

 <b>GLAMORGAN SPRING BAY COUNCIL</b>	<b>POLICY – GLAMORGAN          SPRING BAY COUNCIL          RATES AND CHARGES          POLICY</b>		
		<b>Version</b>  2	<b>Date</b>  17/02/16
<b>Minutes Dated</b>  23 February 16	<b>Approved By: Council</b>  <b>Decision No.</b>	<b>Review Date</b>  <b>As required but no          later Feb 2020</b>	

## BACKGROUND

To comply with the requirements of Section 86B (1) of the Local Government Act 1993 (hereafter referred to as the LGA), each Council was required to prepare and adopt a rates and charges policy by 31 August 2012. This document contains a statement of the policy that the council intends to apply in exercising its powers or performing its functions. This Policy formalises the information already available to ratepayers.

## PURPOSE

Increase community awareness of Council's decision making in setting and collecting rates.

## KEY PRINCIPLES

1. According to the LGA Section 86A General principles in relation to making or varying rates
  - (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 purposes of local government, rather than a fee for service; and
    - (b) the value of rateable land is an indicator of the capacity of ratepayers to pay rates.

These principles have been taken into account in Glamorgan Spring Bay Council's Rating Model (see page 3).

2. Annual assessed value (AAV), potential rental valued, as determined by the Valuer-General, is used currently as the basis for determining rates within the Council area. **This may be altered to Capital Value overtime. However, Council will ensure that individual properties are not affected to any great degree.**

3. Glamorgan Spring Bay Council is committed to fairness and equity in the raising of rates revenue across all properties.

4. **Glamorgan Spring Bay Council has a long term goal and commitment to only increasing the rate revenue each financial year by CPI [inflation] as a minimum. This refers to the overall rate revenue and not the individual properties which may be affected from time to time by movements in valuation. Glamorgan Spring Bay Council will endeavour to maintain increases on residential properties to the same dollar value each year per township.**

5. A general rate, with a differential (varied) rate applying to commercial, industrial, primary production and recreation properties, non-use land rated as commercial, industrial, primary production and recreation properties, with minimums, will be applied as a means of raising revenue within the municipal area.
6. Averaged area rates (AAR's), will be applied to residential properties based on the locality and use or non-use of the land as a means of raising revenue within the municipal area.
7. Glamorgan Spring Bay Council will administer, on behalf of the State Revenue Office, concessions to eligible ratepayers.
8. Glamorgan Spring Bay Council will continue to accept the payment of rates in full or by four instalments on or before the due date shown on the rates notice.
9. Glamorgan Spring Bay Council will impose interest on overdue amounts in accordance with the LGA.
10. Glamorgan Spring Bay Council may enforce the sale of land by public auction for non-payment of rates after three years, in accordance with the LGA.

## **RATES & CHARGES POLICY**

This policy includes:

- the relationship between the rates model, the budget and Council's strategic plan
- pensioner concessions
- payment of rates
- late payment of rates
- recovery of Rates
- sale of land for non-payment of rates
- waste management service charge
- failure to comply

## **STRATEGIC EMPHASIS**

Glamorgan Spring Bay Council's major source of revenue is from rates. In setting rates for the financial year Glamorgan Spring Bay Council gives principal consideration to strategic guidelines, budget requirements and the probable impact on the community.

Glamorgan Spring Bay Council must provide a suitable level of service, taking into account its roles and responsibilities and the needs and expectations of the community.

The resources needed to provide this level of service are outlined in the annual budget and prepared in consultation with each of Glamorgan Spring Bay Council's service delivery departments.

External economic pressures impact on Glamorgan Spring Bay Council's finances and therefore put pressure on rates. Examples of these external forces are:

- a reduction in funds to Council via grants from State & Federal governments;
- increases in fuel and power costs;
- pressure on Council to minimise rate increases, taking into account the other large increases in costs to households, e.g., power & water.

- Glamorgan Spring Bay Council has seen 7 years of sustainability as identified by the Auditor General and has a long term financial plan indicating sustainability for the next ten years, subject to external funding being similar to what is expected currently. Long term financial plans and asset management plans are updated yearly with relevant data and are reassessed and presented to Council on a yearly basis.

## THE RATES MODEL

### DIFFERENTIAL GENERAL RATES

The LGA allows Councils to set different rates based on the use, or non-use of the land and/or the locality or zoning of the land. Glamorgan Spring Bay Council applies differential rates on the predominant use of the land and by locality.

In setting the differential rates Glamorgan Spring Bay Council takes into account:

- growth in properties of the same use and
- the varying impact of a particular use, such as commercial, on core council services such as road maintenance and stormwater

A ratepayer may object to a variation in a rate based on a particular use of land, if they believe the use of the land is not the use of land on which the variation is based, by following the processes outlined in Section 109 of the LGA. However, rates must continue to be paid in accordance with the rates notice until otherwise notified by the Council.

### MINIMUM RATE

According to the LGA Council may impose a minimum to the general rate to properties within the Council area and that where that rate is varied the minimum must not apply to more than 35%.

A minimum rate is set so that all rateable properties make a minimum contribution to the costs of:

- the provision of the physical infrastructure that is available for use by all ratepayers;
- services provided that are available for use by all ratepayers e.g. halls and walkways;
- the fulfilment of Council's administrative responsibilities.

### AVERAGED AREA RATE (AAR)

According to the LGA Section 109A. Council may make an averaged area rate for residential properties grouped by locality, for example, suburb and by the use or non-use of the land.

When this option is used the general rate, and any minimums, for those residential properties does not apply, instead the averaged area rate applies.

The AAR achieves a similar outcome for ratepayers as using the current varied rate and minimums for developed residential properties, with a lower AAR applied to the lower socio-economic areas.

Use of the AAR's removes any distortions caused by a sudden rise or fall in property valuations, assisting Council to restrict annual increases to a **minimum of CPI** and has the benefit of being able to rate residential properties immediately an occupancy certificate is issued.

### CHARITABLE ORGANISATIONS

Confirmed charitable organisations who apply and who have provided the necessary documentation, **may** be eligible for a rebate equal to 100% of their general rate on the signing of a statutory declaration each financial year. Council's policies on remissions 3.7 and 3.8 apply

### RATEPAYER CONCESSION

An eligible ratepayer must hold a Pension Concession Card, Health Concession Card or a Department of Veteran's Affairs Card marked TPI Gold, in order to be entitled to a concession on Council rates, as provided by the Tasmanian State Government.

## **REMISSIONS**

At some stage Council may identify a need to apply a remission to a class of ratepayers. No such remissions are currently proposed.

## **PAYMENT OF RATES**

Glamorgan Spring Bay Council rates are payable in full by the first instalment date, if the ratepayer wishes to take advantage of the **current rates resolution discount**, or by four instalments on or before the due date shown on the rates notice. Payment options are displayed on the rates notice.

Any ratepayer who is experiencing difficulty paying rates by the due dates should ring our Rates Officer on 03 6256 4777 to discuss alternative payment arrangements. These enquiries are treated confidentially.

## **LATE PAYMENT OF RATES**

Rates will be overdue if they have not been paid by the due date shown on the notice. After this date interest will be applied, according to Section 128 of the LGA.

## **RECOVERY OF RATES**

In accordance with thorough financial management and Section 133 of the LGA, the Council's Rates Officer will apply timely debt recovery practice. This includes that where rates are two instalments overdue, the ratepayer will be subject to recovery action.

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

Section 137 of the Act provides that a Council may sell any property where rates have been in arrears for three years or more. The General Manager will recommend to Council the sale of land by public auction.

## **WASTE COLLECTION SERVICE CHARGE**

Glamorgan Spring Bay Council sets a service charge for waste management for each financial year for each premises, tenement, flat, unit, apartment, single stratum section or portion of land set aside for separate occupation to which a regular garbage and recycling removal service is supplied by the Council.

## **WASTE MANAGEMENT (TRANSFER STATION) SERVICE CHARGE**

Glamorgan Spring Bay Council sets a service charge for managing four waste transfer stations throughout the Municipality and for carting recycling and collected waste to Hobart. This charge applies for each financial year for each premises, tenement, flat, unit, apartment, single stratum section or portion of land and every type of property that is rated within the Municipality.

## **MEDICAL SERVICE CHARGE**

Glamorgan Spring Bay Council sets a service charge to recover incentives paid to health professionals and for providing infrastructure to health professionals. This enables the Council to be able to attract and retain health professionals and provide a satisfactory working environment for our health professionals. This charge applies for each financial year for each premises, tenement, flat, unit, apartment, single stratum section or portion of land and every type of property that is rated within the Municipality.

## **OTHER CHARGES**

**From time to time it may be necessary for Council to develop new infrastructure or pay for a new or existing service not previously rated. Before applying this charge a level of community consultation will be applied by detailing why it is necessary to make this change.**

### **FAILURE TO COMPLY**

The LGA states that a rate cannot be challenged even if it is found not to comply with this policy and must be paid on the due date/s. Where a ratepayer believes that Glamorgan Spring Bay Council has failed to correctly apply this policy, it should raise the matter by contacting the Rates Officer on 03 6256 4782 to discuss the matter. If the ratepayer is still dissatisfied, they should write to the General Manager at PO Box 6, Triabunna 7190.

### **REVIEW**

The Council will review this Policy by the end of each successive 4 year period after the adoption date of the Policy, or when Council makes a significant change to how it applies rates and charges, whichever date is earlier.

### **INFORMATION**

The contact officer for further information at the Glamorgan Spring Bay Council is Council's Rates Officer 03 6256 4782. This policy will be made available as soon as practicable after its adoption, over the counter, electronically and on Glamorgan Spring Bay Council's website.