1.0 Purpose

1.1 The purpose of this policy is to outline Council’s approach towards rating its community and to ensure compliance with the requirements of Section 86 of the Local Government Act 1993 (the Act).

2.0 Background

2.1 Council has adopted this policy setting out the objectives that it aspires to achieve within its area. Where Council commits to achieving standards or requirements that are not imposed upon it by statute, its commitment is to endeavour to achieve those standards or requirements within available resources.

2.2 Each financial year, Council provides numerous services including but not limited to:
   a) Roads and bridges;
   b) Street lighting;
   c) Parks and reserves;
   d) Children’s services;
   e) Tourism;
   f) Youth activities;
   g) Community services such as community grants and events;
   h) Sporting facilities including various recreation grounds;
   i) Emergency services (SES unit);
   j) Building, Planning and Environmental Health services;
   k) Animal Control;
   l) Waste services including garbage pickups, recycling and the Waste Transfer Station;
   m) Cemeteries;
   n) Public toilets;
   o) Stormwater services; and
   p) Public halls.

2.3 In order to provide the services mentioned above, Council generates income from a variety of sources each financial year. Council must raise sufficient revenue from rates to meet current and future spending needs, provide revenue stability and equality regarding intergenerational equity.

3.0 Policy

3.1 General rates and valuation basis

Council has three choices under the Act for determining its rate charges:
- Land Value;
- Capital Value; and
- Assessed Annual Value (AAV).
Council have chosen to rate using the AAV (Assessed Annual Value), or the value of the rental potential of the property, as the valuation basis. Council has adopted this valuation basis as it considers this method of valuation to be the best available to Council as prescribed in the Act, therefore the fairest method of distributing the rate responsibly across all property owners.

The AAV represents an independent assessment of the rental value of a property or a 4 per cent minimum of the capital value (whichever is the greater).

Council has determined that a minimum rate is to apply each year to ensure that all customers contribute towards the provision of basic services as a reasonable level.

The method Council uses to calculate the cent in the dollar for the general rate is the total revenue required from the general rate, divided by the total combined AAV of all rateable properties in the municipality.

3.2 Valuations

The Office of the Valuer-General (VG) provides the valuations to Council on a cyclical basis (usually each six (6) years). Council was last subject to a municipal wide revaluation with an effective date of 1 July 2016.

Under the Act, Council is mandatorily required to use the valuations provided to it in setting its rates each year. Council has no role in determining the valuation of properties and all ratepayers are able to dispute their valuation direct with the Valuer-General’s Office.

Council is also provided with adjustment factors for the various classes of property in the municipal area by the Valuer-General each two years. Council is required to consider these adjustment factors in determining the rates and charges to apply.

3.3 Service Rates and Charges

In addition to the general rate, Council charges for other services under the benefit principle, in accordance with Sections 93 and 94 of the Act.

**Stormwater**

Council sets a Stormwater levy, based upon the operational expenditure for the function plus an allowance for capital renewals, for residents of Wynyard and Somerset.

**Waste Management**

Council provides an urban waste collection service and domestic recycling service. Levies apply for the Kerbside Garbage Collection and Kerbside Recycling Collection based upon cost recovery of each function.
A charge per property for Waste Management Services is applied to cover the operational expenditure of the service as well as an allowance for capital renewals.

**Fire Service Levy**

Council is required by the provisions of the *Fire Services Act 1979* to collect the Fire Service levy on behalf of the Tasmanian Fire Service. The value of this levy is determined by the Tasmanian Fire Service and is not influenced by the Council. This rate is set in accordance with the provisions of section 93 of the Act.

3.4 Payment options

Payment options are determined by the Council each year as part of the budget process.

Options available for payment include:

- Payment in full by end of August to receive a 5% discount;
- Payment in full by the end of the first week in October (no discount option); or
- Payment by two equal instalments at the end of the third weeks of September and January.

Ratepayers having difficulty in paying their rates either in full or by the instalment dates are encouraged to make a payment plan by contacting Council's rates office.

3.5 Payment methods

Rates may be paid using the following methods:

- In person at Council offices with cash, credit card (MasterCard or VISA) or EFTPOS;
- At the Somerset Newsagency (cash and cheque only);
- By mail to Waratah Wynyard Council, PO Box 168, Wynyard, TAS 7325;
- By phone – (03) 6443 8333;
- BPay through various financial institutions;
- Centrepay (Centrelink direct debit system); and
- Bpoint over the phone or via Council website (credit card only).

3.6 Objections to Rate Notices

Property owners have the ability to object to the valuation provided by the VG. This is administered by the Valuation Department.

Council will consider any objections to rate notices in accordance with Section 123 of the *Local Government Act 1993*. 


3.7 Rebates and Remissions

Any individual application for a rebate and/or remission from payment of rates is to be provided to Council in writing.

Council will annually consider whether to provide any rebate or remission to not-for-profit community organisations where they own or are responsible for the payment of rates. Any not-for-profit organisation that wishes to be considered for either a rebate or remission is required to make a formal application for Council to consider.

Council may also from time to time determine to provide a remission to a ratepayer, group of ratepayers or a class of ratepayers where it has determined that special circumstances exist.

A pensioner remission is available to property owners, through Council by meeting the State Government criteria for eligibility. Council provides the property owner with the remission, and a claim is sought from the State Government. This is generally available to pension, health care and DVA card holders.

3.8 Recovery of rates and rate relief

Council does not charge daily interest or penalty on outstanding amounts.

Recovery of outstanding amounts is collected in accordance with Council’s debt collection policy.

Council may consider rate relief due to financial hardship under section 129 of the Act. Applications are to be made in writing and lodged with the General Manager.

3.9 Sale of Property if Rates Remain Unpaid

Under section 137 of the Act, Council may sell any property where the rates have been in arrears for three or more years. Council is required to:
(a) Notify the owner of the land of its intention to sell the land;
(b) Provide the owner with details of the outstanding amounts; and
(c) Advise the owner of its intention to sell the land if payment of the outstanding amount is not received within 90 days. Except in extraordinary circumstances, Council will enforce the sale of land for arrears of rates.

4.0 Legislation

Part 9 of the Act provides councils with the legislative power to raise rates and charges.
To provide services Council must consider the method by which it raises this revenue. Amendments to the Local Government Act in December 2011 have clarified that rates are a form of taxation.

The key principle in levying rates recognises that rates constitute a system of taxation on the community for local government purposes.

In developing this policy, Council has also given consideration to the following five principles that apply to the imposition of taxes on communities:

a) Equity (taxpayers with the same income pay the same tax (horizontal equity), wealthier taxpayers pay more (vertical equity));

b) Benefit (taxpayers should receive some benefits from paying tax, but not necessarily to the extent of the tax paid);

c) Ability to pay (in levying taxes, the ability of the taxpayer to pay the tax must be taken into account);

d) Efficiency (if a tax is designed to change consumer’s behaviour, and the behaviour changes the tax is efficient, if the tax is designed to be neutral in its effects on taxpayers and it changes taxpayer’s behaviour a tax is inefficient); and

e) Simplicity (the tax must be understandable, hard to avoid, easy to collect).

The principle of “benefit” above supports the philosophy that rates should not be regarded as a user pays system and it should be recognised that benefits are consumed differently over the life cycle of a ratepayer.

To some extent these principles are in conflict with each other in practice. Councils must therefore strike a balance between:

a) The application of the principles;

b) The policy objectives of taxation;

c) The need to raise revenue; and

d) The effects of the tax on the community.

Council applies the principles of taxation; namely capacity to pay, benefit and simplicity to implement. Those with a higher capacity to pay tax should pay more than those with a lesser capacity to pay. Council balances this with the benefit principle as some groups benefit more from specific rates and charges, such as garbage, which are rated for as a separate charge.

5.0 Responsibility
The General Manager has overall responsibility for this policy.

6.0 Minute Reference
The Minute reference for this policy is 10.1.

7.0 Council Meeting Date
This policy was adopted on 25 June 2018.