

1.11 RATES AND CHARGES POLICY

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Policy Responsibility	Council and Chief Executive Officer		

Document History

Version	Date Amended	Details Comments e.g. Resolution Number
		Resolution of Council 03/03/01 – That letters of demand be sent to all overdue accounts exceeding 30 days.
		Resolution of Council 19/03/05– That council adopt the Rates Revenue Policy as presented
		Council Resolution 22/06/2010/019
1.1	16/07/2013	Resolution 16/07/201//007 Changes to Annual Garbage charges and review timeframe.
1.2	03/02/2015	Amend Initial Recovery Action page 5 Amend reduction of interest and small balance write off page 4 Amend procedure page 6

INTRODUCTION

This document sets out Council's policy for rates revenue, managing annual property rates and charges and the recovery of monies owing to it in a timely and efficient manner in order to finance its operations and ensure effective cash flow management.

All Council rates and charges must be carried out in compliance with the *Local Government Act* and the *Local Government (Accounting) Regulations*.

OBJECTIVES

- To set out Council's position in relation to appropriate actions in administering rates and charges and the collection of overdue rates and charges.
 - Ensure a fair, consistent and accountable approach to Council's rate and debt management and collection decisions and practices;
 - Outline the actions that will be pursued;
 - Establish measures which provide equitable support to ratepayers experiencing financial difficulty;
 - Ensure the processes used to recover outstanding rates and charges are clear, simple to administer and cost effective;
 - Quantify a maximum acceptable level of rate arrears.
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POLICY STATEMENT

The purpose of this policy is to set out the principles used by Council for:

- A. The making of rates and charges
- B. The levying of rates
- C. The recovery of rates and charges
- D. Concessions for rates and charges

A. Principles used for the making of rates and charges

In general Council will be guided by the principle of user pays in the making of rates and charges so as to minimize the impact of rating on the efficiency of the local economy.

Council will also have regard to the principles of:

- Transparency in the making of rates and charges;
- Having in place a rating regime that is simple and inexpensive to administer;
- Equity by taking account of the different levels of capacity to pay within the local community; and
- Flexibility to take account of changes in the local economy.

B. Principles used for the levying of rates

In levying rates Council will apply the principles of:

- Making clear what is the Council's and each ratepayer's responsibility to the rating system;
- Making the levying system simple and inexpensive to administer;
- Timing the levy of rates to take into account the financial cycle of local economic activity, in order to assist with the smooth running of the local economy; and
- Equity through flexible payment arrangements for ratepayers with a lower capacity to pay.

C. Principles used for the recovery of rates and charges

Council will exercise its rate recovery powers in order to reduce the overall rate burden on ratepayers. It will be guided by the principles of:

- Transparency by making clear the obligations of ratepayers and the processes used by Council in assisting them meet their financial obligations;
- Making the processes used to recover outstanding rates and charges clear, simple to administer and cost effective;
- Equity by having regard to capacity to pay in determining appropriate arrangements for different sectors of the Community;
- Providing the same treatment for ratepayers with similar circumstances; and
- Flexibility by responding where necessary to changes in the local economy.

D. Concessions for rates and charges

In considering the application of concessions, Council will be guided by the principles of:

- Equity by having regard to the different levels of capacity to pay within the local community;
- The same treatment for ratepayers with similar circumstances;
- Transparency by making clear the requirements necessary to receive concessions; and
- Flexibility to allow Council to respond to local economic issues.

Council may give consideration to granting a class concession in the event that all or part of the Coomalie Region is declared a natural disaster area by the Northern Territory Government.

CEO DELEGATION

The Council delegates to the Chief Executive Officer (CEO) the ability to negotiate longer payment terms (up to 2 years) with ratepayers, if in the CEO's estimation, payment would cause undue hardship.

RATES AND CHARGES

Rates Notice

Council will send rates notices for each allotment at least 28 days before the payment of the rates (or the first instalment of the rates) falls due which is the last week in August with payment due the last week in September.

Council will send a synopsis of the previous year's annual report and upcoming year's budget information with the rates notice.

Pensioner and Carers Concession

Under the NT Pensioner and Carer's Concession Scheme eligible rate payers may receive a rebate on their annual rates and charges if they reside on the property subject of the claim. Concessions on Council rates and charges for persons eligible for a concession under the NT Pensioner and Carers Concession Scheme will be applied in accordance with the conditions set by the Office of Children and Families.

Where a person eligible for a concession has not received a rebate on their rates and charges, due to Office of Children and Families not advising Council of their eligibility for the concession, the rate payer should contact the Office of Children and Families.

Interest on Unpaid Rates

If rates are not paid by the due date, interest accrues daily on the amount of the unpaid rates at the relevant interest rate; currently 18% per annum until the date payment is made in full.

Reduction of Interest

In cases where a ratepayer has accrued small amounts of interest up to \$20.00 on their accounts and can show that there were extenuating circumstances beyond their control in relation to the interest debt, the CEO may reduce or write off the debt on a case by case basis. The CEO will report all instances to the Council.

Annual Garbage Charges

There are 4 categories of annual waste management charges in the shire:

1. Domestic

All premises within the Wards of Batchelor Town and Adelaide River Town, the service is a kerbside collection service of one garbage collection visit per week with a maximum of one 240 litre mobile bin per garbage collection. Additional bins are available at the relevant charge.

2. Commercial

All commercial premises within the Wards of Batchelor Town and Adelaide River Town, the service is a kerbside collection service of two garbage collection visits per week with a maximum of one 240 litre mobile bin per garbage collection. In relation to commercial premises the garbage service shall consist of two clearances per week by the number of 240 litre bins registered in Council's records to be emptied from those premises. Additional bins are available at the relevant charge.

3. Commercial

In relation to all commercial premises within the shire that utilise 660L garbage bins the service is a kerbside collection service of two garbage collection visits per week with a maximum of one 660 litre mobile bin per garbage collection. Additional bins are available at the relevant charge.

4. Rural and Vacant land

In relation to all properties in the Wards of Coomalie/Tortilla, Adelaide River Rural, Lake Bennett, Batchelor Rural, Batchelor Town and Adelaide River Town the annual waste management charge shall be set by Council and multiplied by the number of separate residential parts or units that are adopted for separate occupation or use (pursuant to Section 148 (4) of the *Local Government Act* on each allotment of land or the number 1; whichever is greater.

Vacant land will also be charged at this rate.

Initial Recovery Action

Ratepayers are expected to take responsibility for their Council debt obligations and to organise their affairs in such a way as to be able to discharge these obligations when required. If a ratepayer or debtor cannot meet their obligations on the due dates, it is in the interests of the ratepayer and Council for the ratepayer to contact Council at the earliest opportunity to make appropriate arrangements to address the outstanding rates or debt.

Where this does not occur, the *Local Government Act Part 11.9* provides Councils with powers to recover rates which are levied and unpaid. Remedies available to Council include recovery by court action (*Section 169*) and sale of land (*Division 4*).

Council will forward a reminder letter, twenty-eight (28) days after the close of the twenty-eight (28) day period after rates and charges are due and payable, to all property owners with overdue rates, except property owners where arrangements have already been negotiated and are not in default. The reminder letter will give the ratepayer fourteen (14) days to either pay the outstanding amount (including any interest which has accrued prior to the payment date) in full or to negotiate an instalment arrangement to pay the amount.

For those rates debts which remain unpaid for greater than twenty-eight (28) days after the first reminder letter is issued, a second reminder letter will be issued requiring payment of all outstanding balances or legal action may commence.

1. **First reminder letter** sent 28 days after the close of the 28 days after rates are due (**October**) - 14 days to pay or make alternative arrangements.
2. **Second reminder letter** sent 28 days after first reminder letter is due (**December**) - payment of all outstanding balances required or legal action may commence.
3. **Letter of demand issued in January for all outstanding balances that have not entered into alternative arrangements as approved by the CEO.**
4. After rates have been in **arrears for at least 6 months** Council **may** apply to the appropriate registration authority (Land Titles Office) for registration of the charge over the land for which the charge relates Sec 171(1) *Local Government Act*.

Legal Action

For accounts where the amount remains outstanding for twenty-eight (28) days after the second reminder letter has been sent, the debt will be referred to the Chief Executive Officer to authorise recovery action in January. The method of recovery action taken will be that which is considered by the CEO to be most beneficial to Council. Such actions may include referral to a Debt Collection Agency, recovery through Small Claims or Magistrates Court proceedings.

The size and nature of the debt will be taken into account in selecting the most appropriate means of recovery.

Once legal action has commenced, payment of the debt in full is deemed to include, in addition to the original debt, all interest charges payable plus any legal costs incurred to date by Council in pursuing the debt.

After rates have been in arrears for at least 6 months Council may apply to the appropriate registration authority (Land Titles Office) for registration of the charge over the land for which the charge relates Sec 171(1) *Local Government Act*.

Alternative Arrangements

Council at the discretion of the CEO accept a composition of other arrangements for unpaid rates on a case by case basis.

The CEO may accept applications for payment of rates by instalments from property owners based on their merits. Payment instalment plans should have the effect of liquidating the debt by no later than the end of the current financial year.

Interest will continue to be charged on overdue rates which are subject to an instalment payment plan. No premium will be charged for the payment of rates by instalments under such arrangements.

Sale of Land for Rate Arrears

Where a rate remains unpaid for three years or more and an overriding statutory charge securing liability for the rates has been registered for at least the last 6 months and no arrangements to pay exist (or exist and are in default), Council will commence proceedings to sell the property subject to and by virtue of its powers under Section 173 of the *Local Government Act* following the tabling of a report to Council for a resolution to initiate sale proceedings.

Procedure for the Recovery of Rates and Charges

1. Print rates balance report from Lynx
2. Determine if a payment instalment plan exists and is being honoured
3. Identify periods of arrears for properties i.e. more than 6 months, 1, 2 or 3 years outstanding
4. Council to send letters of demand to all properties in arrears for at least 3 months
5. Council to prepare and register statutory charges on properties in arrears for at least 6 months

Arrears for 3 years or more – ensure Statutory Charge registered on the land for at least six months and exercise power to sell