

1. PURPOSE

Part 9 of the *Local Government Act 1993* (the Act) provides Council with the legislative power to raise rates and charges.

Section 86B of the Act provides that each Council must adopt a rates and charges policy consistent with the provisions of the Act.

2. OBJECTIVE

Section 86B of the Act provides that each Council must adopt a rates and charges policy, which must be reviewed by the end of each successive 4-year period after adoption, or alternatively, at the same time as, or before, making a significant change in how it applies rates and charges.

The purpose of the Council's rates and charges policy is to:

- Comply with the requirements of the *Local Government Act 1993*;
- Inform the community; and
- Outline Council's approach to levying and collecting rates from its community.

The Act specifically requires Council's policy to take account of the following matters:

- The rates constitute taxation for the purposes of local government, rather than a fee for service.
- The value of rateable land is an indicator of the capacity of the ratepayer in respect of that land to pay rates.

3. SCOPE

This policy provides clear principles and direction to guide Councils decision making process in making rates and charges. It provides a high level framework, however does not represent the making of specific decisions with respect to property rating. Such decisions will be made annually, or as required, in accordance with relevant legislative requirements.

4. POLICY

In response to the purpose of the policy and legislative requirements under which it is bound, Council determines the following policy details:

1. *General Rates*

General rates will be levied on all rateable properties, regardless of the extent to which Council services are used by the owners or residents of those properties. This is consistent with the principle of rates being a form of taxation (as determined by S86A(1) of the *Local Government Act 1993*).

Valuation Methodology:

Council has adopted the assessed annual value (AAV) as the basis for levying rates as it considers this method provides the fairest method of distributing the rate burden across all ratepayers as property rental value is a relatively good indicator of capacity to pay (or wealth).

A general revaluation of the Municipality was undertaken by the Valuer-General effective 1st July, 2015. The next general revaluation is due in 2021. Assessed annual values for each property are provided as part of this process, and adjustment factors are provided by the Valuer-General bi-annually. The adjustment factors are applied to existing valuations in between the revaluation cycle in an attempt to minimise large fluctuations in valuations that can occur following the completion of a general revaluation.

Supplementary valuation adjustments are provided on an ongoing basis where the status of a property changes, e.g. subdivision, construction of a dwelling.

The general rate will recover the cost of services for which specific users cannot readily be identified, or for which a regime of full cost recovery through user charges has not been established by Council.

A minimum amount will be levied in respect of the general rate in recognition that each rateable property should bear a reasonable portion of the total rate burden.

2. Fire Service Levy

The *Fire Service Act 1979* requires Council to collect a fire service contribution payable to the State Government. The contributions will be levied in accordance with notifications provided by the State Fire Commission under relevant legislation.

3. Household Garbage and Recycling Collection Service

Council will levy a service charge in respect of household garbage and recycling service. This will be based on an amount per property which reflects the level of service.

4. Waste Management Charge

Council will levy a service charge in respect of general waste management which primarily relates to the cost of operating the waste disposal transfer sites.

5. Variations

Variations to rates will be applied, in accordance with the Local Government Act 1993, in circumstances where Council determines there is a reasonable basis for charging differentiation to occur.

- In respect of the Household Garbage and Recycling Collection Service Charge, a variation is made to recognise the level of service provided including bin size and/or frequency of service.
- In respect of the Waste Management Charge, a variation is made according to whether there are any dwellings constructed on the land, and secondly, the number of dwellings on the rateable land (capable of being occupied).
- In respect of the Fire Service Contribution, a variation is made in accordance with the statutory notice provided to Council by the State Fire Commission.

Pensioner Remissions

The *Local Government (Rates and Charges Remissions) Act 1991* provides that eligible pensioners as at 1 July each year are entitled to a State Government rate remission of 30 per cent up to a specified maximum. Eligible pensioners are also entitled to an additional remission of 20 per cent of the fire levy.

An eligible pensioner is a person who holds a;

- Pensioner Concession Card; or
- Veterans Affairs Gold Card endorsed with TPI or War Widow; or
- Health Care Card (excludes Seniors Health Card).

Note: The cardholder must be legally responsible for the rates and the property must be their principal place of residence as at 1st July.

Remission applications are verified and approved by the State Government each year and for previously verified pensioners, the remission is deducted from the rates account prior to issue. New pensioners or any pensioner who believes they should be eligible for a rate remission are required to complete an application form with Council for verification.

Payments

Rates and charges are payable by four equal instalments, the first payable 30 days after the issue of the rates notices, the second at the end of November, the third at the end of January and the fourth by the end of March. The actual payment due date will appear on the rates notice.

Where a ratepayer elects to enter into an arrangement to pay the current rates and charges by monthly, fortnightly, or weekly instalments via one of the electronic payment options (including direct debit), then the instalment amounts will be calculated to settle the debt by the end of the applicable financial year. Penalty and interest will not be applied on any of the current rates and charges at the relevant date, provided that the instalment arrangements are adhered to. In the event of default, penalty and interest is to be calculated on the outstanding amounts.

**Late Payments**

Penalty: A penalty of 5% applies to any rate or charge that is not paid on or before the date it falls due.

Interest: In addition to the penalty, interest under section 128 of the *Local Government Act 1993* will be charged at the adopted rate per annum.

Discount

A discount rate is adopted each year and is applied to all rates and charges paid in full within 30 days after the date of issue. This discount is not applicable to rates and charges which are paid in instalments. The rationale for the discount is that the benefits to Council (being the earlier access to the funds and reduced processing costs of subsequent instalments) is greater than the cost of the discount.

Payment Methods

The following payment methods are available:

- By mail to PO Box 21, Oatlands Tas 7120
- In person at Council offices, 71 High Street, Oatlands or 85 Main Street, Kempton
- Direct debit
- By phone 1300 886 451
- Australia Post (at any post office or POSTBillpay phone and internet)
- Councils website www.southernmidlands.tas.gov.au
- BPay - telephone and internet banking

Recovery of Rates

Council will issue a final notice if any instalments remain outstanding. A ratepayer who is having difficulty in paying rates should contact council at the earliest opportunity to arrange a payment schedule. This is essential to avoid council taking legal action to recover the outstanding rates.

If a ratepayer does not pay the rates on his or her property, a council may commence legal action against the ratepayer to recover the outstanding amount. If council takes such legal action the ratepayer may also be liable for the councils legal costs associated with the action.

Postponement of Payment

A ratepayer may apply to the Council for a postponement of payment of rates on the grounds of financial hardship. Applications are to be in writing and lodged with the general manager. Council will then determine the application and determine appropriate conditions of postponement.

Council does have the right to revoke a postponement arrangement by giving sixty (60) days' notice.

Remission of Rates

A ratepayer may apply to the Council for remission of all or part of any rates payable, including any penalty and interest imposed. Applications are to be in writing and lodged with the general manager. Council may grant a remission, noting that any decision requires an absolute majority.

Sale of Land for Non-Payment of Rates

Section 137 of the Act provides that a Council may sell any property where the rates have been in arrears for three (3) years or more. Council is required to notify the owner of the land of its intention to sell the land, provide the owner with details of the outstanding amounts, and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

Objections

Section 123 of the Local Government Act 1993 provides that a person may object to a rates notice on the ground that:-

- a) the land specified in the rates notice is exempt from the payment of those rates; or
- b) the amount of those rates is not correctly calculated having regard to the relevant factors; or
- c) the basis on which those rates are calculated does not apply; or
- 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.

An objection must be in writing to the General Manager, and be made within 28 days after receipt of the rates notice. The General Manager may amend the rates notice if considered appropriate or refuse to amend the rates notice.

A person may appeal to the Magistrates Court (Administrative Appeals Division) for a review if the General Manager;

- a) fails to amend the rates notice within 30 days after lodging the objection; or
- b) refuses to amend the rates notice.

If a ratepayer has enquiries related to their property valuation or is dissatisfied with a property valuation then an objection may be made to the Office of the Valuer-General by contacting:-

Office of the Valuer-General
GPO Box 44
Hobart Tas 7001
Phone: 03 6165 4444
E-mail: ovg.enquiries@dpiwve.tas.gov.au

Disclaimer

A rate cannot be challenged on the basis of non-compliance with this policy and must be paid in accordance with the required payment provisions. If a ratepayer believes that the Council has failed to properly apply this policy they should advise the General Manager.

Availability of Policy

This policy is available from the Council offices during ordinary working hours or is available to download from Council's website www.southernmidlands.tas.gov.au

5. DOCUMENT ADMINISTRATION / REVIEW

This policy is a managed document and is to be reviewed every four years or when Council makes a significant change in how it applies rates and charges, whichever is the earlier.

This policy is Version 1.1 effective 28th June 2017. The document is maintained by the Manager, Corporate Services, for the Southern Midlands Council.