

### 1 PURPOSE

The purpose of this policy is to outline Council's approach to determining and collecting rates from the community.

### 2 OBJECTIVE

To provide transparency to the community about how the Council makes decisions in relation to setting its annual rates and charges and how the Council distributes the rate burden across its community.

### 3 SCOPE

This policy covers:-

- Rating Strategy
- Council's Revenue Raising Powers
- Property Valuation Base
- General Rates
- Minimum General Rate Payable
- Exemptions from General Rate
- Services Rates and Charges
- Remissions and Discounts
- Supplementary Valuations
- Payment of Rates
- Objection Rights

### 4 POLICY

#### 4.1 Rating Strategy

Rates and charges are an important revenue source for local government, comprising approximately 73% of the Burnie City Council's annual income. In setting its rates and charges Council has the challenge of balancing the need to fund existing services, the continual demand for increased services, the need to maintain and renew essential infrastructure, the desire to keep increases and charges to a minimum while ensuring long term financial sustainability for its community.

The Council ensures it only raises the revenue it needs, and does so in the most efficient and equitable manner possible. The aim of the rates and charges decision-making process is to spread the burden fairly across the community with those that have the greatest capacity to pay, paying more than those with a lesser capacity to pay.

When considering how the rate burden will be distributed, Council must balance capacity to pay with the benefit principle acknowledging that there are some groups of the community that have more access to and benefit from specific services.

To achieve this balance Council has established a rating structure which is comprised of two key elements – general rates and service charges. The general rates are levied based on the Annual Assessed Value (AAV) of properties, as adjusted from time to time, by the Valuer-General. Property values generally reflect the capacity of the ratepayer to pay.

The other element is the service charges, which are a user pay component and currently covers stormwater and waste management services. Services charges are designed to reflect payment based on access to services provided by the Council.

### ***Rates per Capita***

In determining its rates each Council gives consideration to the current economic climate and the capacity of the community to pay for services.

Burnie is a regional centre and Council provide a broad range of services relative to its population, unlike many other Council's in Tasmania.

As such, the Council appreciates and recognises that rates for our community may be higher than in some other jurisdictions. This is because our City is required to supply services that rival much larger city Council's, such as having an airport, Aquatic Centre and Cultural Centre, however unlike those other City's that have a significant number of rateable properties to share the cost. Some much larger Council's with similar assets have as an example 25,000 – 30,000 rateable properties, where our municipal area has approximately 10,800 rateable properties in which to share the burden.

## **4.2 Council's Revenue Raising Powers**

The *Local Government Act 1993* provides for a Council to raise revenue for the purposes of providing broad services to the community. The Act provides a range of methods for councils to raise rates in a way that each council deems is most suitable to their own municipal area.

Every year Council makes a rates resolution at the time of adopting its Annual Plan and Budget Estimates which is designed to outline how the rates burden will be distributed across the community.

## **4.3 Property Valuation Base**

Under section 89A of the Act, Council has the choice of three bases of value of land which are determined by the Valuer-General in accordance with the *Valuations of Land Act 2001*.

The Council has the option of choosing one of the following three bases to calculate its rates and charges:-

- Land Value
- Capital Value; or
- Assessed Annual Value (AAV).

A revaluation is required under the Act to be conducted in each valuation district within a seven-year period. The valuations undertaken by the State Government through the Office of the Valuer-General are important for ratepayers because Council must by law use the valuation data in order to levy its rates. Property values are generally considered a reasonable proxy for assessing a ratepayer's capacity to pay. The Council adopts the valuations made by the Valuer-General and uses the valuation of each property as a means of calculating the rates owned on that property. For this reason, ratepayers are encouraged to contact the Office of the Valuer-General if they have any objections in relation to their property valuation.

The Burnie City Council, along with most other councils in Tasmania, use the AAV for calculating its rates and charges (with the exception of fixed charges). The AAV is the estimated rental value of the property or four percent of the capital value of the property (whichever is greater).

AAV adjustment factors are issued by the Valuer-General typically at the mid- point between a revaluation cycle in an attempt to ensure property assessments closely reflect changes in the property market, in order to keep pace with market influences between revaluation processes. In 2022-23 the City of Burnie had adjustment factors applied by the Office of the Valuer-General to take account of the recent increases in the property market. The increases in property values range from an uplift of 20% to 50% in value, depending upon the property category.

#### **4.4 General Rates**

The general rate is calculated on a cent in the dollar amount, based on the AAV of a property. The general rate pays for general services such as:-

- Sporting facilities and recreation grounds;
- Roads, streets, kerb and channel, footpaths, street furniture, and street lighting;
- Parks and reserves;
- Public buildings including halls and amenities;
- Burnie Aquatic Centre;
- Burnie Airport;
- Environmental services, land use, building and development control, animal control and cemeteries;
- Burnie Arts and Function Centre; and
- Community grants, programs and events.

### ***Variations to the General Rate***

The methodologies underpinning the levying of rates and charges is to spread the burden fairly across the community with those that have the greatest capacity to pay paying more than those with a lesser capacity to pay. A property's AAV is generally considered a reasonable proxy for assessing a ratepayer's capacity to pay.

In recognition that, land use codes are applied by the Valuer-General and provide the ability for councils to apply different rates or changes by category of property. For the general rate payable, the rate is varied for those properties used for the following purposes:-

- Residential;
- Primary production;
- Commercial (including industrial) properties in the Burnie CBD;
- Commercial (including industrial) properties outside the CBD;
- Vacant land.

The variation of the general rate for these ratepayers is to ensure there is no unfair shift in rate burden from one land use group to another. It also allows Council sufficient flexibility within the rating framework to assess capacity to pay by land use group and to ensure that the general rate payable by each land use group is affordable and in line with the level of service received.

#### **4.5 Minimum General Rate Payable**

Council imposes a minimum amount payable on the general rate as a means of ensuring that all ratepayers contribute towards the provision of basic services at a reasonable level.

#### **4.6 Exemption from General Rate**

All land defined under Section 87(1) of the *Local Government Act 1993* is exempt from general rates.

In relation to properties that are defined for charitable purpose under Section 87(1)(d) of the *Act*, they must first meet the threshold of the *Act* to be eligible for an exemption. An exemption will then be granted if the land or part of the land then meets the criteria of being owned and occupied by a non-government organisation exclusively for: -

- i) the relief of poverty; or
- ii) the advancement of religion; or
- iii) the advancement of education; or
- iv) community welfare; or
- v) is registered as a "Deductible Gift Recipient" by the Commonwealth Government.

Church owned manses are included in the definition of the “advancement of religion”.

#### **4.7 Service Charges**

Service charges are designed to reflect payment based on access or usage of services provided by the Council. The charges are set to recover the cost of the specific service/s provided. Council levies charges for the following services:-

**Stormwater** - Covers maintenance and upgrade of connections, drainage, and stormwater removal systems including from roads and funds programs to improve municipal stormwater removal systems.

**Waste Management** - Covers waste collection including recycling, and running the waste management centre. Waste management charges are split into two components being the kerbside collection charge, and the municipal waste charge.

The kerbside collection charge is established to cover the cost of kerbside collection (both waste and recycling) and is payable by all ratepayers who have access to Council’s kerbside collection as defined by the Waste Collection Service Area Map (**Attachment A**).

The municipal waste charge is established to cover the costs of all other municipal waste services including maintaining litterbins in the municipality, costs associated with the Waste Management Centre and the provision of waste vouchers to all ratepayers. The municipal charge is paid by all ratepayers within the municipal area.

**Fire Levy** - This charge is collected on behalf of the State Government through the State Fire Commission as a contribution toward fire protection services. The Council has no control or influence over the amount of the rate levied annually.

**Landfill Levy** - This charge was first implemented in 2022-23 and is collected on behalf of the State Government as part of the Waste and Resource Recovery Bill. The Landfill Levy acts as an incentive to divert waste from landfill and assists in funding innovative waste and resource recovery initiatives.

#### **4.8 Remissions and Discounts**

##### **General Remissions**

A ratepayer, under Section 129 of the Act may apply to the Council for remission of all or part of any rates paid or payable by the ratepayer, or any penalty imposed or interest charged. In accordance with the Act Council, by absolute majority, may grant a remission of all or part of any rates, penalty or interest paid or payable by the ratepayer.

An application must be made in writing and lodged with the General Manager. The General Manager is to keep a record of the details of any remission granted by the Council in accordance with the Act.

A ratepayer experiencing financial hardship may apply to the General Manager under the Financial Hardship Assistance Policy CP-CBS-SG-049, for rates and charges levied in accordance with Part 9, Rates and Charges, of the *Local Government Act 1993*. The policy does not apply to rates and fees collected on behalf of other authorities in accordance with section 88, such as the fire service contribution and waste levy.

The Council can offer three methods of rate relief for those eligible for financial hardship assistance:

- Postponing rate payments;
- Remission of late payment interest; and
- Remission of rates.

To be eligible, ratepayers must satisfy the General Manager that the remission should be granted on the basis of financial hardship, and that the property is the ratepayer's principle place of residence. In addition the ratepayer must enter into and maintain a suitable formal payment arrangement for payment of the rates liability.

### ***Stormwater Service Charge Remissions***

In accordance with section 129(2) of the *Local Government Act 1993*, owners of properties with no ability to connect and/or access to the stormwater system may make an application to Council for a remission of the stormwater service charge.

An application must be made in writing and lodged with the General Manager. Application forms are available online at [www.burnie.tas.gov.au](http://www.burnie.tas.gov.au) or from the Customer Service Centre at 80 Wilson Street, Burnie.

Each application will be assessed on a case by case basis and a remission will be granted if the General Manager is satisfied that one of the following criteria are met:-

- The property discharges to a waterway not under Council management and there is no alternative drainage system available.
- Property discharges to a soakage pit on the property and there is no alternative drainage system available.
- The property discharges to ground or offsite by over land flow and there is no alternative drainage system available.
- The property discharges to roadside table drain that only incorporates cross road drainage and there is no alternative drainage system available.

### ***Kerbside Collection Charge Remissions***

The Kerbside Collection charge is payable by all ratepayers who have access to Council's kerbside collection as defined by the Waste Collection Service Area Map (**Attachment A**).

A remission of the kerbside collection charge for waste and/or recycling may be approved where collection is impractical due to limited presentation space at kerbside or insufficient storage space within the property or there is no access to the service.

An application must be made in writing and lodged with the General Manager. Application forms are available online at [www.burnie.tas.gov.au](http://www.burnie.tas.gov.au) or from the Customer Service Centre at 80 Wilson Street, Burnie.

To be eligible for a remission the following conditions must be met:-

- The property must be used for a residential purpose.
- All owners within the property have provided written confirmation to accept responsibility for managing the disposal of refuse and recycling arising from the property in an approved manner (normally, this would be provided via a body corporate).
- The cost of managing waste and recycling will be borne by the property owner/s and a demonstrated suitable commercial arrangement is in place between the body corporate and a waste service provider.

### ***Discount for Early Payment***

Council provides a discount of 2.0% of the total current financial years rates and charges, to any ratepayer, if the full rates including arrears are paid and received by Council in full by the 31 August.

The discount does not apply to any levy collected on behalf of another authority, such as the fire and landfill levies.

### ***Rate Rebate – Conservation Covenants***

A rate rebate is to be provided to ratepayers that have registered Conservation Covenants within the municipality of Burnie under the Private Land Conservation Program.

The rebate is set at \$5 per hectare per annum with a minimum of \$50 and a maximum of \$500.

### ***Pensioner Remissions***

Pensioners eligible for assistance under the *Local Government (Rates and Charges Remission) Act 1991* may receive a rebate of rates and charges on their principal place of residence up to a maximum amount in any given year.

The Act defines that a ratepayer who is a holder of any of these three types of cards, to be an eligible pensioner for rates remission purposes:-

- Pensioner Concession Card;
- Health Care Card; or a
- Department of Veteran's Affairs 'Gold Card' endorsed with TIP or War Widow / Widower.

The card must have a date of grant on or prior to 1 July of the year to which the rate remission relates. The possession of an Australian Government Seniors Health Card does not qualify the holder for a rates remission.

The applicant must be liable to pay the rates on the property that they occupy as their principal place of residence. In the case of joint ownership, at least one of the owners must meet the eligibility criteria. There is a limit of one remission per year per pensioner household.

Any pensioner who has not previously received a remission must complete an application form. Application forms are available online at [www.burnie.tas.gov.au](http://www.burnie.tas.gov.au) or from the Customer Service Centre at 80 Wilson Street, Burnie.

Eligibility of a pensioner remission is determined by the State Government through the Department of Treasury and Finance, who will access Centrelink records to confirm details as required.

#### **4.9 Supplementary Valuations**

In certain circumstances, valuations must be determined between general revaluations. These are known as supplementary valuations and are required when the circumstances of a property changes which affects the property's value.

Some circumstances that may trigger a supplementary valuation are as follows:

- 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 out buildings, swimming pools etc;
- Change in the land's usage;
- Realignment of the properties boundary; and the
- Property becomes rateable.

When any of the above situations arise, a supplementary valuation will be undertaken by the Valuer-General. The supplementary valuations will bring the valuation of the property in line with the general valuation of other properties in the municipal area. The values are determined based upon the same date of the general valuation currently in use for the municipal area.

Where the Valuer-General has undertaken a supplementary valuation, the ratepayer will be issued with a supplementary rates notice. The notice will show the new adjusted valuations for the property and will include any corresponding adjustments to the rates and charges affected by the supplementary valuation for the current financial year. Rates and charges adjustments of less than \$50 will not result in a supplementary rates and charges notice for the current financial year.

#### **4.10 Payment of Rates**

Rates are levied in July each year and are payable by four equal instalments. The due date for instalments being:

- 1st Instalment – 31 August 2023;
- 2nd Instalment – 30 November 2023;
- 3rd Instalment – 29 February 2024; and
- 4th Instalment – 31 May 2024.

Debt collection will commence for any amount that is overdue, in accordance with Section 124 of the *Local Government Act 1993*, and will be undertaken in line with Council's Debt Management Policy.

#### ***Difficulty in paying***

A ratepayer who is having difficulty in paying their rates by the due date should contact the Council at the earliest opportunity to arrange a payment schedule that is agreeable to Council and the ratepayer. Interest penalties will be payable on amounts not paid by the above instalment due dates.

Council has a Financial Hardship Assistance Policy CP-CBS-SG-049 to provide assistance to those ratepayers who are experiencing difficulty meeting their rates liabilities.

If a ratepayer does not pay the rates on their property and does not have an agreed payment arrangement in place, Council may commence legal action to recover the outstanding amount. If Council takes such action the ratepayer will be liable for all costs associated with the action.

If a ratepayer has not made a satisfactory arrangement to pay their outstanding rates and have rates and charges outstanding in excess of 3 years, action may be taken to sell the property in accordance with section 137 of the *Local Government Act 1993* to recover the amount owed.

### ***Interest Penalties***

If rates are not paid by the due dates, daily interest will be charged in accordance with section 128 of the *Local Government Act 1993*.

The interest will be calculated in accordance with the following formula:

$$P = \frac{LTB + 6\%}{366}$$

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.

#### **4.11 Objection Rights**

If a ratepayer believes that they have been rated incorrectly, an objection can be made on the following grounds:-

- the land specified in the rates notice is exempt from the payment of those rates; or
- the amount of those rates is not correctly; or
- the basis on which those rates are calculated does not apply; or
- the ratepayer is not liable for the payment of the rates specified in the rates notice; or
- the ratepayer is not liable to pay those rates for the period specified in the rates notice.

Objections should 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 considered appropriate, or refuse to amend the rates notice.

A person may appeal to the Magistrates Court (Administrative Appeals Division) for a review if the General Manager fails to amend the rates notice within 30 days after lodging the objection; or refuses to amend the rates notice.

## **5 LEGISLATION**

Local Government Act 1993

## **6 RELATED DOCUMENTS**

Debt Management Policy CP-CCS-CG-052

Financial Management Strategy 2032 (2022) CD-CBS-FIN-001

Financial Hardship Assistance Policy CP-CBS-SG-049



COUNCIL POLICY

**Rates and Charges Policy**

Approved By: **Council**  
 Doc Controller: **Director Corporate and Commercial Services**  
 File: 4/14/2

Document Code: **CP-CCS-CG-004**  
 Version: **13.0**  
 Approved Date: **27 Jun 2023**  
 Next Review Date: **30 Jun 2024**

<b>Policy Endorsement</b>	
Responsibility:	It is the responsibility of the General Manager to ensure Council's compliance with this policy. It is the responsibility of the Director Corporate and Commercial Services to administer and review this policy as required, and to ensure that rating is carried out in accordance with the policy.
Minute Reference:	Item AO097-23
Council Meeting Date:	27 June 2023
Strategic Plan Reference:	Strategy 7.1.1 Formulate policy that is equitable, inclusive and responsive to current needs, and ensure decision-making is informed and accountable.
Previous Policies Replaced:	This policy replaces the previous Rates and Charges Policy v12.0 approved by Council on 28 June 2022, Item AO119-22
Date of Commencement:	28 June 2023
Publication of policy:	Members of the public may inspect this policy at the City Offices, or access it on Council's website ( <a href="http://www.burnie.tas.gov.au">www.burnie.tas.gov.au</a> )



**BURNIE**  
CITY COUNCIL

COUNCIL POLICY

**Rates and Charges Policy**

Approved By: **Council**  
Doc Controller: **Director Corporate and Commercial Services**  
File: **4/14/2**

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**Attachment A**

