



Brighton Council

POLICY NAME: RATES AND CHARGES

POLICY NO: 1.6

ADOPTED BY COUNCIL: 14/8/12(Finance); 21/8/12 OCM; 13/10/15(Finance)
12/7/16 (Finance)

POLICY:

BACKGROUND:

To comply with the requirements of Section 86B (1) of the Local Government Act 1993 (hereafter referred to as the LGA), each Council must prepare and adopt a rates and charges policy by 31 August 2012. This document must contain "a statement of the policy that the council intends to apply in exercising its powers or performing its functions ..." This Policy will formalise 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 Brighton Council's Rating Model, see below.

2. Annual assessed value (AAV), potential rental valued, as determined by the Valuer-General, is used as the basis for determining rates within the Council area.
3. Brighton Council is committed to fairness and equity in the raising of rates revenue across all properties.
4. Brighton Council has a long term goal and commitment to only increasing the rate revenue each financial year by C.P.I. [inflation].
5. A general rate, with a differential (varied) rate applying to commercial, industrial, primary production and recreation properties, non-use land rated on the planning zones, 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. Brighton Council will administer, on behalf of the State Revenue Office, concessions to eligible ratepayers.
8. Brighton 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. Brighton Council will impose interest on overdue amounts in accordance with the LGA and according to Council Policy 1.5 and 1.10.
10. Brighton 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

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

Brighton 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 Brighton Council's service delivery departments.

External economic pressures impact on Brighton 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.

Brighton Council has developed a Financial Long Term plan and an Asset Management Plan to ensure the medium to long term sustainability of Brighton Council. Council fully funds its asset depreciation over the long term and aligns its revenue collection with medium to long term planning.

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. Brighton Council applies differential rates on the predominant use of the land and by locality and zoning.

In setting the differential rates Brighton 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% of properties.

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 CPI.

Charitable organisations

Confirmed charitable organisations 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.

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

Payment of Rates

Brighton Council rates are payable in full by the first instalment date, if the ratepayer wishes to take advantage of the relevant 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 6268 7025 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, and with reference to Brighton Council's Policy 1.10, the Council's Senior 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 LGA provides that a Council may sell any property where rates have been in arrears for three years or more. According to Brighton Council's Policy 1.10, after rates are overdue by twelve instalments (3 years), the Senior Rates Officer will recommend to Council the sale of land by public auction.

Waste Collection Service Charge

Brighton 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.

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 Brighton Council has failed to correctly apply this policy, it should raise the matter by contacting the Senior Rates Officer on 03 6268 7025 to discuss the matter. If the ratepayer is still dissatisfied, they should write to the General Manager at 1 Tivoli Road Old Beach TAS 7017.

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 Brighton Council is Council's Senior Rates Officer 03 6268 7025. This policy will be made available as soon as practicable after its adoption, over the counter, electronically and on Brighton Council's website.

ADOPTION OF THE POLICY

This Policy was adopted by Council on 21/08/2012; reviewed 13/10/15 and 12/7/16.