determined based upon the same date of the general valuation currently in use for the municipal area.

Where the ratepayer has undertaken a supplementary valuation, the ratepayer will be issued with a supplementary rates notice. The notice will show the new adjusted valuation for the property and will include any corresponding adjustments to the rates and charges affected by the supplementary valuation for the current financial year. Rates and charges adjustments of less than \$50 will not result in a supplementary rates and charges notice for the current financial year.

6. DISCLAIMER

A rate cannot be challenged on the basis of noncompliance with this policy and must be paid in accordance with the required payment provisions.

Where a ratepayer believes that Council has failed to properly apply this policy, they should raise the matter with Council. In the first instance, contact should be made with the Rates Officer.

7. GUIDELINES

Rates constitute taxation for the purposes of Council, rather than a fee for service. The value of rateable land is an indicator of the capacity of ratepayers to pay rates. There is a commitment to the broad principle of fairness and equity in the distribution of rates across all ratepayers.

Assessed Annual Value (the valuation of the rental potential of the property) as determined by the Valuer-General each year, is used as the basis for valuing property within the Council area.

A general rate, a service charge, and a minimum rate will be applied as a means of raising taxation revenue within the community.

Eligible pensioner ratepayers are entitled to a State Government remission of rates, subject to a range of criteria. This remission does not apply to holders of the Commonwealth Seniors Health Cards. An annual service charge for Waste Management applies to all land within the Municipal Area at a rate set by Council's Annual Rates Resolution.

The Fire Service Levy that Council collects on behalf of the State Fire Commission is based on the cents in the AAV dollar.

Council will apply rebates in accordance with the *Local Government Act 1993*. Council will adhere to the Act in granting full or part exemption for general rates for properties which may include public, educational, religious, aboriginal, cultural or charitable in use and ownership in accordance with section 87.

Council will continue to accept the payment of rates in full or by four instalments. Council will consider other payment arrangements with ratepayers when requested. Council will impose late payment penalties strictly in accordance with the *Local Government Act 1993*.

Council may enforce the sale of land for non-payment of rates in accordance with the *Local Government Act 1993*.

8. ROLES & RESPONSIBILITIES

Tasman Council has an obligation to continually reduce outstanding debts exposure. It is the responsibility of the General Manager, Corporate Services Manager and Rates Officer to ensure that this policy is adhered to.

9. POLICY REVIEW

Council in accordance with Section 86B(4) of the Act must review its Rates and Charges Policy by the end of each successive four year period or when council makes a significant change in how it applies rates and charges, whichever is earlier.

This policy was approved at the ordinary Council meeting on 22 May 2024, resolution number 12/05.2024/C.



Blake Repine
General Manager

Disclaimer

That this policy be read in conjunction with any or all other Council and/or Management Policies