



Rate and Charges Policy

(K-FINPOL004)
(Policy Type – Council)

1 Aim

The aim of the Policy is to outline the Council's approach in determining and collecting rates and charges imposed upon its ratepayers.

This Policy ensures Council complies with its statutory responsibility as required by section 86(B) of the *Local Government Act 1993*.

2 Policy Statement

Rates are the most significant revenue source for Council. In setting rates and charges Council has the challenge of meeting the community's desire for increases to be kept at a minimum, while at the same time:

- (i) balancing the need to fund existing services,
- (ii) manage the demands for increased services,
- (iii) needing to maintain and renew infrastructure assets.

Rate revenue is used by Council to provide a range of services to the community including roads and bridges, footpaths, kerb and channelling, stormwater, street lighting, parks and reserves, sporting facilities, environmental health services, waste management, emergency management, events, tourism activities, planning and development.

3 Policy Detail

Purpose	Description
Introduction	<p>Rates are a form of taxation and are the primary source of income for Council. In setting its rates and charges, Council considers the following:</p> <ul style="list-style-type: none">• Strategic Plan,• Financial Management Strategy,• Asset Management Strategy,• Annual Plan and Budget Estimates,• Current economic climate,• External influences (i.e. legislative reform, COVID19)• Grant funding programs,• Inflation factors and interest rates, and• Specific issues faced by the community, including the need to maintain, replace and renew infrastructure.

	<p>Council will, not earlier than 1 June and not later than 31 August in any year, determine the Rates and Charges to apply for the financial year.</p>
<p>Rating Principles</p>	<p>Council's Rates and Charges Policy is based on the following principles:</p> <ul style="list-style-type: none"> (i) Rates constitute a system of taxation where the equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth, (ii) Property value is a generally accepted indicator of wealth. (iii) Rates are also deemed a property based tax rather than a fee for service. (iv) Council recognises that different sectors of the community derive different levels of benefit from the services provided by Council and have varying capacity to pay and to pass the cost of rates on to others, therefore Council will vary the General Rate in respect of the following property types: <ul style="list-style-type: none"> • land used for primary production purposes • land used for commercial purposes • land used for public purposes • land used for mining purposes • and used for industrial purposes <p>For the sake of consistency, Council will generally seek over time to achieve a relatively constant relationship between the General Rate and the differential rate for each of the above property types.</p> <p>The relationship between the property category and the differential percentage applied is:</p> <ul style="list-style-type: none"> • Residential 100% • Recreation 100% • Vacant Land 100% • Rural Residential 100%

	<ul style="list-style-type: none"> • Primary Production 120% • Commercial 160% • Community Services 190% • Industrial 310% • Mining 230% <p>(v) Council may use the provision of concessions when necessary to manage significant and unreasonable fluctuations in rating levels.</p>
<p>Valuation Methodology</p>	<p>Council has three choices under the Local Government Act 1993 for determining the method to be used under which rates will be levied:</p> <ul style="list-style-type: none"> • Land Value (LV); • Capital Value (CV); and • Assessed Annual Value (AAV). <p>The Office of the Valuer-General provides the valuations to Council on a cyclical basis (usually each six (6) years). Council was last subject to a municipal wide revaluation with an effective date of 1 July 2021. Council's next municipal wide revaluation is expected to take place in 2027/2028, with a proposed effective date for rating purposes of 1 July 2028.</p> <p>Council has no role in determining the valuation applied to properties and all ratepayers are able to dispute their valuation directly with the Valuer General's Office. Under the Act Council is required to use the valuations provided to it in setting its rates each year.</p> <p>Following the 2015 revaluation, Council determined the use of AAV provided the fairest and most equitable method for the levying of rates.</p> <p>AAV represents an assessment of the rental value of a property or a 4 per cent minimum of the capital value (whichever is the greater value).</p> <p>Every two years the Valuer-General provides Council with adjustment factors for the various classes of property in the municipal area. Council is required to consider these adjustment factors in determining the rates and charges which are to apply.</p>



	<p>The most recent adjustment factors were provided to Council with an effective date of 1 July 2024.</p> <p>Supplementary valuation adjustments are provided to Council on a regular basis by the Valuer-General when the status of a property changes (e.g. subdivision, new dwelling constructed, renovations completed). The Council will issue amended rate notices based on these supplementary valuation adjustments from time to time.</p>
General Rate	<p>Council sets a General Rate which applies to all properties in the municipal area unless varied based on a differential model determined by Council.</p> <p>Council has determined to vary the General Rate on a differential basis, based on land use category outlined in the Rating Principles section.</p> <p>While every ratepayer in all land use categories benefits from the general amenity of the Council area, the aim of the differential rate is to ensure Council collects its rates revenue on an equitable basis in order that services to all ratepayers can be provided throughout the municipal area.</p>
General Rate – Fixed Charge	<p>Council considers it appropriate that all rateable properties make a base level contribution to the cost of the provision of Council services and activities.</p> <p>Council has determined that a General Rate Fixed Charge per property or tenancy is to apply. Council aims to achieve 30 per cent of the total General Rates through the fixed charge.</p>
Rate Capping	<p>Council will consider the use of rate capping to ensure that any increases applied to the various categories of ratepayers are appropriate.</p> <p>Council will only apply rate capping if in its opinion it is justifiable in order to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to rapid changes in valuation and other factors beyond the ratepayer's control.</p>
Service Rates and Charges	<p><u>Waste Management</u></p> <p>A Waste Management Service Charge will be applied in respect of all lands to which the Council makes available a garbage removal and recycling service.</p> <p>This service charge may be varied depending on the size of the mobile garbage bin identified as being available for collection from the individual properties/tenements.</p>

	<p><u>Fire Service</u></p> <p>Council is required by the provisions the <i>Fire Services Act 1979</i> to collect fire service contributions on behalf of the State Fire Commission. The amount of the Fire Service Rate, and the minimum charges which are to apply, are determined independent of Council by the State Fire Commission each year.</p>
<p>Pensioner Rate Remissions</p>	<p>Pensioner Rate Remissions are provided to eligible concession card holders pre-approved by the State Revenue Office.</p> <p>Concessions are only available on a ratepayer's principal residence at an amount predetermined by the State Government.</p> <p>New pensioners or any pensioner who believe they should be eligible for a rate remission are required to complete an application form with Council for verification and approval by the State Revenue Office. Ratepayers seeking a rate concession are not to withhold payment pending any assessment by the State Revenue Office of their eligibility.</p> <p>In circumstance where a concession is approved after payment has been received, Council will provide a refund to the ratepayer.</p>
<p>Community Benefit Remission</p>	<p>Section 87 of the Act provides General Rate exemption to various classes of land including land or part of land owned and occupied exclusively for charitable purposes.</p> <p>Not all property used for community benefit will meet the s87 test therefore Council has determined to grant a remission of rates where the following criteria is satisfied:</p> <ul style="list-style-type: none"> • the ratepayer is a non-profit organisation; • the ratepayer demonstrates that the property is used for purposes that provide significant benefit to the wider community rather than mainly benefitting members; • the organisation genuinely needs a general rate remission; and • the organisation is financially viable and competent. <p>Rate remissions will apply to the general rate only. Applications for remission must be submitted to Council in writing. All rate remissions are reviewed on an annual basis</p>
<p>Conservation Covenant Remission</p>	<p>Council provides a rate remission for property owners who have placed a conservation covenant on their land title via the Private Forest Reserve Program. The covenants are in perpetuity and set out conditions for the long-term management and land usage of the restricted area.</p> <p>A Conservation Covenant Remission of \$5 per hectare per annum is applied to that portion of land on which the covenant has been</p>



	<p>placed, with a minimum remission per annum of \$50 and a maximum remission per annum of \$500 per property.</p>
Other Remissions	<p>Any individual application for a rebate and/or remission from payment of rates is to be provided to Council in writing and is to comply with the adopted policies in operation at the time.</p> <p>Council may also determine to provide a remission to a ratepayer, group of ratepayers or a class of ratepayers where it has determined that special circumstances exist.</p>
Financial Hardship Assistance Policy	<p>A ratepayer may be eligible for support under the Council's Financial Hardship Assistance Policy if they are experiencing genuine and serious financial hardship.</p> <p>Any application for Hardship Assistance is to be provided on the prescribed form and is to be in accordance with the adopted Policy.</p>
Discount for Early Payment	<p>Council will offer an early payment discount for ratepayers when all rates and charges are paid in full by the due date.</p> <p>The level of discount offered will be determined by Council each year as part of its rating resolution.</p>
Payment of Rates	<p>Rates are due and payable each year by either:</p> <p>(a) One sum in full, or</p> <p>by four equal instalments. The due date for payment will be determined by Council as part of the rates resolution.</p> <p>Instalment payments must be made on or before the due date. Failure to pay within 21 days of the instalment due date will result in the full outstanding amount becoming due and payable immediately.</p> <p>Ratepayers who have difficulty in paying their rates either in full or by the instalment due dates are encouraged to contact Council's Customer Services to make an alternative payment plan. Such enquiries are treated confidentially by Council.</p>
Objections to Rates Notice	<p>Council will consider any objections to rate notices in accordance with Section 123 of the <i>Local Government Act 1993</i>.</p>
Late Payment of Rates	<p>Council may determine that penalties and/or interest will apply for late payment of any rate or instalment which remains outstanding on the due date.</p> <p>The penalty percentage rate and/or interest rate if applied will be determined by Council each year in line with the provisions of the Section 128 of the <i>Local Government Act 1993</i>.</p>

	<p>Should any rate instalment not be paid within 21 days of the due date, Council may require payment of the total annual rates and charges.</p> <p>Where a rate instalment is not paid by the due date, and no arrangement for payment has been entered into, the total rates outstanding will become due and payable.</p> <p>Council may commence recovery action through a recognised Debt Collection Agency for the total rates owing should an instalment not be paid by the due date.</p>
<p>Sale of Property if Rates Remain Unpaid</p>	<p>The <i>Local Government Act 1993</i> provides that Council may sell any property where the rates have been in arrears for a period of three (3) years or more.</p> <p>Prior to commencing any action to sell a property, Council is required to:</p> <ul style="list-style-type: none"> (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. <p>Except in extraordinary circumstances, Council will enforce the sale of property for rates which remain in arrears in excess of three (3) years.</p>

4 Associated Documents and References

4.1 Local Government Act 1993 Reference

Part 9 of the Act outlines the statutory powers provided to the Council in relation to Rates and Charges.

The general principles in relation to making or varying rates are outlined at Section 86A of the *Local Government Act 1993* as follows:

- (1) *A 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 purpose 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.*



- (2) *Despite subsection (1), the exercise of a council's powers to make or vary rates cannot be challenged on the grounds that the principles referred to in that subsection have not been taken into account by the council.*

4.2 Other Legislation Reference

Valuation of Land Act 2001

Fire Services Act 1979

4.3 Strategic Plan Reference

Program	3	Governance
Activity	3.3	Financial Management
Objective	3.3	To secure the long-term financial viability of the Council
Strategy	3.3.2	To maintain fair and equitable rating levels

APPROVED BY COUNCIL: 27 June 2023

Minute: 3.1

EFFECTIVE DATE: 27 June 2023

ADMINISTERED BY: Team Leader Finance

This policy will be reviewed periodically to ensure its relevance in terms of community needs and expectations and Council goals, targets, budget and statutory requirements.