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| Policy Name | Rates Management |
| Policy Type | Finance |
| Policy Number | FIN18 |
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Policy Number **FIN18**
Policy Name **Rates Management**

SUMMARY

Note: The following policy outlines administrative procedures covering rate management including options available to Council should rates become seriously outstanding. This policy should be read in conjunction with Policy FIN19 – Rating Principles, which outlines background principles behind local government rating.

The authority for rating by Local Governments is found in the *Local Government Act* which states:

“Rateable Land

*All land within a local government area is **rateable** unless it is:*

- *Conditionally rateable for which there is no approved rating proposal currently in force; or*
- *Exempt land.”*

Rates are a traditional source of revenue for local government and generally represent the land owners to services received. They are also considered a form of taxation contributed to by land owners for the work of the local government.

This policy outlines expectations of the West Daly Regional Council regarding:

- Setting rate levels;
- Rate concessions;
- Conditionally rateable land proposals;
- Recovery of overdue rates; and
- Writing off rate debts.

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POLICY STATEMENT

Setting Rate Levels

Rates and service charges will be reviewed annually and determine for each financial year at the last meeting prior to 31st July of that year. In setting rates, Council will consider both the CPI (Consumer Price Index) of LGCI (Local Government Cost Indexing) which is provided by the Local Government Association of NT annually, and any major increase in costs to Council such as utility charges.

Unless otherwise resolved by Council, annual rating shall be based on a valuation based charge calculated as a proportion of the assessed unimproved capital value of each allotment to provide an overall approved level of revenue.

Council will make allowances for payment of rates by quarterly instalments but, unless otherwise determined, no discount will be offered for payment of rates and services in full.

In accordance with the Local Government Act, rates will not be imposed on Commonwealth Government land unless there is an agreement for rates with the ownership agency, an Aboriginal Community Living area Association unless the land has been leased out or is occupied by a person or association not being the Aboriginal Community Living Area Association and Land owned by a Land Trust.

Rate Concessions

Ratepayers wishing to seek rate concession on the basis of financial or personal hardship should state their case in writing to Council to consider. Such applications should be assessed by relevant senior staff and appropriate recommendations made for Council's consideration at its next ordinary meeting. Council is under no obligation to grant concessions or enter into a payment agreement unless it so resolves.

If a payment arrangement is made with a ratepayer and the agreed conditions are not fulfilled by that ratepayer within seven (7) days when originally due without acceptable reason, Council will regard the arrangement as void and the original conditions of level of rates and due dates for payment including accrued interest will apply.

Conditionally Rateable Land Proposals

Rating proposals for rating of conditionally rateable land shall be approved at a Council meeting prior to February of the year for which rates are being considered.

Rating proposals for conditionally rateable land will contain the information outlined in Ministerial Guidelines.

Recovery of Overdue Rates

Council will issue a statement of outstanding rates and interest accruing as at the completion of each instalment round. The statement is to be accompanied by a notice indicating that default interest is now being applied and, that if rates remain outstanding at the date the second instalment is due, that Council may take action to recover the debt.

If a rate debt to Council remains outstanding by the end of each rateable period, Council will take action to lodge a statutory charge over the land in accordance with the *Local Government Act*.

Any legal and other lodgement or cancellation fees for lodgement and cancellation of a statutory charge are to be charged to the rate payer.

If rates on a property remain in arrears at least three (3) years, Council will take action to sell the property for recovery of any outstanding rates and service charges plus legal and selling expenses in accordance with the *Local Government Act*.

Writing off Rate Debts

As per council policy FIN07, all debt write off action must be a resolution of Council.

TERMINOLOGY AND REFERENCES

DEFINITIONS

Commonwealth Land – is land owned by the Commonwealth Government and is only rateable if the Commonwealth Government agrees and in that event on conditions agreed to by the Commonwealth.

Conditionally Rateable Land – is land held under a pastoral lease and land occupied under a mining tenement (*Local Government Act*).

Exempt land – is those categories of land which are outlined in the *Local Government Act*.

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Mining Tenement – is land on which there is a statutory lease or authority authorising the commercial production of minerals, petroleum or natural gas. For rating purposes, this means that rates can only be levied on operations mines or areas where commercial interests exist. It does not refer to land which is simply under geological exploration ie: prospecting (*Local Government Act*).

Rate Concession – applies to any specific concession on whole or part of rates resolved by Council where imposition of normal rates would cause financial hardship. Council has authority to apply concessions to alleviate financial hardship (refer to *Local Government Act*).

Rating proposal – for conditionally rateable land is a proposal by Council under of the Act for a level of rating for the forthcoming financial year.

Relevant Interest Rate – is a rate of interest fixed by the Council to apply to rates not paid by the specified date. If a ratepayer defaults in payment, all remaining instalments become due and payable. Interest therefore accrues on the total amount of the unpaid rates and not merely the amount of the instalment (*Local Government Act*).

Unimproved Capital Value – is the assessed value of land which an average buyer might pay. It is the value of the land only and any capital improvements are ignored. The assessor is the Valuer-General's office.

REFERENCES

Local Government Act

Local Government (Accounting) Regulations

FURTHER INFORMATION:

Chief Executive Officer

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