

FIN008 – Rating Policy

1. POLICY CERTIFICATION

Policy title:	Rating Policy
Policy number:	FIN008
Category:	Policy
Classification:	Finance
Status:	Approved

2. Purpose

To establish a policy for the determination and recovery of rates and charges levied which seeks to the greatest extent practicable to achieve fair and consistent treatment of all ratepayers.

The policy supports and is in accordance with the Northern Territory's Local Government Act 2008 and all subsequent amendments. This policy has been developed to detail, clarify and support the rating provisions in the legislation. If in the event the policy contradicts any part of the legislation, it is the legislative requirements that will prevail.

3. ORGANISATIONAL SCOPE

This policy applies to all ratepayers, unless otherwise specified, who have their properties located within Roper Gulf Regional Council boundaries.

4. POLICY STATEMENT

The Council intends to raise, for general purposes by way of rates which will be raised by the application of:

- Differential valuation-based charges (“differential rates”)
- Differential rates with differential minimum amounts being payable in application of each of those differential rates.
- A fixed charge (“flat rates”).
- Flat rates for different classes of allotments within the Council area.

Roper Gulf Regional Council applies a combination of flat rates and differential rating pursuant to Chapter 11 of the *Local Government Act 2008*. The application of the rating method is primarily applied as determined by the type of property, the land-use and the location within the Region. Rates for each allotment within the Council area are set using the methodology set out in the rates declaration. The Council will approve an annual Rates Declaration.

The Council will determine the property type and the applicable rating category and may change this category based on the information supplied to the Council at the time of issue of Rates Notice. The information may be supplied via a variety of sources including observation of use. The new property type will be reflected on the Rates Notice and no further notification regarding the change of property type will be given to the ratepayer. The ratepayer can submit an application to change the property type and rating category as per section 6.4 of this policy. The rate payer also has the right to appeal on the Roper Gulf Regional Council's decision to change a property type and rating category.

5. DETERMINATION AND DEFINITIONS

Categorisation of land	The land in a local government area is divided into 3 basic categories s 142(1): (a) rateable land; and (b) conditionally rateable land; and (c) land (exempt land) that is exempt from rates.
“commercial and industrial activity”	Means those activities that are carried out by individuals, partnerships, associations and corporations for the purposes of generating revenue for profit. These can be carried at home or at a proposed business address. Revenue is not the medium to determine the classification but it is the land use that will determine if property is residential or commercial. In the case of partial usage of land i.e for both residential and commercial, the greater rates for the category would be applicable. (Irrespective of the revenue generated, being \$1 or 1 million).
Conditionally rateable land	Is defined in s142 of Local Government Act as: (a) land held under a pastoral lease; (b) land occupied under a mining tenement; (c) other land that is classified under the regulations as conditionally rateable.
“government activity”	Means those activities that are carried out by employees of the Australia or Northern Territory Governments for the purpose of providing support to the residents of the townships and communities within the Council area as identified in paragraph 5 above.
“garbage collection service”	The “garbage collection service” comprises a collection service of one garbage collection visit per week with a maximum of one 240 litre mobile bin per garbage collection visit. The total garbage collection service charge for an allotment is the: Total Garbage Service Charge = garbage collection service charge x #bins assigned x #assigned collection services The number of assigned collection services and the standard number of bins assigned are dependent upon the community.
Land use	The purpose for which the land is being used. The categorical use of the land for which the property type is defined.
LGA	<i>Local Government Act 2008</i>
Property type	Is defined by the properties land use being Residential, Commercial, Horticultural / agricultural / rural living, Vacant Land.
Property location	The physical location of the property and the community/town boundaries in which the property exists.

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“residential dwelling”	Means a dwelling house, flat or other substantially self contained residential unit or building on residential land and includes a unit within the meaning of the Unit Titles Act .
“residential land”	Means land used or capable of being used for residential purposes (includes land on which there is no residential dwelling).
Vacant Land	Residential land that does not contain a residential dwelling.

6. PRINCIPLES

6.1 Method of Valuation

Pursuant to Section 149 of the Act, the Council adopts the Unimproved Capital Value (UCV) method as the basis of the assessed value of allotments within the Roper Gulf Region used for pastoral and commercial purposes.

The UCV of each property in the Roper Gulf Regional Council for the purposes of rates is defined as the UCV as determined by the Australian Valuation Office (AVO) at a particular time. The Council will use the most up-to-date UCV determined by the Australian Valuation Office in its Rates Declaration. The Rates Declaration is approved by Council with the specific amounts each year and it is those amounts in the approved Rates Declaration that will be used for appropriate year, irrespective of the release of new UCV values.

6.2 Categorisation of Land

Land is categorised in s142 of the Local Government Act to be a) rateable land; b) conditionally rateable; c) exempt land. The parameters for conditional rated land and exempt land are very explicit in s142 and s143 of the Local Government Act.

If the conditionally rateable land does not have an approved rating proposal in force applicable to the land then that particular land will not be rateable.

6.3 Property Type

The property type is defined by the land use of that land or property.

1. Conditionally rated properties are s142(1):
 - Land held under a pastoral lease (Pastoral Properties)
 - Land occupied under a mining lease
 - Other land that is classified under the regulations as conditionally rateable.
2. Urban Farm Land classification criteria s143(2):
 - Its area is more than 0.8 of a hectare; and
 - It is used by the occupier for carrying on a prescribed business or industry; and
 - The occupier derives a substantial part of the occupier's livelihood from carrying on that business or industry.

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3. Exempt Land
 - Section 144 of the LGA defines the land which is exempt from being a rateable property
 - If an instance occurs in which the land use is for If land is used for 2 or more different purposes, and 1 or more but not all the purposes are exempt, the land is not exempt from rates unless the non-exempt purpose is merely incidental to the exempt purpose.
4. Residential Properties
5. Commercial Properties
6. Rural Properties

Summary of the relationship between Land Category and Rate Classification

Category of Land	Land Use	Rate Classification	Property Types included
Conditionally Rateable	Pastoral	Conditional Rate 1 – Pastoral Lease	Pastoral Lease
	Mining and/ Extraction	Conditional Rate2 – Mining and Extraction Lease	Mining and/ Extraction Lease
Rateable	Residential	Residential 1 Residential 2 Residential 3	Residential Living Residential Living Vacant Land
	Commercial Operation	Commercial 1 Commercial 2	Any business operating on the allotment; industrial operations; Government operations not exempt
	Rural, Agricultural, Horticulture	Rural Rate 1 Rural Rate 2	Rural Land <200ha Rural Land >200ha
	Other	Other Rate	Urban Farm Land
Exempt	Non-commercial	Exempt	Various as defined in s144

6.4 Process for the Change of Property Details

A request to make a change to the Property Type **must be made by the ratepayer** to the Council by way of submission of the Form **105-003 Application for Change of Property Details** or equivalent notification which contains the following information:

- I. Lot Number of the property
- II. Address of Property
- III. Community/Town
- IV. IV Name of Ratepayer
- V. Proof of Land Use

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If a request to change the use of land in respect to a rateable property is received by Council, the rates officer will, within 7 days, prepare a report for the consideration of the Director of Corporate Governance. The Director of Corporate Governance will review the report and within 7 days make a determination in respect to the classification of the use of the land. The determination will be communicated to the ratepayer if the change has been requested by the ratepayer.

The Council will determine the property type and the applicable rating category and may change this category based on the information supplied to the Council at the time of issue of Rates Notice. The information may be supplied via a variety of sources including observation of use. The new property type will be reflected on the Rates Notice and no further notification regarding the change of property type will be given to the ratepayer. The ratepayer can submit an application to change the property type and rating category as per section 6.4 of this policy. The rate payer also has the right to appeal the Roper Gulf Regional Council's decision to change a property type and rating category according to section 6.16 of this policy and sections 232-240 of the LGA.

6.5 Payment by Installment (s161 LGA)

Roper Gulf Regional Council levies rates once a year and allows payment of rates to be made in two installments. The first installment is to be paid on or before 30 September of each year and second installment is to be paid within four months of the due date issued on the rates notice.

6.6 Overpayment of Rates

The Council is obligated to refund balances that are in credit as a result of an overpayment of rates.

6.7 Change of Information and Details (s 153 LGA)

It is a ratepayers responsibility to notify the Council of any changes to the assessment records. Changes include change of postal address of the ratepayer/owner, change of ownership, and change of other contact details. Notice must be given in writing within 28 days of the change.

6.8 Sale of Land for Non-Payment of Rates (s173 LGA)

The Local Government Act provides that a Council may sell any property where the rates are in arrears. Section 173 *Power to sell land for non-payment of rates* states that "If rates have been in arrears for at least 3 years, an overriding statutory charge securing liability for the rates has been registered for at least the last 6 months; the council may sell the land."

6.9 Late Payment of Rates (s 162 LGA)

If rates are not paid by the due date, interest accrues on the amount of the unpaid rates at the rate of 18%. (*As published in the Rates Declaration*).

Interest is calculated on a daily basis on the amount in default (exclusive of interest) from the due date until the date of payment s.162.

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6.10 Concession due to Hardship (s 165 LGA)

A council may grant a rate concession to alleviate financial hardship. A rate concession may be granted on application by a person who establishes to the council's satisfaction that the person will suffer financial hardship if the concession is not granted s.165.

6.11 Rates Declaration (s 155 LGA)

A rates declaration for the rating year must be declared by the Council prior to 31 July in the rating year. The declaration may incorporate the approved Conditional Rates and must state the General Rates for the particular rating year.

The declaration must state:

- (a) the amount to be raised for general purposes and, if an amount is to be raised for a special purpose, the amount to be raised for the special purpose; and
- (b) the basis or bases of the rates; and
- (c) if the rates are to be payable in instalments – the number of instalments and when they will be payable.

6.12 Waste Management Charges

For all town or community properties, or those receiving waste management services from or on behalf of Roper Gulf Regional Council, a flat charge per bin per annum per property in respect of the garbage collection service provided, multiplied by the number of standard rubbish bins at the property and by the number of services per week. Please refer to Waste Collection Policy on the website for further information.

All other service charges and fees are scheduled in the Roper Gulf Regional Council Fees and Charges Schedule.

The service charges are not a rate but rather a fee for service provided. Hence they are not waived even if a ratepayers rates are waived for a particular year in accordance with s162 and s165 of the Local Government Act.

6.13 Special Rates

Animal Health Management: With respect to every allotment of rateable land within the localities of Barunga, Beswick, Bulman, Jilkminggan, Eva Valley, Ngukurr, Numbulwar, Weemol that is used for residential purposes in the council assessment record, and for which the rural classification is not applicable, Council declared a Special rate "Animal Health Management" to assist with the implementation of animal management in the area.

Council will deliver the following services under the Animal Health Management Program for:

- Dogs
 - Ivomec Injections
 - Tick Sprays
 - Contraceptive Injections

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- Vaccinations
- Speys
- Castrates
- Euthanasias

Local Authorities were consulted as to whether the Vet services were valued. Borroloola and Mataranka Local Authorities determined they did not want the service or have the special fee applied in their town, stating that pet owners should be responsible for their pets health and that the By-Laws would provide the control and management of dogs and other animals. All other remote housing areas such as Borroloola town camps and Outstations of Jodetluk, Werenbun and Mulgan camp may access the program for a fee for service.

6.14 Equal Rates for Property Types

Roper Gulf Regional Council is looking to standardise all rates for residential and commercial properties in the Council region over the next 5 years. By 2020-21, the aim is to equalise the rates within Council's jurisdiction for each category. Below is the five year projection of the rates for all the rates classifications:

RATE CLASSES	2016-17 \$	2017-18 \$	2018-19 \$	2019-20 \$	2020-21 \$	2021-22 \$
Standard residential	838.01	970.41	1,102.81	1,235.21	1,367.60	1,500.00
Standard commercial	992.82	1,134.25	1,275.69	1,417.13	1,558.56	1,700.00
Borroloola Mataranka residential	678.71	842.97	1,007.23	1,171.48	1,335.74	1,500.00
Borroloola Mataranka commercial	898.27	1,058.62	1,218.96	1,379.31	1,539.65	1,700.00
Vacant land	678.71	842.97	1,007.23	1,171.48	1,335.74	1,500.00
Rural living agricultural, horticultural >200 hectares	778.35	922.68	1,067.01	1,211.34	1,355.67	1,500.00
Rural living agricultural, horticultural <200 hectares	701.20	860.96	1,020.72	1,180.48	1,340.24	1,500.00

Note: Total rates revenue projections are conservative estimates only. Additional rates and charges will be levied on railway corridor properties.

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6.15 Provisions

In order to ensure all ratepayers meet their obligations to pay the rates and charges levied, Council will apply the following procedures to recover any overdue rate:

6.15.1 Commencement of debt collection

(First) reminder letter will be issued to all ratepayers with an overdue account after 45 days on non payment of the instalment. The (First) reminder letter will advise the ratepayer of the amount overdue, details of interest accumulating on the amount and a prompt payment within 14 days or to contact Council to enter into an arrangement. All matters which are referred to Council meetings will continue to accrue interest unless specified by Council.

Where no response is received within 14 days of first letter, a second letter/final notice will be issued to those ratepayers who still have an overdue rate. The letter is to advise ratepayers of the amount overdue, details of interest accumulating on the amount and that if payment is not received in full or an arrangement made with Council within 14 days, the Council would refer the default ratepayer to the collection agent.

Where no response has been received, outstanding debt will be forwarded to Council's debt collection agent.

6.15.2 Intention to Sell

Please refer to Section 173 and 174 of the Local Government Act.

The Council, under Section 173 of the Local Government Act, may sell the land on which the rate was levied. However, Council may not sell the land if the liability of the owner of the land to pay the overdue rate is the subject of a proceeding pending in a court. A decision to sell the land may only be made by resolution.

A report on properties listed in the 'Intention to sell land for rates arrears' category, must be referred to a Council meeting for a decision. Once Council has resolved to sell land for arrears of rates, Council must give notice to the owner of the land, each encumbrance, lessee or trustee which has given written notice to the Council of the person's interest in the land.

The Council, as soon as practicable after deciding to sell land under Section 174 of the Local Government Act, must provide the notice of intention to sell the land and the provisions by writing to the owner of the land, each encumbrance, lessee or trustee who which has given written notice to the Council of the person's interest in the land.

The Council must start the procedures for selling land within the required period after the notice of intention to sell, unless the amount of all overdue rates on the land has been paid upon. Council's required period is 2 **months** from the date of the notice.

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The Council may only end, and must end, procedures for selling the land if the amount of all overdue rates levied on the land, and all expenses incurred by it for the intended sale, are paid upon.

Once the required period of **2 months** has lapsed, a further report is to go to a Council meeting for consent to the time and place of the proposed auction and the recommendation on who shall hold the auction and the reserve prices.

The Council must prepare a notice containing the time and place of the proposed auction and a full description of the land which must be sent to the land owner and each encumbrance, lessee and trustee who has given written notice to the local government of the person’s interest in the land.

At least **7** days but not more than **14** days before the day of the proposed auction, the Council must –

- advertise the notice in the local newspaper;
- attach a copy of the notice to a conspicuous part of the land;
- provide a copy to the owner of the land and each encumbrance, lessee or trustee who has given written notice to the local government of the person’s interest in the land;
- provide a copy in a conspicuous place at its public office; this notice may be kept on display until the day of the auction.

6.16 Writing off debts

Section 27 of the LGA Regulations states that Council may write off unpaid rates by way of Council resolution. S 27(2) explicitly states that “a resolution is not to be passed by a council unless the CEO certifies in writing:

- (a) if the debt is for rates – that there is some doubt whether the rates were properly imposed, or are recoverable at law, or it would be impracticable or uneconomical to recover the rates”

6.17 Appeal

If a dispute is not resolved between the Council and ratepayer directly, the ratepayer has the right to appeal to the Local Government Tribunal as per Local Government Act

Sections 232 to 240. In the appeal, the ratepayer would have to demonstrate as to why the decision made by Council is not correct. The appeal will be considered by Council. If the appellant is not successful, the use of land will remain unchanged and the Rates Declaration issued will stand. If the appeal is successful, the use of land will be changed and a new Rates Declaration will be issued in respect to the property. Section 154 of the Local Government Act provides for the correction of rates assessments.

7. RELATED DOCUMENTS

Other Documents	Form 105-003 Application for Change of Property Type
Related Policies	Rates Declaration
Related Publications	

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8. DOCUMENT CONTROL

Policy number	FIN008
Policy Owner	Finance Manager
InfoXpert Doc ID	670857
Endorsed by	Ordinary Meeting of Council
Date approved	May 2013
Revisions	September 2016
Amendments	August 2016 – Updated 5 year vision table and inclusion of the Special Rate - Animal Health Management
Next revision due	September 2018

9. CONTACT PERSON

Position	Manager Governance and Corporate Planning
Contact number	89 729 000