

TITLE

C178 RATES AND CHARGES POLICY

DEPARTMENT

Corporate Services

POLICY DIRECTIVE

Section 86B of the Local Government Act (1993) (“the Act”) requires Council to adopt a Rates and Charges Policy by 31 August 2012.

The aim of this policy is to ensure that:

- There is full transparency in Local Government decision-making; and
- Communities understand how rates and charges revenue is raised.

Section 86B requires this policy to be reviewed each successive 4 year period after 31 August 2012.

HISTORY

Council resolution No 171/12 adopted at the Ordinary Meeting of 21 August 2012.

POLICY

The following policy introduces the basic elements of rates and charges as described by the Act and identifies the key decisions that King Island Council (“Council”) has made in arriving at a rates and charges structure suited to the needs of the King Island Municipality.

WHAT ARE RATES AND WHAT ARE THEY USED FOR?

Rates are a form of taxation levied against land-owners and are the main source of revenue available to Council. Revenue raised through the collection of rates provides funding for the broad range of Council activities and services including:

- Waste collection and disposal;
- Animal control;
- Community safety initiatives;
- Street lighting and cleaning;
- Local roads, footpaths and drainage;
- Operation of halls, centres and libraries;
- Maintenance of parks, playgrounds and sportsgrounds;
- Youth, family and senior services;
- Community events;
- State Government charges for a range of services including fire service and planning;
- Other works, programs and facilities and
- Providing advocacy on behalf of residents to State and Federal Government Departments.

To fairly distribute the burden of the cost of these services across the community, Council considers capacity to pay, who benefits from the services, simplicity, long term sustainability and efficiency.

HOW ARE PROPERTIES VALUED FOR THE PURPOSE OF RATES?

In general, property values are considered throughout Australia as a reasonable indication of a ratepayer's capacity to contribute to the cost of Council's services. Council believes that, for non-residential land, the use to which land is put should also be considered.

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

- Land value;
- Capital value (land plus buildings); or
- Assessed annual value (AAV) (the estimated yearly value that the property could be rented for).

Council, along with most other Tasmanian councils, has chosen AAV as a valuation method however it is probably the least understood by ratepayers.

AAV is independently determined and regularly reviewed by the Valuer-General and, put simply, is the estimated yearly value that the property could be rented for. As it indicates a reasonably current measure of the potential revenue generating capacity of the property, AAV provides the fairest basis for determining a ratepayer's ability to contribute.

GENERAL RATE – SECTION 90

A general rate is set by Council every year. It is calculated by multiplying the property valuation, in our case AAV, by a rate set by Council.

MINIMUM AMOUNT PAYABLE – SECTION 90(5)

Where a rating item does not have a fixed component, a minimum payable component may be specified in conjunction with a variable rate. The component is calculated as rate times AAV but, if the result is less than the minimum specified, the minimum applies. This method only applies to the collection of the general rate and volunteer fire levies.

SERVICE RATES AND CHARGES – SECTION 93 AND 94

As detailed above, Council provides a wide range of services and these are funded predominantly through the general rate. Council provides some specific services for which it is able to recover the cost separately, for example garbage collection, waste management and stormwater.

Council has determined to charge a fixed rate to all residential ratepayers to recover fortnightly garbage collection costs because these are distributed reasonably equally across all properties irrespective of size or value. Businesses are charged at a different fixed rate because, typically, they have a larger volume to collect. It may be noted that larger business may have contracted arrangements for larger bins provided by Council under commercial arrangements outside of the rating system.

RATES REMISSIONS – SECTION 129

Application for remission of rates and charges will be considered under the discretionary provisions of Section 129 of the Act.

RATES CONCESSION

The State Revenue Office on behalf of the State Government funds rates concessions to eligible concession card holders who meet the criteria set by the State Revenue Office. Concessions are available only on a ratepayer's principal place of residence. The amount of the concession is determined by the State Revenue Office each financial year.

PAYMENT OF RATES – SECTION 124

Council rates are payable by four equal instalments as specified on the rates notice. Any arrears from the prior year will be attached to the first instalment.

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard quarterly payment is encouraged to contact Council's Rates Officer to discuss alternative payment arrangements. Council offers a variety of payment options and methods.

LATE PAYMENT OF RATES – SECTION 128

Penalties for late payment will be imposed in accordance with the provisions of the act.

If a ratepayer does not pay the rates on his or her property 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 Council's legal costs associated with the action.

SALE OF LAND FOR NON-PAYMENT OF RATES – SECTION 137

The Local Government Act 1993 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.

OBJECTION RIGHTS – SECTION 123

Section 123 of the Act provides information concerning the grounds on which an objection may be made. For details of this ratepayers are encouraged to telephone Council on 03 6462 9000 or forward an objection in writing to General Manager, King Island Council, PO Box 147, Currie, TAS, 7256.

ADDITIONAL INFORMATION

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