



Central Coast Council

Rates and Charges Policy

June 2019

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INTRODUCTION

The Central Coast Council acknowledges that rates constitute a system of taxation for Local Government purposes, as required by the *Local Government Act 1993*. Rates are determined by reference to the Assessed Annual Value and the Rate in the Dollar.

The aim of the Council's Rates and Charges Policy is to provide clear information to ratepayers about the Council's rating structure.

Copies of the Rates and Charges Policy can be accessed via the Council's website at www.centralcoast.tas.gov.au and are available for inspection at, or copies may be obtained from, the Council's Administration Centre, 19 King Edward Street, Ulverstone and Service Centre, 78 Main Road, Penguin.

The next review of this Rates and Charges Policy will be by June 2022 or when the Council makes a significant change in how it applies rates and charges, whichever is earlier.

Under section 90 of the *Local Government Act 1993* the Council may, not earlier than 1 June and not later than 31 August in any year, set rates for that year on all rateable land in its municipal area.

STRATEGIC FOCUS, ANNUAL BUSINESS PLAN AND BUDGET

The Central Coast Council adopts a rating structure for each financial year to meet the requirements of the *Local Government Act 1993* and to provide relative certainty and continuity for ratepayers. The rating structure sets out how the Council will determine and collect rates from its community.

The Council's rating structure is an integral part of its Annual Business Plan and Budget. In formulating the rating structure, the Council considers the impact on key parameters including the Council's Strategic Plan, Long-term Financial Plan, Asset Management Plans and Budget documents.

The Council is required by the *Local Government Act 1993* to take into account the principles referred to in section 86A(1) of the Act; that is:

- (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 the ratepayer in respect of that land to pay rates.

In setting rates, the Council considers the amount of revenue required to fund the delivery of services and activities set out in the Annual Plan and Budget and to meet the goals and objectives of the Council's strategic directions.

RATING EQUITY

The Council has determined that issues concerning equity within the community and the impact of rates across the area are addressed by the application of a rating structure that has regard to the equity, benefit, ability-to-pay, efficiency and simplicity principles of taxation.

Based on a review of the impact on the ratepayers of the Central Coast Council, the Council has determined that it should ensure that all relevant land is assessed for rates, and that the provisions of the *Local Government Act 1993* should be applied fairly and equitably to all landowners and occupiers.

The Central Coast Council is committed to maintaining a transparent rating system; as a result, the Council ensures that the Rates and Charges Policy is managed to provide the greatest level of equity for our customers by maintaining a non-punitive rating structure.

Some properties are exempt from paying council rates. In certain circumstances rates levied against some properties are rebated according to mandatory provisions of the *Local Government Act 1993*. Rates foregone through exemption or rebates must be contributed equitably across the remainder of the ratepayer base. The Council acts responsibly to only award exemptions and mandatory rebates where they are warranted to minimise this impact on the general community.

Equity and impact issues are best dealt with when considering all facets of the Council's rating structure, including valuation, rating and collection policies and practices.

RATING METHOD

The Council has adopted the Assessed Annual Value (AAV) valuation method for rating purposes. AAV is principally based on the annual rental potential of the property.

The Council reviews the valuation method as part of its yearly rating review to determine whether AAV continues to be the most appropriate method to distribute the rate tax burden amongst the Council's ratepayers. As the Council's property base changes, the valuation method must continue to reflect relative changes to the tax base, growth in existing values and the mix of new property developments.

The State Valuer-General makes valuations of the land values, capital values and assessed annual values of all lands within each valuation district, including any Crown lands that are liable to be rated in accordance with Part 9 of the *Local Government Act 1993*. AAVs are determined each revaluation cycle, currently a six-year cycle. The *Valuation of Land Act 2001* determines that rating and taxing authorities are to be provided with market-based Adjustment Factors for property valuations when rating authorities are not subject to a revaluation cycle. Adjustment Factors help minimise large fluctuations to valuations that can occur between revaluation cycles.

The Adjustment Factors are determined from defined classes of property (such as residential, commercial, industrial, primary production, vacant and non-vacant land) and on a locality basis within the municipal area.

The AAV method will continue to be adopted for the following reasons:

- . for the majority of the Council's ratepayers, it is a suitable valuation measure considering their ability to pay according to the income earning capacity of the property;
- . the availability of a significant amount of market annual rental information makes the AAV method efficient to administer; and
- . the method is considered consistent with the equity, ability to pay, efficiency and simplicity principles of taxation.

It is noted that AAV has a minimum of 4% of Capital Value which generally applies to most rural properties and highly valued residential properties for equity purposes.

SUPPLEMENTARY VALUATION RATE

If a supplementary valuation is made of any land prior to the end of any financial year the Council may adjust the amount payable in respect of any rate for that land for that financial year.

If an adjusted rate is made of any land, a rate notice must be issued by the General Manager, with the amount shown as credited or payable on that notice due to be paid within 30 days of the date on which that notice issued.

EXEMPTIONS

The Central Coast Council's practice is to identify and value all land in the Council area. Once identified each separate parcel of land is assessed for rateability. Section 106A of the *Local Government Act 1993*, specifies the way certain properties might be exempt from council rates:

- (1) A council, by absolute majority, may:
 - (a) exempt land or a class of land from a separate rate or separate charge;
or
 - (b) vary the amount of a separate rate or separate charge payable in respect of land or a class of land, having regard to:
 - (i) the use or predominant use of the land or class of land; or
 - (ii) the non-use of the land; or
 - (iii) the locality of the land or class of land; or
 - (iv) any other prescribed factor.

The Central Coast Council has exempted a range of properties under section 87(1) of the *Local Government Act 1993* as follows:

87. Exemption from rates
- (1) All land is rateable except that the following are exempt from general and separate rates, averaged area rates, and any rate collected under section 88 or 97:
- (a) land owned and occupied exclusively by the Commonwealth;
 - (b) land held or owned by the Crown that is not land to which a relevant right to occupation relates and that is land that –
 - (i) is a national park, within the meaning of the *Nature Conservation Act 2002*; or
 - (ii) is a conservation area, within the meaning of the *Nature Conservation Act 2002*; or
 - (iii) is a nature recreation area, within the meaning of the *Nature Conservation Act 2002*; or
 - (iv) is a nature reserve, within the meaning of the *Nature Conservation Act 2002*; or
 - (v) is a regional reserve, within the meaning of the *Nature Conservation Act 2002*; or
 - (vi) is a State reserve, within the meaning of the *Nature Conservation Act 2002*; or
 - (vii) is a game reserve, within the meaning of the *Nature Conservation Act 2002*; or
 - (viii) ...
 - (ix) is a public reserve, within the meaning of the *Crown Lands Act 1976*; or
 - (x) is a public park used for recreational purposes and for which free public access is normally provided; or
 - (xi) is a road, within the meaning of the *Roads and Jetties Act 1935*; or
 - (xii) is a way, within the meaning of the *Local Government (Highways) Act 1982*; or
 - (xiii) is a marine facility, within the meaning of the *Marine and Safety Authority Act 1997*; or

- (xiv) supports a running line and siding within the meaning of the *Rail Safety National Law (Tasmania) Act 2012*;
- (ba) land, held or owned by the Crown, that is a seabed –
 - (i) on land to which relates a lease granted and in force under Part 4 of the *Marine Farming Planning Act 1995*; or
 - (ii) on land, if no lease (other than a lease referred to in subparagraph (i), or licence, has been granted by the Crown in relation to the land and is in force; or
- (c) land owned by the Hydro-Electric Corporation or land owned by a subsidiary, within the meaning of the *Government Business Enterprises Act 1995*, of the Hydro-Electric Corporation on which assets or operations relating to electricity infrastructure, within the meaning of the *Hydro-Electric Corporation Act 1995*, other than wind-power developments, are located;
- (d) land or part of land owned and occupied exclusively for charitable purposes;
- (da) Aboriginal land, within the meaning of the *Aboriginal Lands Act 1995*, which is used principally for Aboriginal cultural purposes;
- (e) land or part of land owned and occupied exclusively by a council.

The Council is mindful that wherever properties are exempt from paying council rates, or where a rebate is applied, those rates foregone must be contributed by the rest of the community. The principles of equity dictate that the Council remains diligent in only granting exemptions where they are warranted. It is the Council's practice to adopt valuations for exempt properties. Where exempt properties become rateable part of the way through the financial year, rates are then calculated and recovered.

GENERAL RATE

The *Local Government Act 1993* provides for raising of revenue for the broad purposes of the Council through a General Rate which applies to all properties, or through variations to the General Rate which apply within the municipal area according to any or all of the following factors:

- . the use or predominant use of the land;
- . the non-use of the land;
- . the locality of the land;
- . any planning zone;
- . any other prescribed factor.

SERVICE RATES AND CHARGES

FIRE LEVY

The Council is required to collect a mandatory State Government service rate for the State Fire Levy.

The fire levy rate applies to all rateable land and includes a minimum amount payable in respect of the fire levy.

The Council is required to remit revenue raised to the State Fire Commission and does not determine how the revenue is to be spent. A commission of the revenue collected is provided by the State Fire Commission for collection of the levy.

WASTE MANAGEMENT

A Waste Management Service Charge is payable in respect of all rateable land to which a garbage collection service is supplied or made available.

MINIMUM AMOUNT PAYABLE

In making a General Rate, a council may set a minimum amount payable in respect of that rate if that rate does not include a fixed charge. The setting of such a minimum amount provides a mechanism by which lower valued properties pay not less than a minimum amount, and it can only apply if there has been no fixed charge applied. The minimum amount must not apply to more than 35% of properties for each year.

The reasons for imposing a minimum amount is that the Council considers it appropriate that all rateable properties make a base level contribution to the cost of administering Council activities, and the cost of creating and maintaining the physical infrastructure that supports each property.

STATE GOVERNMENT CONCESSION

PENSIONER REBATE

Eligible pensioners as at 1 July each year are entitled to a State Government rate rebate of 30% up to a maximum amount. That maximum amount varies if they are also a TasWater customer.

This rebate applies only to a pensioner's principal place of residence, provided they satisfy the requirements of the State Government and hold a:

- Pensioner Concession Card (PCC);
- Veterans' Affairs Gold Card; or
- Health Care Card (HCC), but excludes a Seniors Health Card.

The Council deducts the rebate for previously eligible Pensioner Remissions from rates prior to issuing notices, but requires new pensioners, pensioners who have recently

relocated to this municipal area, or any pensioner who believes he/she should have been eligible for a Rate Remission, to complete an application form and lodge it with the Council.

The State Government verifies and approves the rebate applications each year, and if any rebate application is found to be ineligible the rebate amount will be revoked and payable by the ratepayer.

COUNCIL CONCESSION

PENSIONER REMISSION

The Central Coast Council also provides a rate remission to eligible pensioners living alone.

RATE REMISSIONS

DISCRETIONARY REMISSIONS

Discretionary remissions are reviewed on a case-by-case basis under section 129 of the *Local Government Act 1993* as follows:

129. Remission of rates
 - (1) A ratepayer 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 under section 128.
 - (2) An application is to be –
 - (a) made in writing; and
 - (b) lodged with the general manager.
 - (3) A council, by absolute majority, may grant a remission of all or part of any rates, penalty or interest paid or payable by the ratepayer.
 - (4) A council, by absolute majority, may grant a remission of any rates, penalty or interest paid or payable by a class of ratepayers.
 - (5) The general manager is to keep a record of the details of any remission granted under this section.

All assessment criteria will be applied fairly and equitably to each application on a case-by-case basis.

Any person or body who is aggrieved by a determination of the delegated officer in respect of an application for a rebate may seek a review of that decision in accordance with the Council's Customer Service Charter.

REMISSIONS ON UNOCCUPIED PROPERTY

The Council will consider a remission where a separate house and flat are located at the same premises but the flat is not being occupied as a separate household.

This will be considered upon the production by the owner each year of a statutory declaration to the effect that the flat is not being let and/or used as a single dwelling separate to the principal dwelling house and that any second power connection has been removed.

Such a statutory declaration is to be lodged with the Council within the time approved for the granting of a discount.

Any difficult decisions as to whether a rating adjustment is granted is to rest with the Council.

PAYMENT OF RATES

PAYMENT

All Rates and Charges shall be payable in one payment on or before the 30th day of September each year.

DISCOUNT FOR EARLY PAYMENT

A discount of 5% is offered to all ratepayers for payment of Rates and Charges in total on or before the 31st day of August, each year, provided that no such discount shall be offered if there are at any time any arrears of Rates and Charges owing.

The Council offers a range of payment options for the convenience of ratepayers. Methods of payment are usually outlined on the back of the rates notice and include payment:

- in person at the Council's offices at 19 King Edward Street, Ulverstone (Monday – Friday) or 78 Main Road, Penguin (Wednesday – Friday);
- by mail to Central Coast Council, PO Box 220, Ulverstone, 7315. Cheques should be made payable to Central Coast Council and marked 'Not Negotiable';
- by direct debit. Application forms are available at the Council's offices or by phoning (03) 6429 8900;
- by phoning 1300 886 451 any time with your credit card and property details;
- online at www.centralcoast.tas.gov.au, select Payments and follow the prompts.

Ratepayers may also apply to the Council to pay Rates and Charges by instalments, subject to approved terms and conditions. Arrangements are required to be made by 30 September each year.

NON-PAYMENT OF RATES

The failure by some ratepayers to pay either their rates or the relevant instalment payment of those rates on time does impact on the rest of the ratepayers of the Central Coast Council. Under section 128 of the *Local Government Act 1993* late payment fines and penalties may be applied to any outstanding rates not paid by the last day to pay. The Council does not currently apply any such penalty.

The Council may take legal action to recover any overdue amounts, fines and interest.

If an amount payable by way of rates in respect of land has been in arrears for three years or more, the Council may sell the land in accordance with section 137 of the *Local Government Act 1993*.

OBJECTIONS

RATES NOTICE

A person may object to a rates notice on the grounds that:

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

Any objection must be in writing to the General Manager and made within 28 days after receipt of the rates notice.

A person may appeal to the Magistrates Court for a review if the General Manager:

- (a) fails to amend the rates notice within 30 days after lodging the objection;
- (b) refuses to amend the rates notice.

It is important to note that the lodgement of any objection does not change the due date for payment of rates. Rates must be paid in accordance with the Rates Notice until otherwise notified by the Council.

VALUATION OR LAND USE

If a property owner believes that a particular property has been incorrectly valued or wrongly classified as to its land use, then an objection may be made to the Valuer-General within 60 days of being notified of the land valuation or land use classification.

COMMUNICATION

The Council is committed to accountable and transparent decision-making processes, providing access to a fair and objective procedure for the internal review of decisions.

If a ratepayer has any queries or concerns about the Rates and Charges Policy or their Rate Notices they should, in the first instance, contact the Council's Rates staff. All

attempts will be made to resolve concerns quickly and efficiently without the need for a formal grievance application to be lodged. If, however, the ratepayer feels that their concerns are not being adequately dealt with, the Council's Customer Service Charter allows them to seek further clarification or redress.

The Council's Customer Service Charter has been developed and adopted in accordance with Section 339F of the *Local Government Act 1993*. Copies of the Charter are available for public inspection on the Council's website www.centralcoast.tas.gov.au and at the Administration Centre, 19 King Edward Street, Ulverstone, or at the Service Centre, 78 Main Road, Penguin, without charge.

THE STATE OMBUDSMAN

If a ratepayer feels that their application has not been dealt with satisfactorily by the Council, they can take their concerns to the State Ombudsman. The Ombudsman has comprehensive powers to investigate the actions of local government. Concerns can be taken to the Ombudsman at any time during the grievance application review process. If a grievance application is taken to the Ombudsman while the Council's review is also in progress, the Council's review may be suspended until the outcome of the Ombudsman's review has been considered.

Finally, it remains the right of ratepayers to make a complaint against the Council, in accordance with the section 339E of the *Local Government Act 1993*.

A rate cannot be challenged based on non-compliance with the Council's Rates and Charges Policy and must be paid in accordance with the required payment provisions.

SANDRA AYTON
GENERAL MANAGER