

Council Policy (wcc.011)

Rates & Remission Policy

Responsible Officer:

General Manager

Date of Issue:

26 April 2023

Review Date:

30 June 2024



| Version | Document produced | Approved by GM | Policies Repealed | Approved by Council |
|---------|-------------------|---|----------------------------------|---------------------|
| 1 | 19 June 2012 | | | 19 June 2012 |
| 2 | 21 June 2016 | 21 June 2016 | Policy Number 28 19 June 2012 | 21 June 2016 |
| 1 | 28 April 2020 | | WCC.008 & WCC.027 | 28 April 2020 |
| 2 | 22 June 2021 | 22 June 2021 | WCC.009 Rates & Remission V1 | 22 June 2021 |
| Note | | New policy review process implemented. Result – new policy numbering & modified review dates. | | 26 October 2021 |
| 3 | 28 June 2022 | 28 June 2022 | Nil | 28 June 2022 |
| 4 | 13 April 2023 | 13 April 2023 | Nil | 26 April 2023 |

CONTENTS

| | | |
|----------|---|-----------|
| 1 | Purpose | 1 |
| 1.1 | Scope | 1 |
| 2 | Background | 1 |
| 3 | Policy | 2 |
| 3.1 | Rating Strategy | 2 |
| 3.2 | General Rates – Section 90 | 2 |
| 3.2.1 | Variations of the General Rates – Section 107 | 2 |
| 3.3 | Service Rates and Charges – Section 93 and 94 | 3 |
| 3.4 | Fixed Rates – Section 91 | 4 |
| 3.5 | Minimum Amount Payable – Section 90 (5) | 4 |
| 3.6 | Rates Capping – Section 88 | 4 |
| 3.7 | Rates Remissions | 4 |
| 3.8 | Pensioner Remission | 4 |
| 3.9 | Non-Profit Remission | 5 |
| 3.10 | New Residential Build Incentive Remission Scheme | 5 |
| 3.11 | Payment of Rates – Section 124 | 6 |
| 3.12 | Discount for Early Payment – Section 130 | 6 |
| 3.13 | Late payment of Rates – Section 128 | 7 |
| 3.14 | Recovery of Rates – Section 133 | 7 |
| 3.15 | Sale of Land for Non-Payment of Rates – Section 137 | 7 |
| 3.16 | Objection Rights – Section 123 | 7 |
| 4 | Hardship Assistance | 8 |
| 4.1 | Genuine Financial Hardship | 8 |
| 4.2 | Evidence of Financial Hardship | 9 |
| 5 | Disclaimer | 9 |
| 6 | Legislation and Related Documents | 10 |

This page intentionally blank

1 Purpose

The purpose of this policy is to provide West Coast Council (“Council”) and the community with a transparent approach to raising rates and charges throughout the municipality and to meet the requirements of Section 86 of the *Local Government Act 1993* (“the Act”).

The Act requires Councils to implement rates and charges policies to provide transparency in decision making, and to educate their communities about how revenue is raised.

The following policy introduces the basic elements of rates and charges as described by the Act and identifies the key decisions that Council has made in arriving at a rates and charges structure suited to the needs of the West Coast municipality.

1.1 Scope

This policy covers;

- Rating Strategy
- Property Valuations for the Purpose of Rates
- General Rates
- Minimum Amount Payable
- Rate Cap
- Service Rates and Charges
- Rates Concession
- Rates Remissions
- Payment of Rates
- Recovery of Rates
- Sale of Land for Non-Payment of Rates
- Objection Rights.

2 Background

Rates are a form of taxation levied against landowners and are the main source of revenue available to Council. Revenue raised through the collection of rates provides funding for the broad range of Council activities and services including:

- Maintenance of roads, footpaths and stormwater
- Upkeep of public venues, parks, playgrounds and public toilets
- Operating sporting facilities including swimming pools and gymnasiums
- Community services
- Land use planning and approvals
- Garbage collection, transfer stations and landfill operations
- Collection of fire levies
- Administration
- Providing advocacy on behalf of residents to State and Federal Government Departments

- Economic Development support.

To fairly and equally distribute the burden of the cost of these services across the community, Council takes into consideration:

- Capacity to Pay
- Who Benefits from the Services
- Simplicity
- Long Term Sustainability
- Efficiency
- Current Economic Environment.

3 Policy

3.1 Rating Strategy

The Local Government Act 1993 allows Council to raise revenue for the purpose of providing broad variety of services to the community. Council ensures it only raises the revenue it needs to efficiently balance its service levels with the needs and expectations of the community in the best equitable manner achievable.

When determining its rates each year Council considers the current economic environment and the capacity of the community to pay for the services. Council's aim during the decision-making process is to achieve a fair distribution of the burden across the community.

Council must balance capacity to pay with the knowledge that there are certain areas of the community that have more access to and benefit from services. To achieve this Council implemented a rating structure composed of two key rating elements – general and service rates.

3.2 General Rates – Section 90

The general rate is levied against the Annual Assessed Valuation (AAV) set by the Valuer General. Council set a general rate each year, it is then calculated by multiplying the property valuation AAV by the general rate set.

3.2.1 Variations of the General Rates – Section 107

Council has chosen to vary the general rate to reflect ratepayers' ability to contribute to Council's cost of providing services and facilities to the community. Examples of these variations include for Quarrying, Mining Operations and Aquaculture.

Effective from 1 July 2023, two additional general rates will be established, one being a Windfarm rate for land in which the windfarm development occupies. The second rate relates to an institution residential accommodation used as mining accommodation within the Zeehan township.

The rate for quarrying and mining operations, windfarm operations and institution residential accommodation is higher than the general rates because it takes into consideration:

- The employment of a large number of non-ratepayers who use Council facilities within the municipality; and
- They have a greater capacity to contribute than other ratepayers.

3.3 Service Rates and Charges – Section 93 and 94

Council provides a wide range of services; these are predominantly funded through the general rate. Council also provide some specific services for which it has decided to recover the cost separately for example:

- Waste Collection (Kerbside)
- Waste Collection (Transfer Stations Levy)
- Waste Management (Landfill Management)
- Stormwater
- Fire Levy
- Recycling.

Waste Collection (Kerbside)

Council will charge a fixed levy to all properties residential and commercial for the collection of wheelie bins in standard sizes. Collection funded from this levy will be limited to one bin in sizes determined by Council. Additional bins will incur an additional levy.

Properties where collection is not offered in the reasonable vicinity, will not be charged this levy, and if charged will be able to apply for an exemption. Businesses that enter a commercial collection arrangement with Council, will not be required to pay this levy. Decisions on exemptions to this levy are delegated to the General Manager.

Waste Collection (Transfer Stations Levy)

Council will charge a fixed levy on properties paying the residential rate and the vacant land rate for access to Waste Transfer Stations. The rate will aim to recover the cost of operating waste transfer stations.

Waste Management (Landfill Management)

Council will charge a variable levy on all properties to cover the cost of operating, rehabilitation, and depreciation of the landfill. This levy will apply to all property types and be based on a percentage of AAV.

Stormwater

Council has implemented a fixed rate for recovery of stormwater costs because, independent of property value, these are consistent across all properties. The stormwater fixed rate is based on the total cost of providing the service divided by the number of properties throughout the municipality. The stormwater charges acknowledge that there is significantly less cost associated with vacant land.

3.4 Fixed Rates – Section 91

The fixed rate is a flat rate charge that forms part of the general rate. Where Council provides benefits evenly across all ratepayers, the Act allows Council to levy a fixed rate equally to all properties to a maximum of half (50%) of the total general rate.

In addition to the variable portion of the general rate, Council has assigned a single fixed rate across all property types, this is used as a fixed component and leveller for the general rate.

3.5 Minimum Amount Payable – Section 90 (5)

When a rating item does not consist of a fixed component, a minimum amount payable component may be specified in conjunction with a variable rate. This component is calculated as rate multiplied by AAV but, if the result is less than the minimum amount specified then the minimum amount applies.

Council has decided to only apply this method to the collection of general and volunteer fire levies, where the objective is to collect from each ratepayer, as a minimum, the amount levied against Council that is collected on behalf of the Tasmanian Fire Commission (TFC).

Amounts exceeding the TFC levies contribute to Council's commitment to the local State Emergency Service branches throughout the municipality.

3.6 Rates Capping – Section 88

Council will consider the use of capping to ensure that any increases applied to the various categories of ratepayers are appropriate.

Council will only apply rate capping if in its opinion it is justifiable in order to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to changes in valuation and other factors beyond the ratepayer's control.

In general it will use a remission to implement the cap.

3.7 Rates Remissions

Council offers rates remission under provision of Section 129 of the Act to eligible pensioners and Non-Profit Organisations, in addition to this Council may consider new schemes from time to time. All requests for rates remissions are subject to compliance and eligibility checks.

3.8 Pensioner Remission

To provide additional assistance to pensioners due to the remoteness of the West Coast and the increasing living costs, Council provides to eligible pensioners an additional 10% remission on rates calculated after the deduction of Fire Service Levy.

Pensioners that possess a current Pensioner Concession Card (PCC), Health Care Card (HCC) and Repatriation Health Card as issued by Centrelink or the Department of Veterans Affairs. To be eligible the date of grant must be on or before the 1 July of each year, and you must own or be purchasing the property that is occupied as your

principal place of residence as at 1st July each year. You may only claim a Pension Remission on your principal place of residence and only one remission per household is allowed.

Please Note: Department of Treasury and Finance provide guidelines for the coming year in which the establishment of the eligibility is advised.

3.9 Non-Profit Remission

Non-Profit Organisations can submit a request each financial year for general rate remission, subject to eligibility Council will remove the general rate component from the property the Non-Profit Organisation operate out of.

This remission demonstrates Council's support towards Non-Profit charitable organisations, their financial difficulties and the services they provide to the community throughout the municipality.

A Non-Profit charitable organisation is deemed to be an established organisation within the community that has limited financial income streams and whose activities predominately provide benefits and encourage community activities of Non-Profit origin.

The charitable organisation is to be prohibited under its governing rules or documents from distributing profits to its members, owners, manager, or management. They must not derive an income from the organisations activities, and it is considered that these organisations do not have paid employees.

A Non-Profit charitable organisation must not derive an income outside their community activities or compete with local businesses (such as the sale of meals and alcohol) and is to be:

- A charitable organisation that exist solely for the benefit of the community
- A charitable organisation that is conducted neither for the profit nor the gain of the individual members

All applicants must complete Application for Non-Profit Rate Remission form, address all criteria listed and provide supporting documentation if required.

Noting that where an organisation does have paid employees due to the nature and size of the operation in question, it will not be excluded automatically from eligibility for a rates remission. In such cases, Council (not the General Manager) will review any submissions put forward and decide itself, whether exceptional circumstances should apply and as a consequence, what rates remission should apply and for what period.

3.10 New Residential Build Incentive Remission Scheme

Council recognises the limited residential housing options available within the municipality, coupled with many vacant land parcels existing within each township.

To encourage new developments to meet the growing housing need, Council will provide from 1 July 2020, a full general rates remission to each eligible property with a new residential development build completed. *The development must satisfy all planning and building requirements to be considered.*

To be eligible for this remission Council must receive the completed application form, Intention to Build Incentive Scheme Remission. The remission will only be approved once the build is complete.

The scheme is only available to builds with a value of or above \$130,000.

Approved applications will be granted a three-year general rate remission. Remissions will not be made retrospectively to developments completed prior to 1 July 2020. Where applicants are also eligible for the Tasmanian Governments First Homeowner Grant of \$20,000 for new home construction and provide evidence of that grant to Council, they will be eligible for an additional year of remission.

All decisions on remissions under this section, including eligibility and other requirements are delegated to the General Manager at his/her absolute discretion.

3.11 Payment of Rates – Section 124

Council offer two methods of payment options to its ratepayers, in full or by four equal instalments as specified on the issued rates notice, payments can be made via:

- Direct debit
- Australia Post
- Bpay
- BPOINT
- Direct deposit
- Centrepay
- Council Office located in Queenstown
- Council agencies located in Zeehan, Rosebery and Strahan.

Council acknowledges ratepayers may or are likely to experience difficulty with meeting the designated methods of payments, ratepayers are encouraged to contact Council's Corporate & Strategic Services Assistant to discuss alternative payment arrangements.

Any arrears from the prior financial year will be attached to the first instalment amount with all payments going directly to any applicable arrears first.

Section 124 (5) of the Act allows Council, if a ratepayer fails to pay any instalment within 21 days of the date on which the rates are due, the council may require the ratepayer to pay the full amount owing for the financial year.

3.12 Discount for Early Payment – Section 130

Council Offers a 4% discount to all ratepayers when making payment in full on or before the 1st instalment date specified on the issued rates notice.

This discount is only applicable to the current financial year's rates raised and is not applied to any applicable arrears from previous financial years.

3.13 Late payment of Rates – Section 128

Should rates not be paid by the due date, daily interest will be applied in accordance with *Section 128* of the Act.

Interest is calculated by using the following formula as provided by the Act –

$$P = \frac{LTB + 6\%}{365}$$

where –

P is the prescribed percentage;

LTB is the official ten-year long term bond rate as determined by the Reserve Bank as at the close of business on the last day of business preceding 1 March.

3.14 Recovery of Rates – Section 133

Council's Manager of Customer & Corporate Services will exercise Council's provision under *Section 133* of the Act in respect to the recovery of rates including an ongoing review of rates in arrears and following a debt recovery plan.

Council actively provides ratepayers with the opportunity to pay arrears by providing advertising on local and social media and the issuing of reminder notices and/or pre-collection notices.

Council will seek to recover rates debt through legal proceeding once a property has two instalments outstanding. Council ensures all reasonable steps have been taken to establish payment or payment arrangement prior to taking legal action.

3.15 Sale of Land for Non-Payment of Rates – Section 137

The Act allows a Council to sell any property where the rates have been in arrears for a period of three years or more and requires Council 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. Where extraordinary circumstances exist, Council will enforce the sale of land for arrears of rates.

The sale of land pursuant to *Section 137* of the Act is done so by the way of a public auction, Council will advertise its intention to sell through local media and notices issued to the said property.

3.16 Objection Rights – Section 123

Should a ratepayer believe they have been rated incorrectly, *Section 123* of the Act provides information on the grounds which an objection can be made as follows:

- a) the land specified in the rates notice is exempt from the payment of those rates; or
- b) the amount of those rates is not correctly calculated having regard to the relevant factors; or

- c) the basis on which those rates are calculated does not apply; or
- d) he or she is not liable for the payment of the rates specified in the rates notice; or
- e) he or she is not liable to pay those rates for the period specified in the rates notice.

Objections are to be made in writing to the General Manager within 28 days of the rates notice being issued. The General Manager may amend the rates notice as they consider appropriate or refuse to amend the rates notice.

Ratepayers are encouraged to contact Council on 64 714 700 or forward objection in writing to:

General Manager
West Coast Council
PO Box 63
QUEENSTOWN TAS 7467

4 Hardship Assistance

For hardship caused by a pandemic or natural disaster, please see Council Policy WCC.010. Other applications for hardship relief are considered on a case-by-case basis.

Applications should be in writing and provide the same appropriate evidence as outlined in the Policy, extracted below.

4.1 Genuine Financial Hardship

According to the Australian Taxation Office (ATO)¹, individuals are considered to be in serious hardship when they are unable to provide the following for themselves, their family or other dependents:

- (1) Food;
- (2) Accommodation;
- (3) Clothing;
- (4) Medical treatment;
- (5) Education;
- (6) Other basic necessities.

A number of factors can contribute to or trigger serious financial hardship, including:

- (1) Loss of employment of the property owner, family member or household primary income earner;
- (2) Serious illness, including physical incapacity, hospitalization, or mental illness of the property owner or family member;
- (3) A natural disaster;
- (4) A public health emergency or declared state of emergency;
- (5) Family tragedy;
- (6) Family breakdown;

¹ See: <https://www.ato.gov.au/General/Financial-difficulties-and-serious-hardship/Individuals-with-serious-hardship/>

- (7) Financial misfortune;
- (8) Other serious or complicating circumstances.

Community wide issues and circumstances, such as a pandemic or natural disaster, may impact financial hardship, but hardship is always assessed at an individual level, and requires reviewing personal circumstances.

Serious financial hardship involves both low income/cash flow and a low asset base. Personal property portfolios beyond a primary residence or a business's primary operating space, can be employed to improve an applicant's cash flow and financial sustainability. Applications for assistance on residential investment properties will not be considered.

Property portfolios beyond a primary residence or a business's primary operating space, can be employed to improve an applicant's cash flow and financial sustainability. Applications for assistance on residential investment properties will not be considered.

4.2 Evidence of Financial Hardship

Applicants will need to provide evidence of their circumstances of financial hardship to justify Council's special consideration of their case. The type of evidence required will depend on your circumstances and may include, for example, one or more of the following:

- Assessment by an independent accredited financial counsellor demonstrating an inability to both pay rates and to rearrange asset portfolios to facilitate payment;
- A statutory declaration from an appropriate and independent professional, familiar with the applicant's circumstances (e.g. a family doctor for health-related evidence, a bank official, insurance policy manager, etc.);
- Pending disconnection of essential services, like water, electricity, gas (does not include mobile phone or internet bills);
- Notice of impending legal action;
- Letter from charitable organisation regarding loss of employment or inability to provide for basic necessities;
- Bank notice for example, overdraft call or mortgaged property repossession;
- Employer notice of redundancy or termination of employment;
- Overdue medical bills;
- Letter from doctor verifying the inability to earn an income due to illness or caring for a sick family member;
- Final notice from school regarding payment of mandatory fees;
- Funeral expenses;
- Repossession notice of essential items, like a car or motorcycle.

5 Disclaimer

A rate cannot be challenged on the basis of non-compliance with this policy and must be paid in accordance with the required payment provisions.

Where a ratepayer believes that Council has failed to properly apply this policy, they should raise the matter with Council by contacting Council's Manager Customer & Corporate Services.

6 Legislation and Related Documents

Local Government Act 1993

West Coast Community Plan 2025

WCC Framework Policy

WCC Financial Hardship Assistance – Pandemic & Natural Disaster Policy