2/004 RATING POLICY

Objective

This policy will provide an administrative framework to outline the principles and methodology used in respect to rates raised and waived under the Local Government Act 1995.

In setting rates, Council considers the long term vision for the Town, financial sustainability and the likely impacts on the community.

Content

As part of its budgetary process, the Town will establish its forecast budget deficit with Council determining the amount of rates to cover this shortfall, to meet the Town's financial, operational and statutory responsibilities for the coming financial year

Rating revenue requirements are imposed as a rate in the dollar charge, applied to rateable property valuations as independently determined by the Valuer-General.

Rates and associated charges (including instalment arrangements and interest charges) are disclosed in the Annual Budget as resolved by Council and prescribed by the *Local Government Act 1995* (as amended).

Differential General Rating

Differential rating allows a local government to rate on the basis of land use, zoning or a combination of both. The rate is expressed as a rate per dollar of valuation.

Minimum General Rating

The minimum amount payable of a general rate or differential general rate is determined by Council, irrespective of valuation. This classification is to ensure all ratepayers make a minimum contribution for all non-exclusive services.

Specified Area Rate

A specified area rate can be set to meet the cost of undertaking specific work in an area or for providing a service or facility for ratepayers in a specific area that have benefited or will benefit from these works. Options to set this class of rates are considered when developing the rates strategy.

Interim Rates

Interim valuations shall only be applied where additional levies of at least $100.00 result in the year in which the new valuation takes effect. Where additional levies of less than $100.00 would otherwise result, the interim valuation is to be applied from 1 July in the next financial year.
When a subdivision or strata title has occurred resulting in the creation of new assessments, receipt credits resulting from a valuation adjustment will be transferred to the new assessments.

Rating of Council Facility Leases

All Council lease agreements shall be subject to the application of municipal rates as per the conditions included within the lease agreement.

Rates Concession (Rateable Land)

All rate concessions will be considered by Council during the budget process.

A concession under this policy will be assessed in accordance with section 6.47 of the *Local Government Act 1995*.

All applications for concession under s6.47 of the *Local Government Act 1995* must be in writing on the prescribed form and contain a declaration as to the accuracy of the information contained therein.

An application will be required to be lodged every year prior to 31 March and is to be assessed in accordance with this policy.

Council may request additional information from an organisation making an application if it considers it necessary to do so. Information requested is not limited to, but typically include:

- Copies of the Constitution of the organisation
- Recent financial statements of the organisation
- Information demonstrating precisely how land subject to the application is used.

Council is only able to grant a concession from rates under section 6.47.

It is the policy of the Town of Port Hedland that any concession of rates in respect of any rateable land in the Council area will be available only when the applicant satisfies the requirements of this Policy.

Rates concessions will only be provided to community groups or associations that operate as a body corporate or an Incorporated Association or at the discretion of Council in extraordinary circumstances. Concessions will not be provided to an individual. The Town of Port Hedland will determine what is of benefit to the community for the purpose of this policy.

Rates concessions for residential properties not used in the primary service delivery of the community group or association's activities or services will not be eligible for a concession.

The concession amounts range from 50% to 100% of the rates that are payable. Whether a concession is granted in response to an application or, if a concession is granted, the percentage of the rates that may be waived, is entirely at the discretion of Council and the granting of a concession in any year, will not guarantee that any future concessions will be granted.

Rates Exemption (Non Rateable Land)

An exemption under this policy will be assessed in accordance with section 6.26 of the *Local Government Act 1995*.

As per the *Local Government Act 1995*, charitable status of any organisation, must be applied for by an organisation prior to the status being evaluated and recognised by the Australian Charities and Not for Profits Commission.

All applications for exemption under s6.26 of the *Local Government Act 1995* must be in writing on the prescribed form and contain a declaration as to the accuracy of the information contained therein.

An application will be required to be lodged every year prior to March 31 and is to be assessed in accordance with this policy.

Council may request additional information from an organisation making an application if it considers it necessary to do so. Information requested is not limited to, but typically include copies of the Constitution of the organisation, recent financial statements of the organisation and information demonstrating precisely how land subject to the application is used. Council is only able to grant an exemption from rates under section 6.26.

Late applications submitted after the due date may be reviewed and adopted by Council under exceptional circumstances.

Non Rated Land

Non Rated land will be determined based on law, by way of Act or Agreement, during the budget process, or by the Chief Executive Officer (by way of application). Council is to be advised of any change in the status of Non Rated Land, with two (2) months of the change occurring.

Back Rating of Properties

Where a property settlement has occurred and the vendor and purchaser are not aware that a valuation adjustment is pending (advice has not been given to the Agent or the owner that a revaluation/interim rate is pending), back rates raised shall only be backdated to the date of settlement, thus not affecting the previous owners.

Those ratepayers subjected to back rates of more than two financial years can request the option to pay by instalments over an extended period, other than the standard instalment option.

The fee for instalments would not apply in this instance however penalty interest would be calculated on any alternative instalment payment that remains unpaid after the due date as per the agreement made with Council, and continue to accrue until such time as the instalment is paid.

State Agreements

State Agreements have a rate exemption clause.

State Agreements are considered a high risk to rely on from a long term financial perspective.

A nominated amount of funds is held within the Financial Risk Reserve to Mitigate this risk. A percentage of the rate revenue raised in any one year that is directly dependent on State Government Policy, excluding mining tenements, should be held in the Financial Risk Reserve until the following financial year to mitigate risks.

Payment of Rates

The Town levies rates once a year and issues an annual rates notice to all ratepayers. Rates are levied as early as possible in each financial year and are typically due for payment in the following months each year if instalment options are chosen:

- September
- November
- February
- May

In the event that rates are levied earlier or later, due dates for payment shall be set in accordance with section 6.50 of the *Local Government Act 1995.*

Objection Rights

Pursuant to section 6.76 of the Local Government Act, a person may object to a rates notice on the following grounds:

- There is an error in the rate notice in relation to the identity of the land owner or the part of the land to be rated; or
- If the Town imposes a differential general rate, that the characteristics of the land recorded in the rate record as the basis for imposing that rate should be deleted and other characteristics substituted.

An objection is to be made to the Town in writing within 42 days of the service of a rate notice under section 6.41.

Pursuant to section 32 of the *Valuation of Land Act 1978*, a person may object to the valuation on which their rates assessment was based. An objection to the valuation of land is to be directed to the Valuer-General at Landgate and is to be made in writing within 60 days of service of the rates notice under section 6.41.

Governance to complete this section			
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