

	POLICY NUMBER:	P27
	<b>RATES AND CHARGES POLICY</b>	
	CATEGORY:	COUNCIL POLICY
	SP CLASSIFICATION:	FINANCE
	LG ACT 2019 REF:	Chapter 11
	RESPONSIBLE OFFICER:	CHIEF EXECUTIVE OFFICER

## 1. PURPOSE

The purpose of this Policy is to set out Council's approach to rating and the application of charges, and the recovery of monies owing to it in a timely and efficient manner.

## 2. SCOPE

This Policy applies to all rateable properties within the Wagait Shire.

## 3. DEFINITIONS

For the purposes of this policy, the following definitions apply:

Term	Definition
The Act	<i>Local Government Act 2019 (NT)</i>
The Regulations	<i>Local Government (Accounting) Regulations (NT)</i>

## 4. POLICY

### 4.1 Rating Principles

Rates are a system of taxation and are not reflective of the services, infrastructure or facilities used by any property owner or resident. In general, Council will be guided by the principle of user pays in the making of rates and charges 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.

#### 4.1.2 Levying Rates

In levying rates Council will make clear what is the Council's responsibility in implementing the rating system, making the levying system simple and inexpensive to administer and allow flexible payment arrangements for ratepayers with a lower capacity to pay.

#### 4.1.3 Recovery of Rates

Council will exercise its rate recovery powers in order to reduce the overall rate burden on all ratepayers and it will be guided by the principles of transparency by making clear the obligations of individual ratepayers and the processes used by Council in assisting them to meet their financial obligations.

#### 4.1.4 Chief Executive Officer 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.

## 4.2 Rates and Charges

### 4.2.1 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. Ratepayers may pay the current year's rates by four instalments for the current financial year. Arrears from previous years must be paid in full before a ratepayer is eligible to commence paying by instalments. Instalments are due at 30th September, 30<sup>th</sup> November, 31st January and 31<sup>st</sup> March.

### 4.2.2 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 NT Department of Health. Where a person eligible for a concession has not received a rebate on their rates and charges, due to the NT Department of Health not advising Council of their eligibility for the concession, the ratepayer should contact the NT Department of Health.

### 4.2.3 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.

### 4.2.4 Reduction of Interest

In cases where a rates notice was not received by the ratepayer due to no fault of their own any interest raised during that period may be reduced.

### 4.2.5 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, Part 11.9 of the *Local Government Act (NT)* provides Council with powers to recover rates which are levied and unpaid. Remedies available to Council include recovery by court action and the sale of the land. Council will forward a reminder letter, thirty (30) 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 thirty (30) 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.

#### 4.2.6 Legal Action

For accounts where the amount remains outstanding for thirty (30) days after the second reminder letter has been sent, the debt will be referred to the Chief Executive Officer to authorise recovery action. 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 or 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), pursuant to Section 171(1) of the *Local Government Act*, for registration of the charge over the land for which the charge relates.

#### 4.2.7 Alternative Arrangements

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

- 4.2.7.1 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.

#### 4.2.8 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 may 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.

### 5. ASSOCIATED DOCUMENTS

Wagait Shire Council Long Term Financial Plan

Wagait Shire Council Shire Business Plan

### 6. REFERENCES AND LEGISLATION

*Local Government (Accounting) Regulations* (NT)

*Local Government Act 2019* (NT)

### 7. REVIEW HISTORY

Date Approved: 16/06/2015	Approved By Council Moved: V Pres L Stones Seconded: Cr A Richmond Vote: AIF	Resolution No. 2015/196	Date for review: Next Council Election
Date Approved: 19/11/2019	Approved By Council Moved: Cr N White Seconded: Cr G Drake Vote: AIF	Resolution No. 2019/545	Date for review: Next Term of Council

<b>Date Approved:</b> <b>19/10/2021</b>	<b>Approved By Council</b> <b>Moved: Vice President Tom Dyer</b> <b>Seconded: Cr Noeletta McKenzie</b> <b>Vote: AIF</b>	<b>Resolution No.</b> <b>2021/186</b>	<b>Date for review:</b> <b>Next Term of Council</b>
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