



## Policy 42 – Rates & Charges

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**Minute 91/12**

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Council Minute No: **91/23**

Author: **Administration Manager**

Responsible Officer: **Administration Manager**

Statutory Authority: **Local Government Act 1993 – section 86(B)**

### OBJECTIVE

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This policy defines Council's commitment to levying rates and charges in a fair and equitable manner and provides the community and ratepayers with the underlying principles that Council uses in determining rates and charges.

### POLICY

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#### STRATEGIC FOCUS

Council ensures it only raises the income it needs to adequately fulfil its role and responsibilities, while also ensuring a balance between the service levels Council provides and the needs and expectations of the community. When setting the rates and charges for the upcoming financial year, Council considers the:

- Strategic Plan;
- Long Term Financial Plan;
- *Local Government Act 1993 (the Act)*;
- Current Annual Plan and Budget;
- Local Government Association of Tasmania Cost Index increases;
- Consumer Price Index increases;
- Current economic climate;
- Changing demands on Local Government;
- Increased service levels requested by the community;
- Future liabilities (e.g. tip site rehabilitation);
- Specific issues faced by the community, including the need to maintain, replace and renew infrastructure; and
- Likely impacts on the community.

#### RATING PRINCIPLES

When setting the rates and charges for each year, Council give consideration to the following principles per section 86A of the Act:

- Rates constitute taxation for the purposes of local government, rather than a fee for service; and
- The value of rateable land is an indicator of the capacity of the ratepayer in respect of that land to pay rates.

Rates are administered by each Council in line with the Act, which allows some flexibility for each Council to make decisions that suit its local community.

## RATES AND CHARGES

### Valuations

Generally the Valuer-General provides a Fresh Valuation (i.e. a full municipality-wide revaluation) to Council every six (6) years, with adjustment factors for various classes of property in the municipal area being provided every two (2) years. As per section 90(3) of the Act, Council are mandatorily required to use one of the following valuations to determine the General Rate:

- **Capital Value (CV)** - the total market value of the land plus buildings and other improvements.
- **Land Value (LV)** - the market value of the land only.
- **Assessed Annual Value (AAV)** - the AAV represents an independent assessment of the rental value of a property or a 4 percent minimum of the CV, whichever is the greater.

Council determine the General Rate based on the AAV per rateable property, as it is Council's position that the AAV provides the fairest and most equitable method for levying rates.

### Supplementary Valuations

In certain circumstances, valuations must be determined between Fresh Valuations. These are known as supplementary valuations and are required whenever a major change occurs to some aspect of a property. Some circumstances which may trigger a supplementary valuation are:

- Construction of a new building/s on the land;
- Extension to or renovation of existing building/s;
- Subdivision or consolidation of the land;
- Demolition of a building/s on the land;
- Other improvements to the land such as outbuildings etc.;
- Change in the land's usage;
- Realignment of the property boundary; or
- The property becomes rateable.

When any of the above circumstances arise, a supplementary valuation will be undertaken by the Valuer General, generally upon request by the Council following the lodgement of development applications. When providing a supplementary valuation, the Valuer-General determines what the valuation would have been if the change to the property that triggered the supplementary valuation (e.g. construction of a new building) was in place at the time of the most recent Fresh Valuation.

Where the Valuer General has undertaken a supplementary valuation, the ratepayer will be issued with a supplementary rates notice by Council. The notice will show the new adjusted valuations for the

property and will include any adjustments to the rates and charges for the current financial year based on the supplementary valuation.

## **General Rate**

### General Rate

Council determines a General Rate on an annual basis which is to apply to all rateable properties in the municipal area. The General Rate is calculated as a cents in the dollar on the AAV.

### Minimum General Rate

In accordance with section 90(4) of the Act, Council applies a minimum General Rate which is a mechanism to ensure that properties with a lower AAV pay not less than the minimum amount prescribed by Council each rating year. A minimum General Rate cannot apply to more than 35% of rateable properties which attract a non-varied General Rate

The primary reason for Council applying a minimum General Rate is to ensure that all rateable properties make an appropriate contribution to the cost of administering Council activities and maintaining the services and infrastructure that supports each property in the Dorset municipality.

### General Rate Variation

During annual budget estimation and rating strategy deliberations, Council evaluates whether it is necessary to implement any variation of the General Rate using the prescribed variation factors available per section 107 of the Act.

Council currently varies the General Rate in accordance with section 107 of the Act for properties used or predominantly used for Short Term Accommodation (STA). The AAV for a property used for STA is typically comparable to those used for general residential or long term rental purposes. However, Council's position is that a property used for STA has significantly greater potential to generate income and therefore those properties used for STA should pay rates that are more akin to a commercial property.

Per section 109 of the Act, a ratepayer may object to a variation in a rate based on a particular use of land. Any objection to a variation must be submitted per the requirements of section 109 of the Act. The General Manager, or their delegate, is authorised to make a decision on behalf of Council in accordance with sections 109(4) and (5) of the Act in respect of any objection.

## **Fire Levy**

The fire levy is collected on behalf of the State Fire Commission in line with the Fire Services Act 1979. The total collectable amount, minimum charge and all increases associated with the fire levy are determined by the State Fire Commission, independently of Council.

## **Service Charges**

Service charges are established in accordance with section 94 of the Act. Council determine charges annually for the following services:

### Waste Management

The waste management charge is applied to all properties for the provision of waste management infrastructure (waste transfer stations) and disposal operations.

### Waste Mobile Garbage Bin (MGB)

Charges are applied to all properties that receive a kerbside collection service based on the size and number of waste MGB/s allocated to the property. See Kerbside Collection Zone and Route Opt-In for further information.

### Recycling MGB

A charge is applied to all properties that receive a recycling collection service based on the number of recycling MGB/s allocated to the property. See Kerbside Collection Zone and Route Opt-In for further information.

## **PAYMENT OF RATES**

### **Payment Dates**

Rates are due and payable in full by 30 September annually. However, ratepayers can elect to pay their rates in four equal instalments on 30 September, 30 November, 31 January and 31 March annually. If a ratepayer has not paid their rates in full by 30 September, Council automatically determines that the ratepayer has elected to pay by instalment.

In accordance with section 124(5) of the Act, Council may require the ratepayer to pay the full amount owing for the financial year if the ratepayer fails to pay an instalment within twenty one (21) days of the date it falls due.

### **Application of Money**

Pursuant to section 131 of the Act, Council will apply any amount received or recovered in respect of rates as follows:

- (a) Firstly – in payment of any costs awarded to or recoverable by the Council in any Court proceedings undertaken by the Council for the recovery of the rates;
- (b) Secondly – in discharging any liability for interest;
- (c) Thirdly – in payment of any penalty;
- (d) Fourthly – in discharging liabilities for rates in the order in which those liabilities arose.

### **Payment Arrangements**

Ratepayers who are facing financial hardship or other extraordinary circumstances that prevent them from meeting their rate obligations by the due date are encouraged to contact Council to discuss entering a payment arrangement.

When administering a payment arrangement, officers will work with ratepayers to develop satisfactory payment conditions that are suitable for the ratepayer's individual circumstances. If a payment arrangement spans across a period longer than 24 months it must be authorised by the General Manager or their delegate.

Provided that payment arrangements are satisfactorily maintained as per the agreement between the ratepayer and Council, all interest applied in that financial year will be remitted.

## **Late Payment of Rates**

Daily interest will apply to any amount that remains outstanding 14 days from the due date. The interest rate will be determined using the prescribed percentage formula as per section 128(2) of the Act.

## **Recovery of Rates**

### External Collection Agency

Pursuant to section 133(2) of the Act, Council will give the ratepayer notice in writing of any intention to recover debts through an external agency such as Tasmanian Collection Service (TCS). Council may commence recovery action without further warning 14 days after the notice in writing has been issued.

Council will not pursue recovery action if the ratepayer enters and maintains a satisfactory payment arrangement.

### Rent in Satisfaction of Unpaid Rates

Pursuant to section 135 of the Act, Council (by notice in writing) may require a tenant to pay rent or any other consideration relating to the property directly to Council in satisfaction of unpaid rates assessed against the property.

Section 136 of the Act provides tenants with an indemnity against repercussions (e.g. eviction) by providing the tenant with the ability to recover the amount paid to Council from the ratepayer who is liable to pay, or to offset the amount paid to Council against a liability under the tenant's lease or licence.

## **Sale of Land**

Pursuant to section 119 of the Act, unpaid rates and charges are a debt that is secured (similarly to a mortgage) against the property and therefore any debt must be paid when the property is sold.

If a ratepayer has rates and charges outstanding for a period of three (3) years or more and does not hold and maintain a satisfactory payment arrangement, Council may seek to sell the property to recover the outstanding rates as per section 137 of the Act.

Upon the sale of a property pursuant to section 137 of the Act, Council will recover outstanding rates, the cost of the sale and any other costs incurred to Council (e.g. advertising fees, legal fees) in accordance with section 139 of the Act.

## **WASTE MANAGEMENT AND KERBSIDE COLLECTION**

### **Kerbside Collection Zone**

Developed properties within the localities of Bridport, Scottsdale, Nabowla, Ringarooma, Legerwood, Branhholm, Winnaleah, Derby, Pioneer, Herrick, Gladstone and Tomahawk that are zoned as:

- General Residential
- Low Density Residential
- Rural Living
- Urban Mixed Use
- Village
- Local Business

- General Business; or
- Particular Purpose

will be provided with a mandatory waste and recycling kerbside collection service.

### **Route Opt-In**

Ratepayers outside the kerbside collection zone may be eligible to opt-in to the waste and recycling kerbside collection service if their property has direct road frontage along the designated collection route.

### **Vacant Lots**

Owners of vacant lots that are within the kerbside collection zone can apply to receive kerbside collection. If approved, the owner will be required to sign a waiver that occupancy of the property has not been granted due to having MGBs. All other standard conditions as set out in this policy will apply to the service.

### **Waste MGBs and Recycling MGBs**

A standard 120L waste MGB and a 240L recycling MGB is provided to all properties that receive a collection service. Ratepayers can request a waste MGB upsize (240L) or downsize (80L) however each property in the kerbside collection zone must have a minimum of one (1) waste MGB and one (1) recycling MGB.

Ratepayers can request additional MGBs, replacement MGBs or replacement parts for an MGB at any time. Due to the associated financial impact, Council will only proceed with a variation if authorisation is received from the ratepayer. Ratepayers can cancel additional MGBs if their circumstances change or the additional MGBs are no longer required. No refund will be issued for cancelled MGBs.

A service fee will be determined annually via Council's fees and charges schedule and will apply to each MGB variation unless it is determined that the replacement or replacement part is due to age or the fault of Council. If a ratepayer is seeking a new MGB due to damage caused by Council, the damage must be reported within 5 business days.

All waste MGBs and recycling MGBs remain the property of Council. They are specifically allocated to each property and are not transferable between properties.

## **REMISSION OF RATES**

### **Exemption from Rates**

All properties that fall within the definition set out in section 87 of the Act will be exempt from the General Rate and any other rate or charge referred to in section 87 of the Act.

Section 87 (d) of the Act provides an exemption of the General Rate for land or part of land owned and occupied exclusively for charitable purposes.

The charitable exemption set out in section 87 (d) of the Act will apply where both requirements are met:

- (a) The land is owned exclusively for charitable purposes; and

- (b) The land is occupied exclusively for charitable purposes

It is not essential that the same entity is the owner and occupier, providing that both the owner and occupier satisfy the requirement of owning or occupying the property exclusively for charitable purposes.

### **Discretionary Remissions**

Ratepayers who are not eligible for an exemption under section 87 (d) of the Act may apply to Council for a discretionary remission as per section 129 of the Act.

Where a ratepayer seeks a discretionary remission, they must make written application and produce sufficient evidence of their eligibility for a remission in relation to this policy.

When a property is deemed eligible in accordance with the following criteria, a discretionary remission of the General Rate and Waste Management charge only will apply.

Properties which receive a discretionary remission will continue to be liable for the Fire Levy and any applicable service charges (including MGBs).

All applications for a discretionary remission will be considered by the General Manager in accordance with the delegated authority granted by Council.

#### Properties Leased by Charitable Organisations

A discretionary remission will be considered where a charitable organisation leases a property from a non-charitable owner and is contractually liable for the payment of rates. Upon application, the leaseholder must provide evidence of their liability for the rates and that the property is used solely for charitable purposes.

#### Cemeteries

A discretionary remission will be considered for cemeteries that are open for public use, or have previously been open for public use.

#### Not-for-Profit Organisations

A discretionary remission will be considered for not-for-profit organisations. Upon application, the organisation must provide evidence of their not-for-profit status and their benefit to the community.

### **Interest Remission**

A remission of interest charges may be granted:

- (a) Where it is deemed that the interest charge occurred due to a fault of Council;
- (b) Where the ratepayer has an excellent payment history and has a reasonable explanation for a late payment;
- (c) Where the cost outweighs the benefit to pursue the interest charge with the ratepayer;
- (d) Due to genuine financial hardship;
- (e) If a payment arrangement is entered and maintained.

## Pensioner Rebates

Under the *Local Government (Rates and Charges Remissions) Act 1991*, holders of the following cards may receive an annual rebate of rates and charges in relation to their principle place of residence:

- Pensioner Concession Card (PCC);
- Health Care Card (HCC); or
- Department of Veteran Affairs Card (DVA)

## Conservation Covenants

Council applies a rebate scheme for land that has been covenanted for conservation in perpetuity under either the Private Forest Reserves Program, the Protected Areas on Private Land Program and Part 5 Agreements under the Land Use Planning and Approvals Act 1993.

The rate rebate is set at \$5.00 per hectare per annum for covenanted land with a minimum of \$50.00 and a maximum of \$500.00 per property. Where applicable, the rebate will not reduce the rate payable to less than the minimum general rate per property plus fire levy.

## NEW DEVELOPMENTS

The additional waste management charges created by any new residential or industrial lots will be waived while vacant, in the name of the registered subdivider and available for sale with a registered real estate agent for:

- One year for residential subdivisions creating less than five lots;
- Three years for subdivisions creating five or more additional lots; and
- Waiving rates for a further period will be considered upon application if the new lots remain unsold, vacant and in the registered subdivider's name.

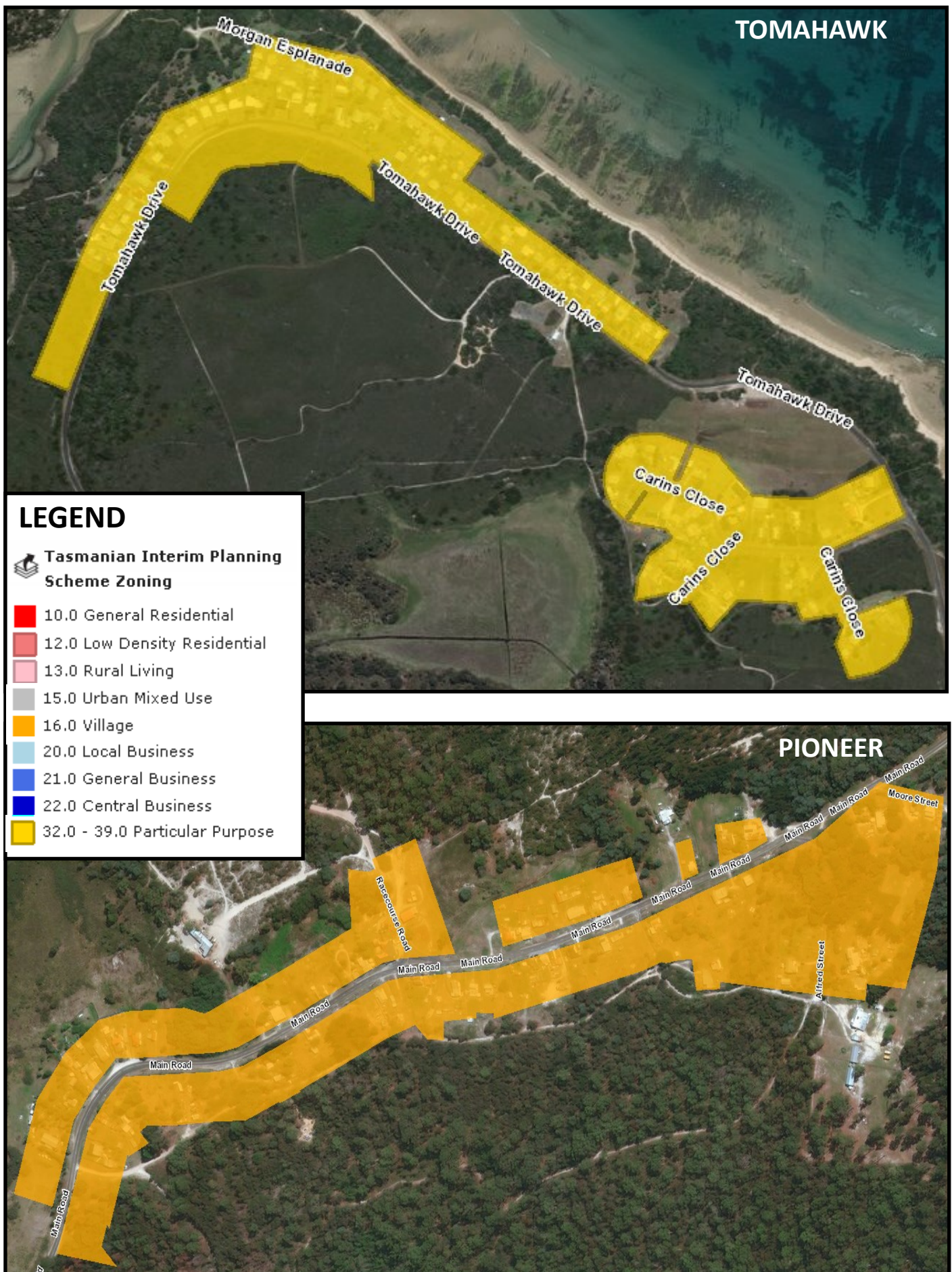
## DOCUMENT INFORMATION

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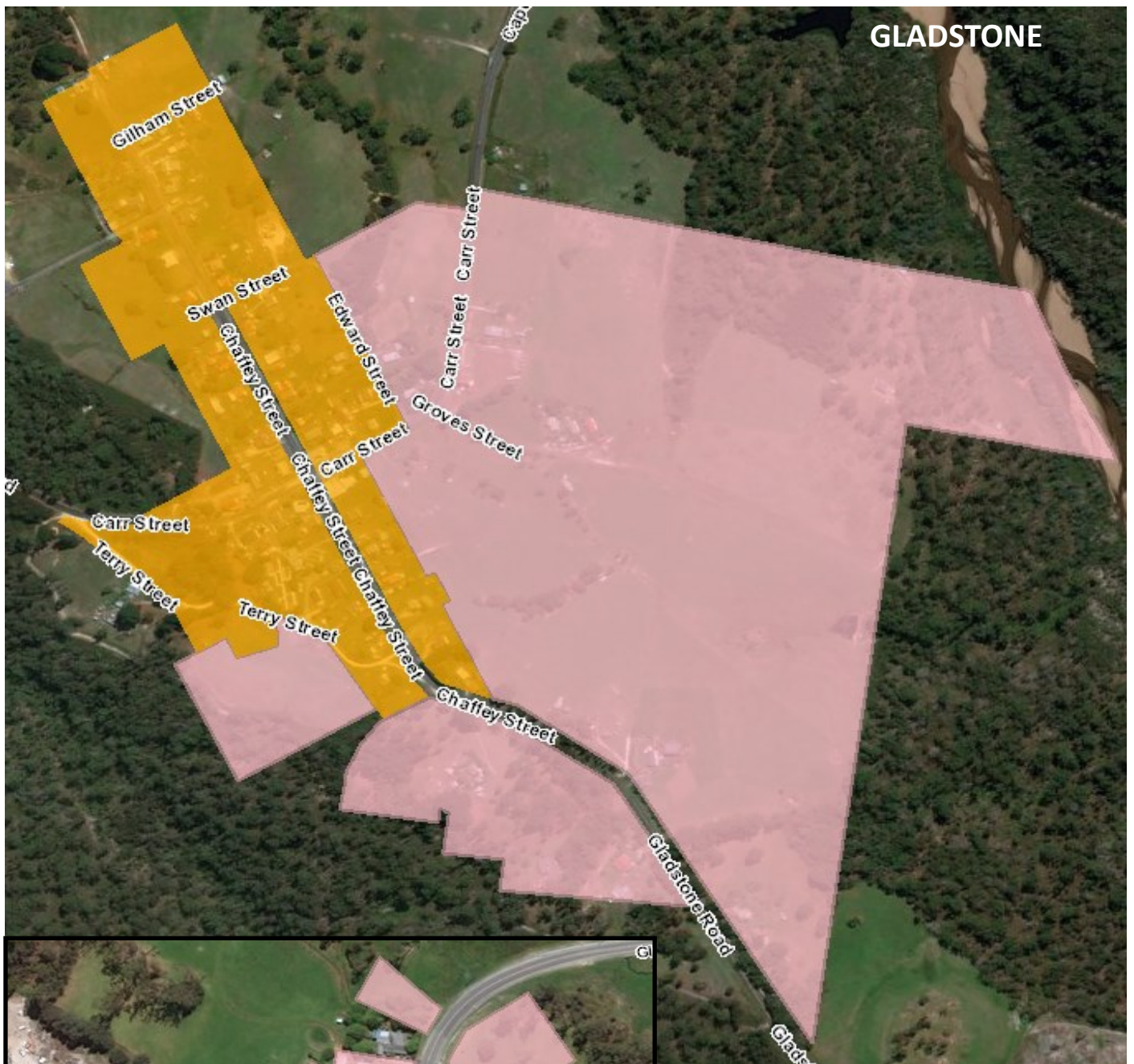
Version Description	Doc Ref	Date Reviewed	Reviewed By	Comments
V1	12/6728	25 June 2012	Guy Jetson	
V2	13/7763	24 June 2013	Guy Jetson	
V3	15/5390	29 June 2015	Guy Jetson	
V4	15/5390	26 June 2017	Guy Jetson	No changes.
V5	DOC/19/3481	15 April 2019	Lauren Tolputt	Full review when kerbside collection services brought in-house.
V6	DOC/20/5063	29 June 2020	Lauren Tolputt	Updated to accommodate further details around hardship due to COVID-19.
V7	DOC/21/5798	28 June 2021	Lauren Tolputt	Information added regarding recovery of rates and application of money from sale.
V8	DOC/21/5798[v2]	26 June 2023	Lauren Tolputt	Reviewed due to introduction of new varied rate per S86B(4) of the Act.



# KERBSIDE COLLECTION ZONES



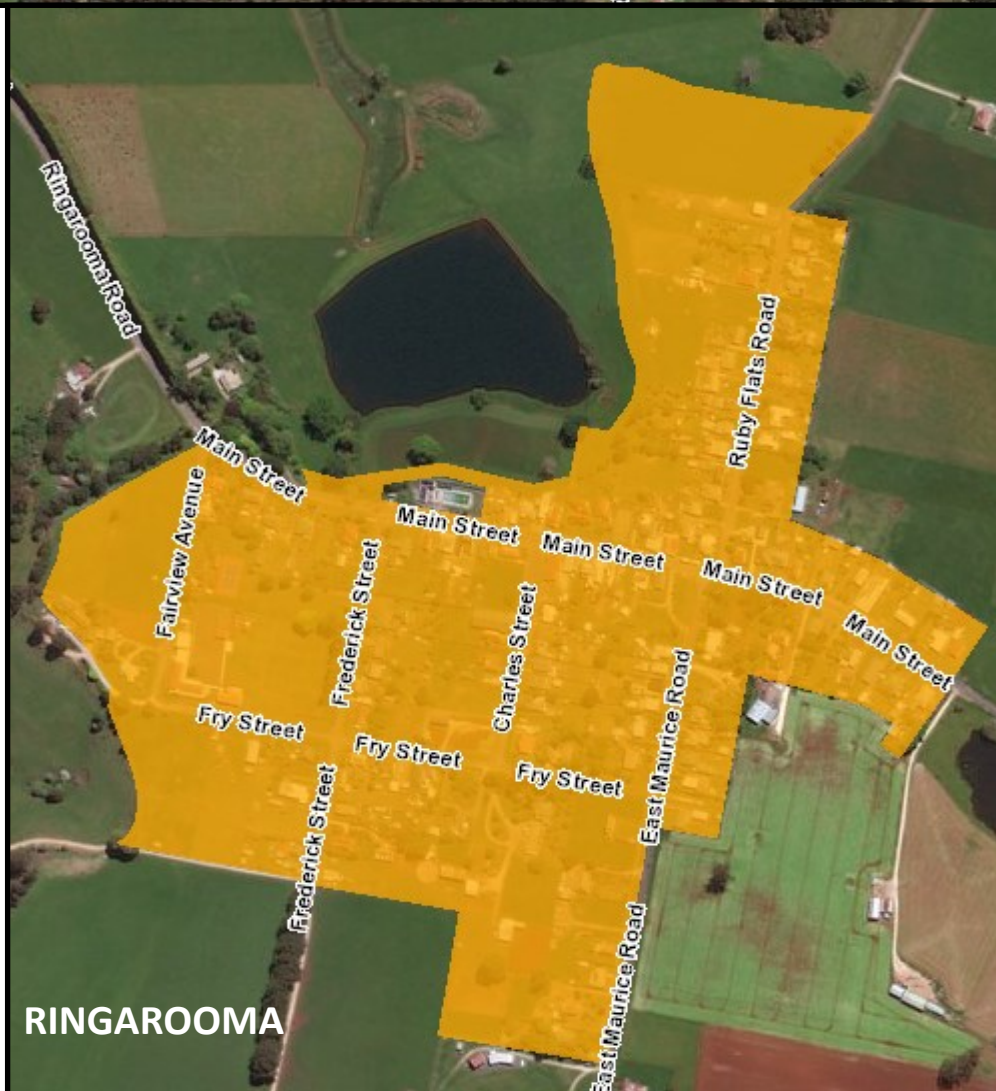
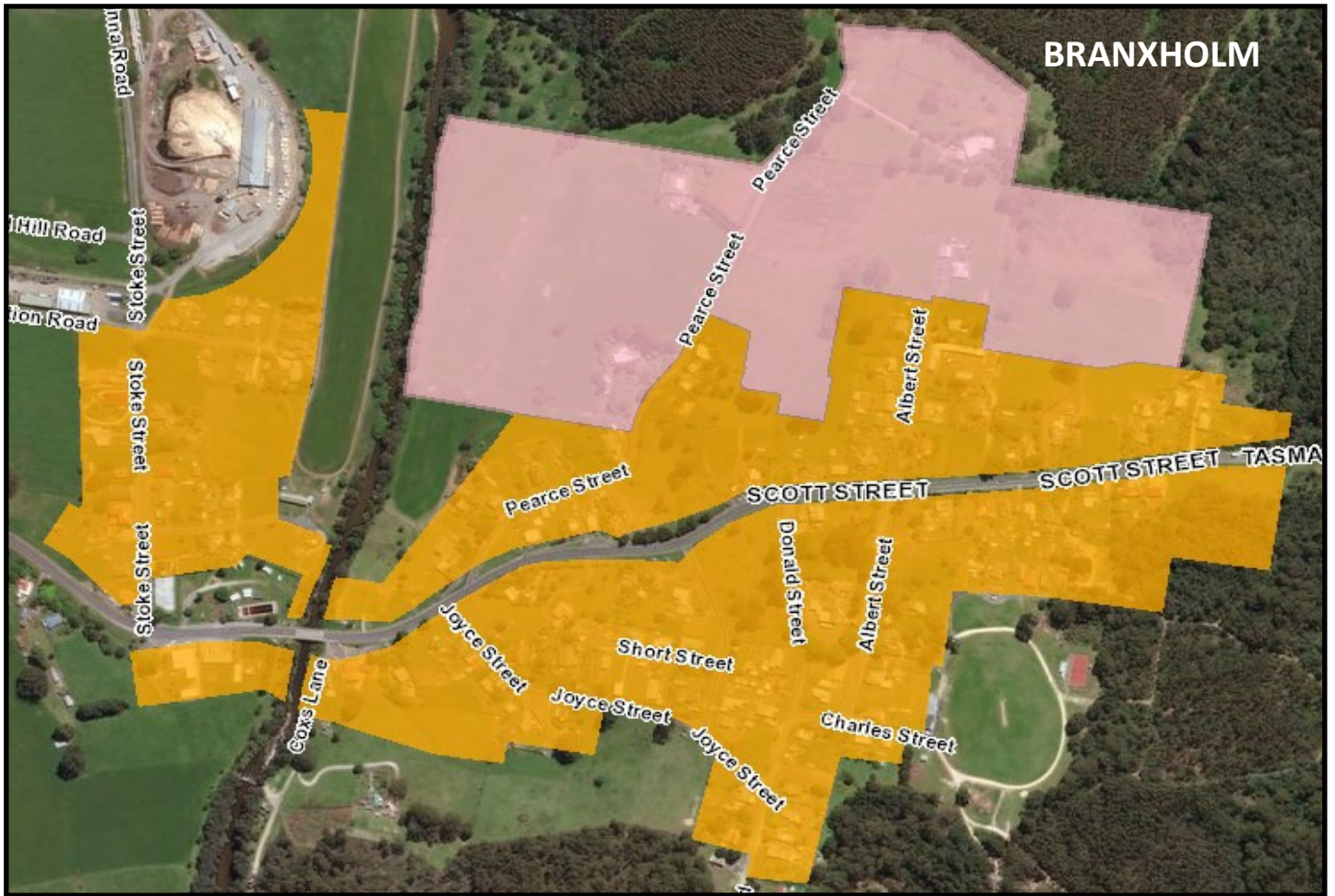






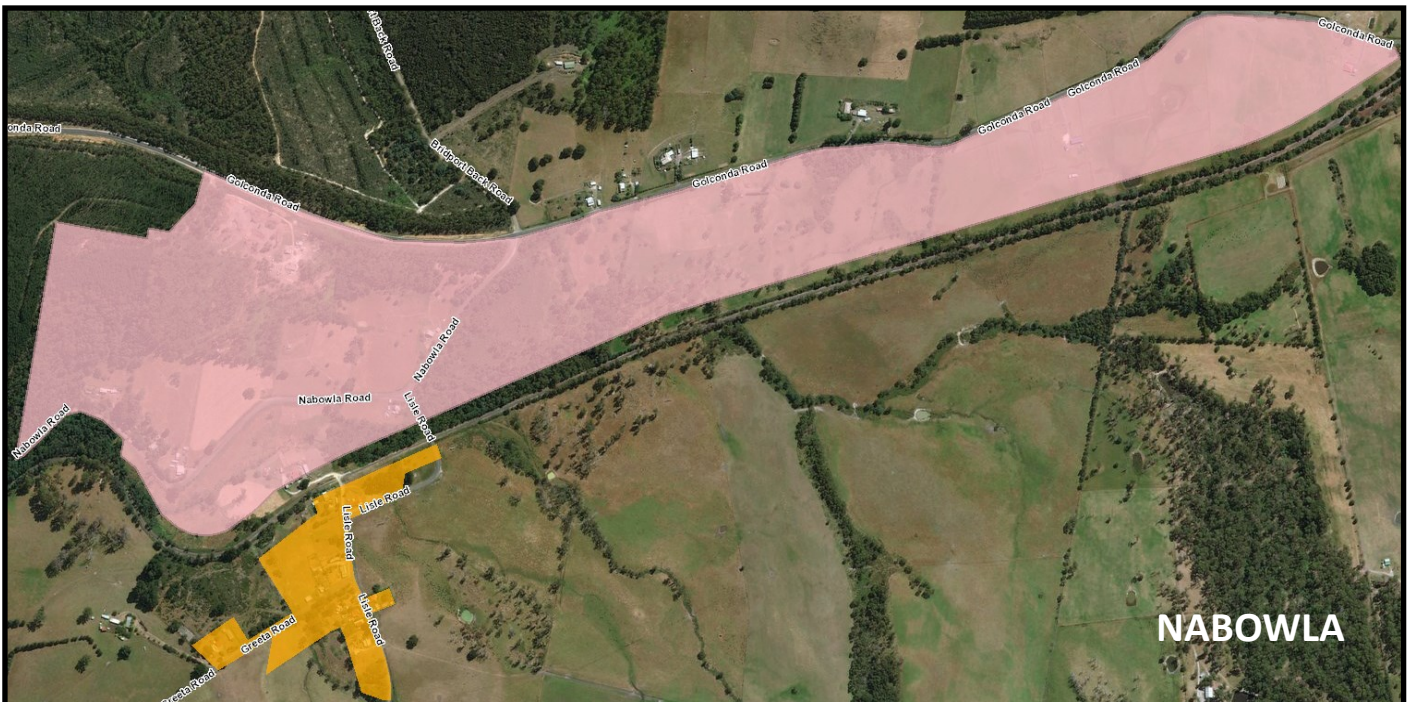








LEGERWOOD



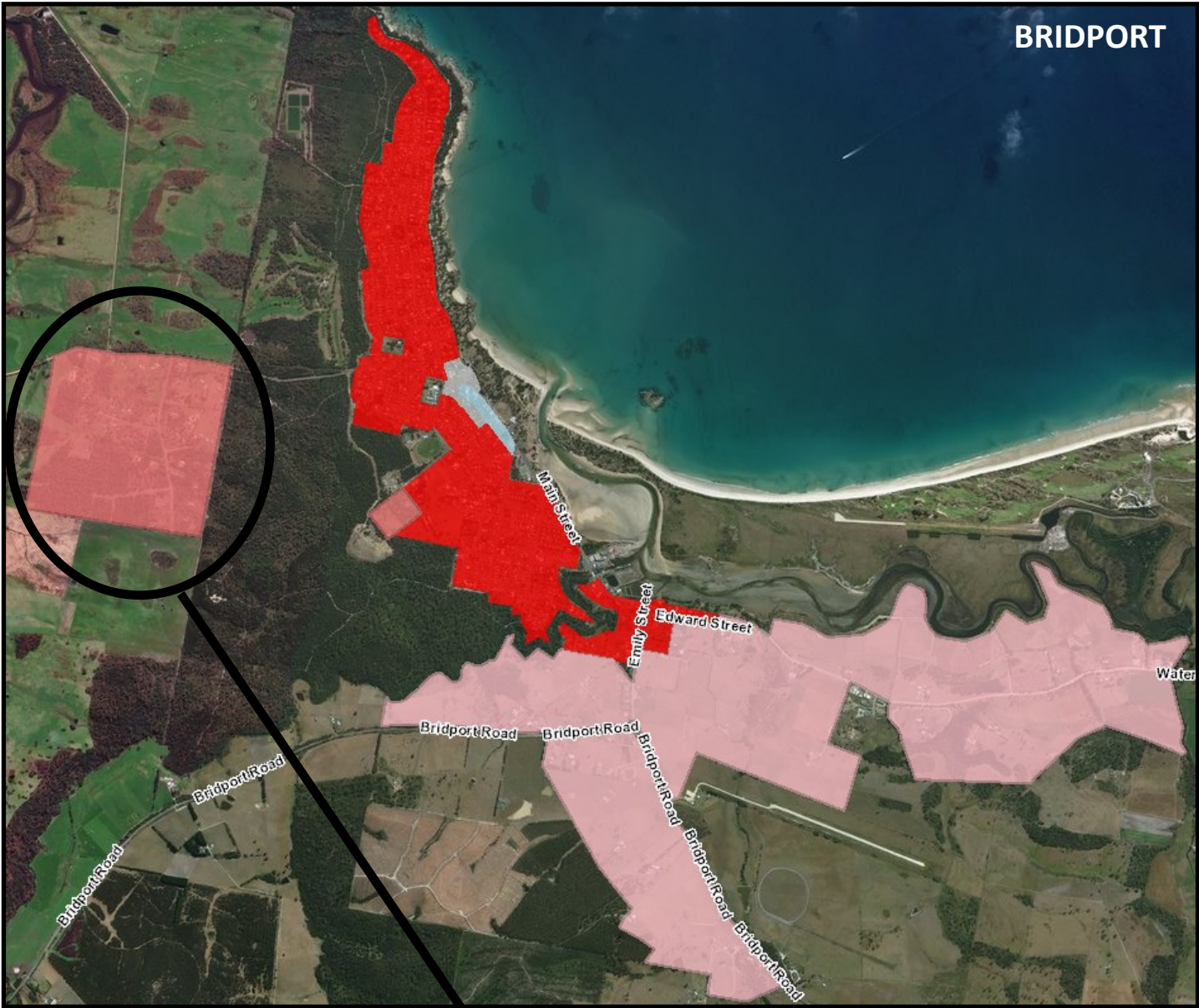
NABOWLA





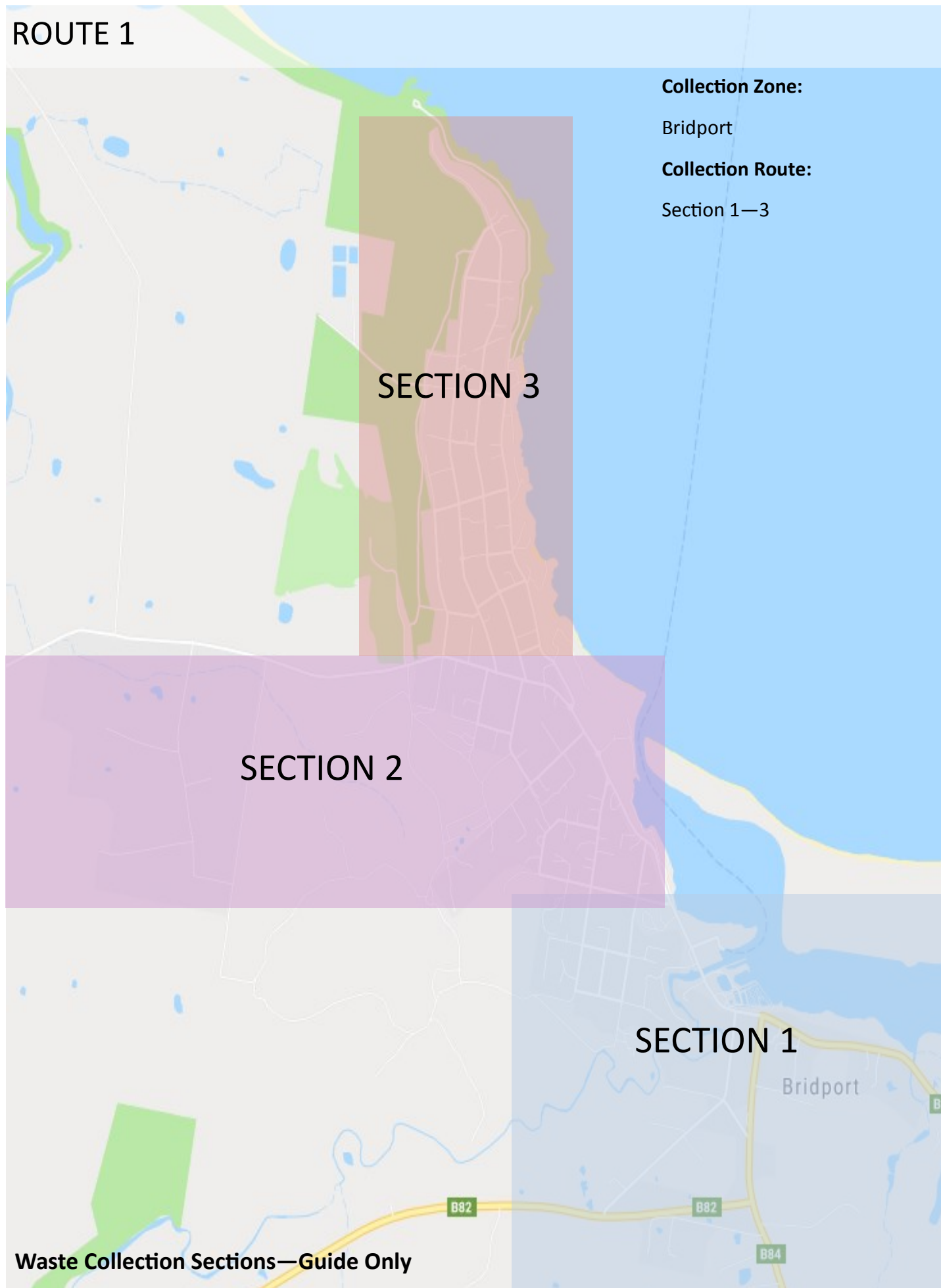


BRIDPORT



# KERBSIDE COLLECTION ROUTES

## ROUTE 1



**Collection Zone:**

Bridport

**Collection Route:**

Section 1—3

SECTION 3

SECTION 2

SECTION 1

Bridport

B82

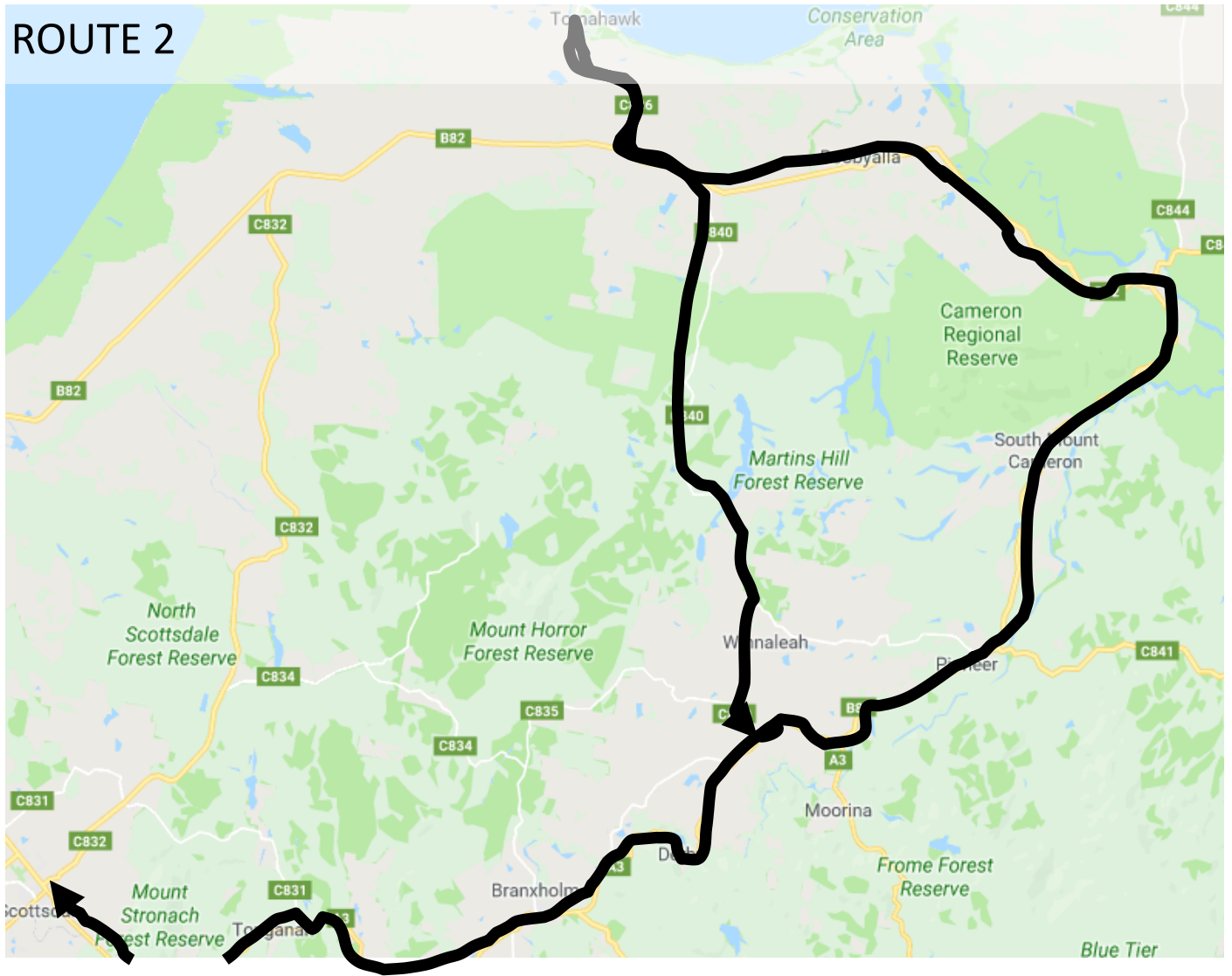
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Waste Collection Sections—Guide Only



## ROUTE 2



### Collection Zone:

Derby  
Herrick  
Pioneer  
Tomahawk  
Gladstone  
Winnaleah

### Collection Route:

Scottsdale to Pioneer via Tasman Highway  
Pioneer to Gladstone and Tomahawk via Gladstone, Waterhouse and Tomahawk Roads  
Tomahawk to Winnaleah via Banca Road

# ROUTE 3

**Collection Zone:**

Scottsdale:

**Collection Route:**

Section 1—4

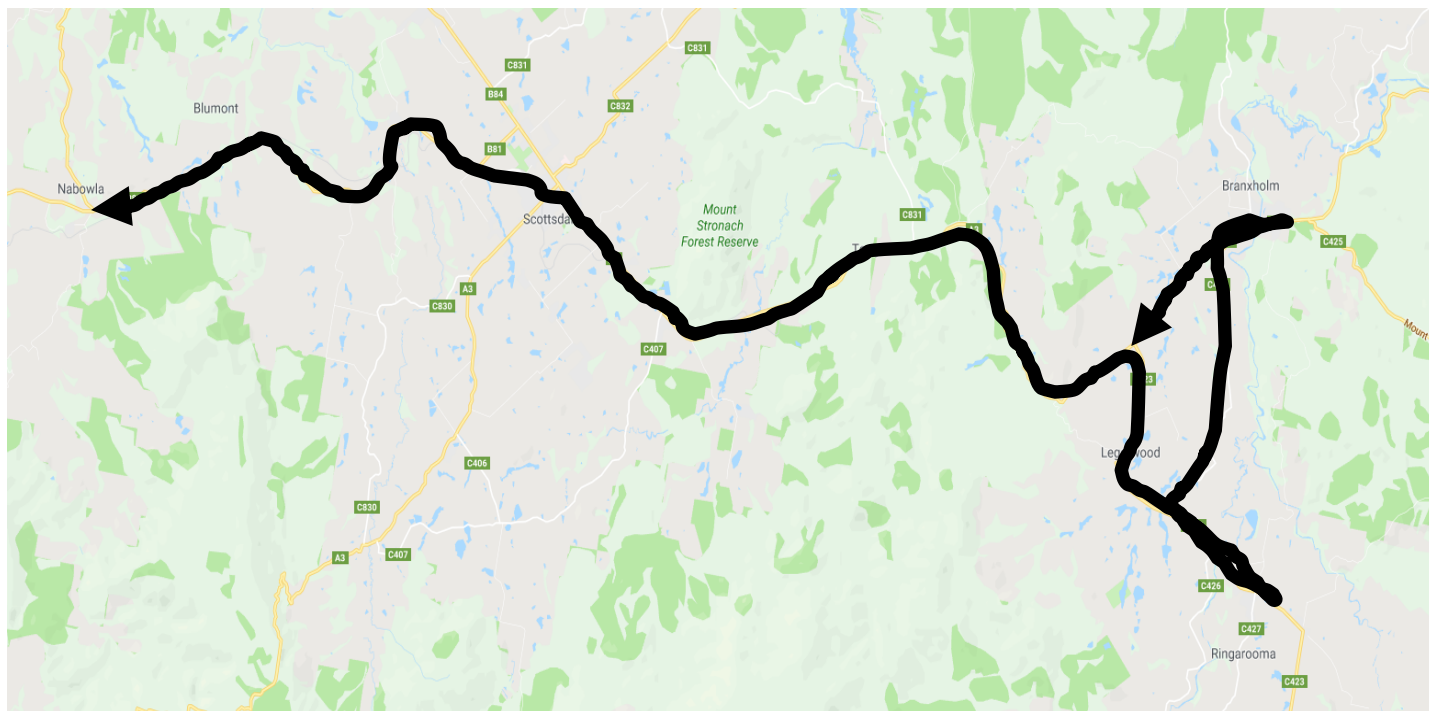
## SECTION 4

## SECTION 2

## SECTION 1

## SECTION 3

# ROUTE 4



## Collection Zones:

Nabowla

Legerwood

Ringarooma

Branxholm

## Collection Route:

Nabowla to Branhholm via Tasman Highway, Carisbrook and Legerwood Lanes