



# RATES AND CHARGES POLICY

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<b>TITLE:</b>	<b>Rates and Charges Policy</b>
<b>RESPONSIBLE OFFICER:</b>	<b>Manager Finance</b>
<b>APPROVED BY COUNCIL:</b>	<b>10 July 2012</b>
<b>RESOLUTION NO</b>	<b>67/2012</b>
<b>AMENDED ON</b>	<b>June 2022</b>
<b>RESOLUTION NUMBER:</b>	<b>90/2022</b>
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## 1. INTRODUCTION

- 1.1 Rates and charges are an important revenue source for local government, comprising approximately 75% of Council's operating income. In setting its rates and charges Council has the challenge of balancing the need to fund existing services, the continual demand for increased services, the need to maintain and renew essential infrastructure and the desire to keep increases to rates and charges to a minimum.
- 1.2 The other 25% of Councils income is sourced from the following:
- Statutory and user charges – charges raised from the provision of goods and services, such as: animal management; environmental and health control; engineering development; building and plumbing applications and inspections; town planning and development fees; and the usage of parks and reserves, sporting facilities and community halls.
  - Grants and subsidies – funds provided by other levels of government (from their taxation revenues), that are either general purpose grants or grants provided specifically for the provision of upgraded and new assets.
  - Investment income – the investment of temporarily surplus funds generates revenue.
  - Other Income – primarily made up of reimbursements and donations.

## **2. POLICY STATEMENT**

- 2.1 This policy is designed to explain to ratepayers within the Sorell municipality how Council underpins its annual rates and charges.
- 2.2 This policy is to communicate to ratepayers that rates are a method of taxation and as such the total amount of rates paid may not directly relate to the services used by each ratepayer.
- 2.3 Property values (set by the Office of the Valuer-General) are critical in determining how much each individual ratepayer contributes to the cost of delivering Council services and activities.
- 2.4 All land within the Council area, except for land designated under the Act as exempt, is rateable. Council also raises revenue through fees and charges, which are established based on the cost of the service provided.

## **3. OBJECTIVE**

- 3.1 The purpose of this policy is to communicate to all ratepayers and other stakeholders Council's long term strategic focus in determining rates to ensure ongoing sustainability and efficiency in the provision of services to the Sorell municipality.

## **4. LEGISLATION AND REFERENCES**

- 4.1 This policy is intended to complement and be implemented in conjunction with:
  - Part 9 of the *Local Government Act 1993* (Tas);
  - *Valuation of Land Act 2001* (Tas);
  - *Fire Service Act 1979* (Tas);
  - Sorell Council Strategic Plan 2019-2029;
  - Sorell Council Long Term Financial Plan 2016-2036;
  - Sorell Council Asset Management Plans 2014-2033;
  - Sorell Council Rates Resolution 2022-2023;
  - Sorell Council Charitable Remissions and Rebates Procedure; and
  - Sorell Council Financial Hardship Assistance Policy.

## **5. DEFINITIONS**

- 5.1 Part 9, Section 86 of the Act comprises the definitions of key terms applicable to the rating processes of local government.

## 6. COUNCIL SERVICES

6.1 Council delivers a wide range of services to the community. The table below lists examples to improve ratepayers and other stakeholders understanding of the services provided by Council:

<p><b>Infrastructure</b></p> <ul style="list-style-type: none"> <li>➤ Street lighting</li> <li>➤ Maintenance of roads, footpaths, walkways and bridges</li> <li>➤ Stormwater &amp; water infrastructure</li> <li>➤ Buildings</li> <li>➤ Land improvements</li> </ul>	<p><b>Animal Management</b></p> <ul style="list-style-type: none"> <li>➤ Dog registration</li> <li>➤ Dog control</li> <li>➤ Dealing with complaints including roaming, barking or dangerous dogs</li> <li>➤ Kennel licenses</li> <li>➤ Management of dog exercise areas</li> </ul>
<p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>➤ Fire hazard management/control</li> <li>➤ Environmental protection</li> <li>➤ Tree and weed management</li> <li>➤ Household waste and recycling collection</li> <li>➤ Roads and footpaths, street cleaning, kerb and gutter crossovers and driveway care</li> <li>➤ Operation of Sorell recycling station</li> </ul>	<p><b>Health</b></p> <ul style="list-style-type: none"> <li>➤ Public Health announcements</li> <li>➤ Water quality</li> <li>➤ Air quality</li> <li>➤ Noise control/complaints</li> <li>➤ School based immunisation program</li> <li>➤ Food Safety training</li> <li>➤ Food business inspections</li> <li>➤ Food business registration</li> <li>➤ Temporary permits</li> </ul>
<p><b>Development</b></p> <ul style="list-style-type: none"> <li>➤ Traffic control</li> <li>➤ Town planning and development control</li> <li>➤ Process building and plumbing applications</li> </ul>	<p><b>Community</b></p> <ul style="list-style-type: none"> <li>➤ Australia Day awards</li> <li>➤ Community grants program</li> <li>➤ Community facilities and hire</li> <li>➤ Maintenance of sports and recreational facilities and sportsgrounds</li> <li>➤ Maintenance of parks reserves and playgrounds</li> <li>➤ Management of two cemeteries (Copping and Dunalley)</li> </ul>

6.2 Council has a number of internal functions, which support the provision of these services, including customer service and administration, finance, information technology, human resources, communications, risk management and governance.

## 7. RATES IN SORELL

- 7.1 Council has chosen to raise part of its general rate as a fixed rate applicable to all ratepayers. As per Section 91 of the Act, Council has set a fixed general rate representing around 37% of the total 2022-2023 general rate revenue.
- 7.2 The remaining 63% of Council's general rate revenue is derived from having a variable rate, calculated on a rate in the dollar applied to the Assessed Annual Value (AAV) of the rateable property.
- 7.3 AAV is the estimated gross annual rental value of the property. The AAV takes into account the economic circumstances of each property, including the location of the property and the predominant use of the property. On this basis Council has approved AAV as the valuation approach to calculate its variable rate.
- 7.4 Council has chosen to vary its variable rate in accordance with Section 107 of the Act, according to the subcategory of use or predominant use of the land, set out as uses of land in the most recent Land Use Codes provided by the Valuer-General.
- 7.5 Annual service charges apply for the collection and disposal of garbage and recycling on a per waste bin basis in accordance with the rate charge specified in Councils rates resolution.
- 7.6 The minimum waste management rates apply to all properties with a residential dwelling, business or industry regardless of whether the building is occupied or not. The rate may be remitted for businesses or industries that already have their own commercial waste and recycling service.
- 7.7 The minimum waste management service provided is an 80L garbage (weekly) and 140L recycling (fortnightly) kerbside collection service, with access to a pre-booked green waste (monthly) and hard waste (quarterly). Other waste management services also include recycling centres and collection of waste from public bins situated in streets, parks and reserves. The waste management service rate is not charged to vacant land or land only containing farm buildings, unless the property owner requests these services.
- 7.8 A property owner may make an application for a larger size garbage or recycling bin and the rates will be adjusted accordingly, as per the rates charge specified in Council's Rates Resolution. If an application is received from a tenant the application must be signed by the property owner, unless the tenant is the ratepayer.
- 7.9 A property owner may make an application for a garbage or recycling bin stabiliser. The annual charge for the stabiliser will be in accordance with the charge specified in Council's Rates Resolution. If an application is received from a tenant the application must be signed by the property owner, unless the tenant is the ratepayer.

- 7.10 Annual service charges also apply for wastewater treatment systems if an individual contract has not been signed with an authorised maintenance contractor.
- 7.11 Council collects fire rate levies on behalf of the State Fire Commission, based on a cents in the dollar applied to the AAV of the rateable property, with a minimum fire levy charge. The fire levies will be in accordance with the charge specified in Council's Rates Resolution.
- 7.12 Council has no role in the assessment of objections to valuations. The lodgement of an objection does not alter the due date for the payment of rates. Rates must be paid in accordance with the rates notice until otherwise notified by Council.

## **8. REBATES AND REMISSIONS**

- 8.1 Under section 87 of the Act, Council is required to grant a rebate of the General Rate to specific properties that are owned for specific purposes outlined in the Act.
- 8.2 Applications for the rebate of rates under section 87 of the Act must be made in writing and include appropriate documentation to support the application.

## **9. PENSION REMISSIONS**

- 9.1 The State Government's pensioner rates remission provides a remission for Council rates. Eligibility of a pensioner remission is determined by the State Government Department of Treasury and Finance.

Eligible pensioners will receive the following remissions, noting that limits apply:

- State Government – 30% (maximum limits apply).
- State Fire Commission – 20% (of the fire levy service rate).

To be eligible to receive a remission as at 1 July each year:

1. You must be the 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.
2. You must hold one of the following valid cards:
  - Pensioner Concession Card (PCC)
  - Health Care Card (HCC) – Seniors Cards do not qualify
  - Department of Veteran Affairs 'Gold Card' endorsed with TPI or War Widow

The date the card was granted on must be on or before 1st July of the current financial year. The card must be presented to Council's Customer Service Officers when submitting an application form.

In the case of joint property ownership, at least one of the owners must meet the above eligibility criteria. There is a limit of one remission per year per pensioner household.

Applications for pensioner rate 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.

9.2 Ratepayers seeking a rate concession are not to withhold payment of rates pending assessment of an application by the State Government. Rates must be paid in accordance with the rates notice.

9.3 A refund will be paid to an eligible person if Council is advised a concession applies and rates instalments have already been paid in full.

## **10.0 CHARITABLE REMISSIONS**

Section 87(1)(d) of the Act specifies that land or part of land owned and occupied exclusively for charitable purposes is exempt from general and separate rates, averaged area rates, rates collected on behalf of statutory authorities (Section 88 of the Act) and construction rates and charges (Section 97 of the Act).

Council requires a written request for consideration of a remission of the general rate under Sections 87(1)(d), 88 and 97 of the Act. The written request needs to be completed on a per annum basis and submitted to the Rates Division.

## **11 PAYMENT OF RATES**

11.1 There are three methods for paying Council rates:

- Council rates are paid in full on or before the 60<sup>th</sup> day following the date of issue of the relevant rates notice.
- Council rates are paid by four (4) approximately equal instalments. The first rates instalment is to be made on or before the 30<sup>th</sup> day following the date of issue of the relevant rates notice. The balance is to be paid respectively in three instalments by 12<sup>th</sup> October 2022, 11<sup>th</sup> January 2023 and 8<sup>th</sup> March 2023.
- Council rates are paid by approximately equal regular instalments through a direct debit facility with an approved financial institution. This direct debit payment method is only available if Council and a ratepayer enter into a suitable agreement.

11.2 Any ratepayer who may, or is likely to, experience difficulty with meeting the standard quarterly payment should contact the Rates Division of Council's Finance Department to discuss alternative payment arrangements. Enquiries are treated confidentially by Council. If an alternative payment arrangement is agreed with Council, section 10 of this Policy (Late Payment of Rates) will apply to payments under that payment arrangement.

11.3 Any ratepayer who is experiencing genuine and serious financial hardship can apply for an appropriate level of rates relief in accordance with the Council's Financial Hardship Assistance Policy.

## **12 LATE PAYMENT OF RATES**

12.1 Council has determined that interest and penalties for late payments will be imposed in accordance with section 128(1)(c) of the Act.

12.2 In the event that any rates or charges payable to Council are not paid by the due date, a penalty of 8.50% of the unpaid rate or instalment will be charged.

12.3 In the event that any rates or charges payable to Council are not paid by the due date, interest of 3.00% per annum calculated on a daily basis, will be charged on the unpaid rate or instalment for the period during which it is unpaid.

12.4 Pursuant to section 129 of the Act, a ratepayer may apply to the Council for remission of all or part of any rates paid or payable or any penalty imposed or interest charged under section 128 of the Act. If a ratepayer incurs penalty and/or interest for the late payment of a rates instalment, they may apply in writing to the General Manager for a remission of the penalty and interest. A remission will only be approved if the ratepayer has not been late in paying an instalment in the previous 3 years and no previous penalties or interest amounts have been remitted for the three years prior to the application, or the ratepayer qualifies for a remission under Council's Finance Hardship Assistance Policy.

## **13 RECOVERY OF RATES**

13.1 The Rates Division of Council's Finance Department will institute debt management practices to rate debtors. This includes an ongoing review of rates in arrears and following a systematic debt recovery approach.

13.2 Rates, which remain in arrears past the paid in full due date or the instalment due date, will be subject to recovery action.

13.3 Council can seek to recover a rate debt in accordance with section 133(3) of the Act.

13.4 Prior to taking legal action, Council will take all reasonable steps to establish a payment arrangement or negotiate settlement of the outstanding debt.

13.5 If Council take legal action against a ratepayer, the ratepayer may be liable for the legal costs associated with the action.

## **14. OBJECTIONS TO RATES NOTICE**

14.1 Council will consider any objections to a rates notice in accordance with Section 123 of the Act.

## **15. SALE OF LAND FOR NON-PAYMENT OF RATES**

15.1 Division 11 of Part 9 of the Act provides that a Council may sell any property where the rates have been in arrears for a period of three years or more. Council is required to;

- (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.

**Robert Higgins**  
**GENERAL MANAGER**