General Rates Revenue Policy

Policy Title	The Rates and Charges Revenue Policy
Summary	To ensure that all properties in the Local Government area are rated correctly and in accordance with the *Local Government Act 1993* and the *Local Government (General) Regulation 2005* in an objective manner.
Background	The Local Government Act and Regulations provides the legislative authority to make and levy ordinary rates, special rates and charges that provides the funding source to Council for the supply of services and infrastructure within the defined local government area.
Document Type	Policy
Relevant Council References	Code of Conduct Gifts and Benefits Policy Statement of Business Ethics Register of Delegations Rating Procedure Manual Administrative Guidelines for Rating Functions Pensioner Rates and Annual Charges Accrual Provisions Debt Recovery Procedures Hardship Application Procedures Pensioner Rate Concession Procedures
Main Legislative or Regulatory Reference	The Local Government Act, 1993 (NSW) Local Government (General) Regulations 2005 Government Information (Public Access) Act 2009 The Local Government Accounting Practice and Financial Reporting (NSW) Legal Profession Act 2004. Legal Profession Regulations 2005. Valuation of Land Act 1916.
Version Control	Version reference is available on last page

1. PURPOSE

The purpose of the policy is to provide a framework for Council to levy rates and charges in accordance with legislative obligations provided for in the Local Government Act 1993 (the Act), the Local Government (General) Regulations 2005 (the Regulations) and other relevant legislation in relation to the recovery of rates, charges, fees and charges and other debts.

2. OBJECTIVE

The objective of this policy is to ensure that Council meets its legislative requirements in levying rates and charges whilst maintaining Council's rating database in an accurate manner. The Rating and Charges practices will encompass the following objectives:

Efficient and effective accounting operations.
A Fair and equitable rates and charges structure.
Federal and State Government legislative compliance for the revenue structure and collection.
Probity, transparency, integrity and accountability of revenue activities.
Sustainable outcomes to delivery of revenue activities.
Comprehensive risk management of revenue activities.

3. POLICY STATEMENT

Rates and Charges

Council is required to categorise land in accordance with Section 493 of the Local Government Act 1993. This section of the Act provides that Council may categorise for rating purposes land as one of five types-

- Residential – according to whether the land is located within a centre of Population, zoning and activity.
- Business – cannot be categorised as any of the other three categories.
- Farmland
- Mining
- Environmental

In setting the rating structure, Council will consider the dominant use being made of the land, or in the case of vacant land (Sec 519 of the Act), the LEP zoning uses will determine the applicable rating category. Some properties maybe considered a Mixed Development containing both Business and Residential components. This will be determined by the Valuer General on application from the owner to the Valuer General directly, The Valuer General will supply Council a Mixed Development Apportionment Factor (MDAF) as a

percentage of the Business component and supplied to Council by Supplementary Valuation Listings.

The new **Environmental** rating category is Land that **has limited economic value and cannot be developed** with site improvements due to geographic or regulatory restrictions could be classed as environmental land.

In general:

- Geographic factors could include “water areas, mud flats, swamps, marshlands, steep slopes and other terrain on which residential or commercial development is virtually impossible because of physical limitations”.
- Regulatory restrictions could include laws or agreements preventing development of property to conserve nature. For example, private land under conservation agreements with the NSW Office of Environment and Heritage would fall under this category

Rating Categorisation Changes

Council may review rating categories as part of a general review or part review of a category declaration. Ratepayers will be advised of any category changes for rating purposes in accordance with Sec 520 of the Act.

Where a registered landowner(s) requests a review of their rating category in accordance with section 525 of the Act, any adjustments to the ratepayer's assessment will be dependent on the date of lodgement of the request for Re-Categorisation application and Sec 574 of the Act. If compliant with Sec 574 the adjustment will be from the first day of the current quarter in which the application has been received. The registered landowner(s) will be notified in writing of Council’s Rating Category Declaration.

Mixed Development Rating

Council will apply a Mixed Development Apportionment Factor (MDAF) if there is a Residential & a Non-residential component on a single parcel of land as determined by the Valuer General (VG) in accordance with Sec 518B of the Act.

All enquires and MDAF applications are to be directed to Valuer General for determination. If an MDAF is provided to Council by the VG the adjustment will be applied from the first day of the current quarter in which the VG has issued the apportionment factor.

Aggregation of Parcels of Land or Land Values of Parcels of Land

Council will in accordance with sections 548A and 531B of the Act, allow the aggregation of the rateable values of separately strata titled car and or storage lots to enable a single rate to be levied.

Council will aggregate only where:

- The lots are used in conjunction with the unit by the occupier of the unit.
- The ownership of each lot as per the certificate of title is exactly the same on each.
- All lots are within the same strata plan, or strata scheme, or the strata plan notes that the lots are used in conjunction with each other; and
- The lots are not leased out separately.

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Levying of Rates and Charges

Rates:
General Rates will be levied based on the rateability, rate category and the Land Values supplied by the Valuer General in accordance with the rating structure in the Operational Plan and set by Council resolution each year. The rate categories will be either Residential, Business and may have a Mixed Development Apportionment factor as determined by Council. Business sub-categories may be applied and will be determined by Council.

Charges:
A Domestic Waste Management (DWM) charge will be applied in accordance with Sec 496 of the Act. In the case of new developments, the DWM Charges will apply from the date the service is supplied. The amount of the charge is determined by Council and is based on the actual cost of providing the service.

Commercial Waste will be raised via Tax Invoice, through Accounts Receivable on a user pay basis.

Stormwater Levy:
Stormwater comprises four levy types in accordance with section 496A of the Act. These annual stormwater management service charges are set out in section 125AA of the Regulations and are:

Residential Non-Strata	$25.00
Residential Strata	$12.50
Business Non-Strata	$25.00 per 350M2 or part thereof.
Business Strata	$5.00 or greater. (See section 125AA(1)(d)(ii) for details)

Rates and Charges Exemption

Ratepayers may apply for exemption from rates and charges in accordance with Sections 555 and 556 of the Act.
Applications for exemptions will only be accepted on the approved form and the applicant must nominate the section of the Act for which the application is to be considered by Council.
Section 574 of the Act states that any appeal against a rate must be made within **30 days** of the service of the notice.

Interest Charges

Interest charges raised by Council are calculated on a daily basis in respect of overdue rates and charges. The rate is set by Council and will not exceed the rate determined by the Minister for Local Government each year in accordance with Section 566(3) of the Act and Council resolution.

Interest may be waived or adjusted by the General Manager in accordance with Section 567 of the Act. A written submission is required from the ratepayer to allow consideration of any interest adjustment.

Waiving or adjustment of accrued interest

Interest may be waived or adjusted in accordance with Section 567 of the Act if:

- it is considered by Council to cause undue hardship to the ratepayer.

- It is part of a payment agreement.
- The Ratepayer was unable to pay the rates for reasons beyond their control.
- an error has occurred in the calculation of the interest.
- interest was incorrectly raised.

Council does not offer discounts for early payment of rates.

Postponement of Rates

Section 591 of the Act provides for the postponement of rates based on the attributable value supplied by the Valuer General. Postponed rates and interest will accrue on the rate account for a period of five (5) years after which the fifth years rates & charges will be abandoned by resolution of Council.

Transfers and Registered Ownership

Section 604 of the Local Government Act requires the ownership details in Council's rates and property records to be in accordance with the title registration details held by the NSW Land Registry Services (NSWLRS) acting on behalf of the Registrar General of New South Wales.

Any amendment to the ownership details must, in the first instance, be formally notified to NSWLRS for consideration and completion by the property owner or the legal representative acting on behalf of the owner. The Council's records will only be amended upon receipt of the transfer or sale notice supplied to Council by NSWLRS.

Change of Postal address

It is the owner's responsibility to ensure that Council has the current postal address and/or email address for the service of notices.

Changes to postal address are to be made in writing (including emails)

Electronic addresses for the service of Rate Notices must be in writing in accordance with section 710 of the Act.

Council will not waive interest or debt recovery charges where the current postal address has not been provided to Council by the owner or authorised agent.

Recovery of overdue Rates and Charges

To assist ratepayers with the payment of rates and charges Council will issue notices in accordance with section 562 of the Act. These notices will be the initial Rates and Charges notice and, where applicable, the three quarterly Instalment notices.

In addition to the statutory required notices a courtesy Reminder letter/notice will be issued to those ratepayers who have failed to pay by the due date and not having made a payment arrangement.

If the rate account remains unpaid despite the issue of the above notices, Council will authorise Council's Debt Recovery Agent to issue of a Letter of Demand to the registered owner of the property.

Details of Recovery action is set out in the **Administrative Guidelines for Rating Functions.**

Issuing of Notices

Rates and Charges Notice and Instalment Reminder Notices will be issued in accordance with Section 562 of Act.

Rate Reminders

Reminder Letters/Notices are issued to assist ratepayers who fail to pay their Rates by the due date. Reminder will be issued in accordance with the Debt Recovery Procedures set out in the Administrative Guidelines for Rating Functions.

NB: All Notices will be sent to the last known postal address or email address on Council's records.

Letters of Demand

In the event that such ratepayers still have not made satisfactory effort to attend to the payment of their outstanding rates and charges a list of these ratepayer's names and addresses will be prepared for Council's duly appointed mercantile agents to issue letters of demand in accordance with the Administrative Guidelines for Rating Functions.

The parameters for the extract will be that the

- outstanding amount is **two** or more instalment amounts,
- is greater than **$1,000**,
- is **not** an eligible pensioner
- has **not** entered into and maintaining a payment arrangement with Council.

Pensioner exemption

Eligible Pensioners will be exempt from legal action, except where the pensioners have applied to have their Rates & Charges accrue on their rate account. After a period of 19 years outstanding Council will seek judgement on the debt to secure the amount as recoverable.

Special Circumstances

Where special circumstances exist, the matter is to be referred to the General Manager for determination.

Hardship

Council acknowledges that ratepayers can experience genuine financial hardship that requires respect and understanding in these circumstances. Council will follow the processes as set out in the *Administrative Guidelines for Rating Functions*, to determine hardship and offers of assistance to ratepayers who apply for hardship. Council will observe integrity, compassion while complying with statutory requirements. The procedures will outline the options to Council and ratepayers in waiving, deferring, writing off or alternate payment arrangements of rates, interest, fees and charges by application.

Covid-19 Hardship Relief

Ratepayers experiencing financial hardship as a direct result of Covid-19 restrictions may be entitled, upon application, to an interest free payment deferral for a period of time not exceeding 12 months.

Pensioners

Mandatory Pensioner Rebate

Ratepayers, who are eligible pensioners in accordance with section 575 of the Act will receive the prescribed subsidised reduction as provided for in the Act and set out in the Administrative Guidelines for Rating Functions.

Voluntary Pensioner Rebate

Council may provide a voluntary non-subsidised pensioner rebate to eligible pensioners in accordance with Section 582 of the Act.

Pensioner Concession Eligibility Confirmation

Provided the ratepayer has provided a signed authority, Council will undertake an electronic confirmation of eligibility with CentreLink at least, but not restricted to, once a year prior to the next years Rate Levy. If eligibility to this entitlement is not confirmed by CentreLink Council is unable to apply the Pensioner concession to the rate account. Any non-confirmation of existing rebates will result in the rebate being discontinued from the next quarterly instalment and the ratepayers duly notified.

Definitions in relation to this policy.

Word phrase or acronym	Definition
The Act	NSW Local Government Act 1993
In writing	Letter or email that can be reproduced as evidence.
DWM	Domestic Waste Management (Household Waste Removal)
MDAF	Mixed Development Apportionment Factor (a % of Business to Residential)
VG	Valuer General
LV	Land Value
Attributable Value	The proportion of land value between actual and potential LV

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