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RELATED LEGISLATION:	Local Government Act 1989
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Signed by Chief Executive Officer

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**This document is available in alternative formats (e.g. larger font) if requested.**

## 1 PURPOSE

This policy sets the principles for Loddon Shire Council to levy and collect rates due on properties in the Shire.

## 2 SCOPE

This policy applies to Councillors and Council staff involved in the determination and collection of rates.

## 3 POLICY

Council will levy and collect rates due on properties in the municipality in a correct and appropriate manner and will take prompt action against ratepayers in arrears.

### 3.1 Rating strategy

Council's rating strategy is defined each year within the annual budget. It outlines classifications for land within the municipality and the applicable rate in the dollar charge to be calculated against each property's capital improved value. It also outlines the standard municipal charge to be applied to properties and garbage and recycling charges for standard and commercial properties.

From 2013/14 Council will apply the Fire Services Property Levy to rates notices, and will collect the levy on behalf of the State Government.

From 2016/17 Council must adhere to requirements under the Local Government Amendment (Fair Go Rates) Act 2015, which will limit annual rate increases to a defined rate cap, unless an application to the variation to the rate cap is submitted to the Minister, and the submission is successful.

#### 3.1.1 Rebates

Ratepayers who hold a full pension card are eligible to apply for a pension rebate concession on their rates and charges, up to a maximum of 50% of the balance of the current year's rates and charges or the predetermined capped amount, as advised by the Department of Human Services to Council.

If the state or federal government instigates new legislation that will enable other rebates to be applied to Council rates (e.g. Exceptional Circumstances Rebate for Drought Relief), Council will administer rate rebates in accordance with guidelines provided by the delegated authority.

### 3.2 Interest

Council is required to administer interest charges on overdue rate payments. The rate of interest determined by the Governor in Council in accordance with Section 172(2A) and 227A(3) is the rate set by Council for the purpose of Section 172(2) and 227(A)(1) of the Local Government Act 1989. The Department of Justice will advise councils of the annual interest rate to be charged on overdue rates by the end of each financial year.

### 3.3 Payment of rates

Council rate notices will be distributed prior to the first week of September each financial year.

Council will provide ratepayers with the option of paying rates as a lump sum or quarterly instalment, in accordance with the Local Government Act 1989. Payment of rate notices will fall due on the following dates:

<b>Paying as:</b>	<b>Payment is required the first business day on or after:</b>			
Lump sum	15 February			
Quarterly instalments	First:	30 September	Third:	28 February
	Second:	30 November	Final:	31 May

### 3.4 Reminder notices

In addition to the distribution of the original rates notice, Council will undertake the proactive measure of distributing a reminder notices to ratepayers. Ratepayers who have opted to pay via instalments will receive a reminder a month prior to the second, third and final instalment due dates.

Ratepayers who have opted to pay via a single lump sum will receive a reminder notice during the middle of January each year.

A reminder notice is not an enforceable invoice. It will be distributed with the purpose of providing ratepayers with a reminder of the payment due date.

### 3.5 Final notices

Ratepayers who have an outstanding amount on their property after the due date will receive a final notice letter.

This letter will include a notice that interest has been raised on the property, and will continue to be raised until payment of rates in full.

It also notifies the ratepayer that in order to avoid further debt collection action they must either:

- make payment of rates in full; or
- enter into a formal payment arrangement with Council.

The Chief Executive Officer is directed and authorised to institute legal proceedings to recover rates on all properties including property sales and other legal remedies to ensure urgent reduction in rate arrears.

### 3.6 Rate deferral

Refer to Council's Hardship Policy for details on rate deferral application.

### 3.7 Debt collection services

Council will engage a debt collector to assist with the collection of outstanding rates in situations where the ratepayer is unable or unwilling to enter into a payment arrangement with Council and has fallen behind in the payment of rates.

The debt collector will:

- monitor payments that are made for rate arrears
- coordinate the distribution of final notices on behalf of Council
- provide Council with updates on referrals
- provide Council with a monthly report of referrals
- administer any legal action on behalf of Council.

### **3.8 Rent orders**

Council may implement a rent order to assist with the collection of rates where the owner of a property has failed to comply with the timeframes in a final notice. Rent orders are applicable to properties that receive rental income from a tenant, and enable the Council to collect the rental income paid by the tenant to assist with reducing the rate arrears balance owed by the property owner.

Any charges that are incurred as part of the implementation of a rent order will be added to the property's outstanding debt.

### **3.9 Recovery of rates through sale of property**

Council may sell a property for the recovery of rates in accordance with Section 181 of the Local Government Act 1989. The criteria used to qualify a property for sale via rate recovery are:

- any amount due in relation to the property (rates or charges, enforcement costs or interest) is more than 3 years overdue
- no current arrangement exists for the payment of the amount to Council or its debt collector
- Council has a Court Order requiring the payment of all or part of the amount
- Council has approved the sale of the property for rate recovery purposes.

### **3.10 Exceptional circumstances**

Notwithstanding, cases involving exceptional circumstances shall be brought to the attention of Council. Refer to Council's Hardship Policy for more information.

### **3.11 Payment arrangements**

Council understands that situations will arise where a ratepayer is unable to adhere to the timely payment of their rates. The Chief Executive Officer is authorised to reach agreement with persons on compassionate grounds for payment of rates. Interest will continue to accrue on all amounts outstanding and the schedule will ensure that the amounts to be paid will be sufficient to clear the debt, including interest, before the following year rates are due.

The individual can instigate this process in writing, via phone or in person.

Conditions of payment arrangements will be negotiated on a case by case basis. Rates staff will be delegated authority to negotiate payment arrangements, however, complex situations will be referred and authorised by Council's Financial Accountant or Manager Financial Services.

### **3.12 Exemption or waiver of rates**

Council will not waiver or exempt any properties from payment of rates, other than those properties defined as “not-rateable”, such as properties owned by public authorities, government organisations or Council.

This also applies to properties which have an environment covenant placed on the title. Please refer to the Rateable Properties with Environment Covenants Policy.

### **3.13 Incorrect rate/charge**

If a ratepayer believes that a rate or charge has been incorrectly raised on a property, the ratepayer must provide documentation (if available) to Council in order to establish that this rate/charge is incorrect. If the charge has been raised continuously for a number of years and is proven to be incorrect, Council will refund up to three years retrospectively.

### **3.14 Classification**

The classification of a property may be reassessed on sale of that property where the use of the land has changed.

## **4 HUMAN RIGHTS STATEMENT**

It is considered that this policy does not impact negatively on any rights identified in the Charter of Human Rights Act. Loddon Shire Council is committed to consultation and cooperation between management and employees. The Council will formally involve elected employee Health and Safety Representatives in any workplace change that may affect the health and safety of any of its employees.

## **5 REVIEW**

The Director Corporate Services will review this policy for any necessary amendments no later than 3 years after adoption of this current version.