



# Brighton Council

**POLICY NAME: RATES & CHARGES POLICY**

**POLICY No: 1.6**

## **BACKGROUND:**

To comply with the requirements of Section 86b(1) of the *Local Government Act 1993* (The Act) each Council must prepare and adopt a Rates and Charges Policy. This policy must contain '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:**

To increase community awareness of Council's decision making processes in setting and collecting rates.

## **I. KEY PRINCIPLES:**

1. In accordance with Section 86A of the Act, General Principles in relation to making or varying rates, a Council, in adopting policies and making decisions concerning the making or varying 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:-

- 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.
- Brighton Council is committed to fairness and equity in the raising of rates revenue across all properties.
- 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.
- 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.
- Brighton Council will administer, on behalf of the State Revenue Office, concessions to eligible ratepayers.
- Brighton Council will continue to accept the payment of rates in full or by four (4) instalments on or before the due date shown on the rates notice.
- Brighton Council will impose interest on overdue amounts in accordance with the Act and according to the Debt Collection section within this policy.
- Brighton Council may endorse the sale of land by public auction for non-payment of rates after three years, in accordance with the Act.

## 2. 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 charges;
- Failure to comply.

### Strategic Emphasis

Brighton Council's major source of revenue is from rates. In setting rates for the financial year, Brighton Council give 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 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 Act 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 Act. However, rates must continue to be paid in accordance with the rates notice until otherwise notified by the Council.

### ***Minimum Rate***

According to the Act, 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 fulfillment of Council's administrative responsibilities.

### ***Averaged Area Rate (AAR)***

According to Section 109A of the Act, 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.

### ***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.

Brighton Council sets a service charge for Food Organics, Garden Organics (FOGO) each financial year for all residential properties. This service can be an opt-in or opt-out service, contact our Rates Officer to discuss options available to you.

### ***Churches***

Churches and Rectories are not to be charged service or general rates but vacant land and properties rented are to be fully rated.

### ***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 TIP Gold, in order to be entitled to a concession on Council rates, as provided by the Tasmanian State Government.

### *Remissions*

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

### *Multi-Service Rates*

Where a property has more than one occupancy or capable of having more than one occupancy then multi-service rates shall apply with the exception of a place providing a public utility attached to a residence and staffed by the owner or occupier of that residence.

## **3. PAYMENT:**

### *Payment of Rates*

Brighton Council rates are payable in full by the first instalment date or by four instalments on or before the due date shown on the rates notice. Payment options include in person at the Council offices, by phone, via the Council website, Direct Debit, Bpay or at Australia Post offices. Full details are displayed on the rates notice.

Any ratepayer who is experiencing difficulty paying rates by the due dates should contact Council's 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 Act.

### *Recovery of Rates*

In accordance with thorough financial management and Section 133 of the Act, and with reference to Brighton Council's Debt Collection section within this policy, 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. After rates are overdue by twelve instalments (3 years), the Senior Rates Officer will recommend to Council the sale of land by public auction.

### *Failure to Comply*

The Act 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 they should raise the matter by contacting the Council's Rates Officer on 03 6268 7025 to discuss the matter. If the ratepayer is still dissatisfied, they should write to the Chief Executive Officer.

### *Penalty and Interest*

Property owners holding a Concession Card or those that have entered into a Direct Debit arrangement will have a penalty and/or interest applied to any outstanding balances that remain unpaid from previous years as at the date current rates are due, and that no penalty and/or interest will be applied to current instalments.

### *Debt Collection*

Rates notices are to be issued as soon as practicable by 1<sup>st</sup> July each financial year, with a due date at least 30 days from when the notice will be received (usually the first Friday or second Monday of August). Subsequent instalment due dates will be the last business day of October, January and April.

The original notice will serve as a reminder for Instalment 1. Reminder notices will be sent for Instalment 2, 3 & 4 to be received no later than 2 weeks prior to the Instalment due date.

Daily interest will apply to all outstanding rates based on the following formula;

$$\text{DIR} = \frac{\text{LTB} + 6\%}{365}$$

where:- **DIR** is the Daily Interest Rate

**LTB** is the official long-term bond rate as determined by the Reserve Bank as at the close of business preceding 1<sup>st</sup> March.

### *Rates overdue*

Overdue/Final Notices are to be issued for all properties, with rates overdue greater than \$20.00, within two weeks after the instalment due date. Arrangements can be made for payment. Where there are two instalments overdue and satisfactory arrangements for payment are not made, or made and not kept, then all rates due to the end of the current financial year, for that property, are to be lodged with the Council's collection agency for recovery.

### *Rates overdue by twelve instalments (36 months)*

The Senior Rates Officer will recommend to Council the sale of land by public auction for unpaid rates in accordance with section 137 of the *Local Government Act 1993*.

## **REFERENCES:**

*Local Government Act 1993*

Policy 1.3 Financial Hardship Assistance

## **ADMINISTRATIVE DETAILS:**

Policy compiled: August 2012

Adopted by Council: 14/08/2012 (Finance); 21/08/2012 (OCM); 13/10/2015 (Finance); 12/07/2016 (Finance); 18/02/2025 (OCM)

Reviewed: February 2025

To be reviewed: February 2029



## **CHIEF EXECUTIVE OFFICER**

Being the General Manager as appointed by Brighton Council pursuant to Section 61 of the *Local Government Act 1993*