

RATING ~~EQUITY~~ POLICY

Purpose

The purpose of this policy is to ~~provide a number of options available to local government to raise its own source revenue.~~ enable flexibility and choice, appropriate for the needs of the community in the payment of rates and charges established by the City.

Definitions

The **Act** means the *Local Government Act 1995*.

Council Member means a person who is currently serving a term of office as an elected member of the Council in accordance with the Act.

Differential Rates is the rate that is set to each rating category that can be distinguished between land/property based on zoning, use, vacancy, regulations or a combination of these factors.

Policy Statement

~~This policy has been developed within the context of the City of Karratha's Strategic Community Plan and Corporate Business Plan.~~ In setting rates, Council considers the long-term vision for the City, its strategic directions, financial sustainability and the likely impacts on the community. The City of Karratha also recognises that individual financial circumstances differ across the community and that as a government agency, it has a responsibility to meet the communities/community's differing expectations.

In developing a ~~r~~Rating ~~S~~strategy, the City may consider benchmarking its rating methodologies against comparative rating methodologies utilised by other local governments.

Rates are based on property values and under the *Valuation of Land Act 1978*, the Valuer-General must determine the land value and assess ~~annual~~the value of each property. The City has no role in the process of determining the valuations ascribed to individual properties.

All land within the City is rateable except for land specifically exempt under section 6.26 of the ~~Local Government Act 1995~~ and those properties identified under CF13 Rating Exemption Policy.

Council determines the amount of revenue required from rate collection each year to meet its financial, strategic, operational and statutory responsibilities for the coming financial year.

~~Valuations do not determine the rates income of the City and, as a result, the City does not gain windfalls from valuation increases and an increase in property value does not cause a rate rise.~~

1. Principles of Rating

Principles ~~applied~~lying to determination ~~of~~e Rating include:

- (a) Fairness and Equity – ensuring similar properties are rated on the same basis, ~~r~~recognising that the services provided by the City benefit the community as a whole.

- (b) Consistency – making revenue decisions that support the financial strategies for the delivery of infrastructure and services identified in the Strategic Community Plan and underpinned by the Long-Term Financial Plan, and the Strategic Asset Management Plan and individual Asset Management Strategies and Plans.
- (c) Transparency – being open in the processes involved in the raising of rates. Using a rating system that is simple and cost effective to manage, and the rate assessment outlined on the rate notice is easily understood by the average community member.
- (d) Administrative Efficiency – ensuring all ratepayers are given adequate notice of their liability to pay rates, complying with the requirements and intent of relevant legislation.
- (e) Flexibility – responding where possible to unforeseen changes in the economy to protect the adopted level of service desired by the community (this may include dropping the level of service in parallel with the adjustment of rating).
- (f) Earmarking – Specified Area Rates raised for specific projects or services are to have a direct cost and benefit link.

2. Differential Rating

Differential Rating allows a local government to rate on the basis of Land Use, Zoning or a combination of both. The City will consider options to set Differential Rates when developing its Rating Strategy. In accordance with section 6.33 of the Local Government Act, 1995 the City will apply to the Minister of Local Government for approval of any Differential Rates which are more than twice the lowest Differential Rate.

The Department of Local Government, Sport and Cultural Industries and Communities' Rating Policy: Differential Rates (s.6.33) - March 2016²³ sets out the key values that the City's proposed rates must demonstrate in order to obtain approval.

Those key values are:

- (a) Objectivity;
- (b) Fairness and Equity;
- (c) Consistency; and
- (d) Transparency and administrative efficiency

These key values form part of the principles applying to determination of rating outlined above.

3. Specified Area Rate

The City can set a Specified Area Rate to meet the cost of undertaking a specific work, providing a service or facility if the local government considers that the ratepayers or residents within that area will;

- (a) have benefited or will benefit from; or
- (b) have access to or will have access to; or
- (c) have contributed or will contribute to the need for, that work, a particular service or facility.

The City will consider options to set Specified Area Rates when developing its Rating Strategy.

4. Discount on Rates

Subject to the Rates and Charges (Rebates and Deferments) Act 1992, the City in accordance with the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996, does not offer a discount for the early payment of any rate or service charge.

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The City offers an early payment prize incentive scheme to ratepayers who pay their annual rates and charges in full (eligible pensioners are required to pay their portion of the rates and rubbish collection charges) by the due date, that is 35 days from the date of issue of the rate notice.

5. Rebate of pensioner rates

Subject to the *Rates and Charges (Rebates and Deferments) Act 1992*, the City will in accordance with the ~~Local Government Act 1995~~ and Local Government (Financial Management) Regulations 1996 Regulations, grant concessions to eligible pensioner ratepayers who have registered their entitlement with the City, to receive a rebate on City rates and the Emergency Services Levy. The Domestic Waste Management charge to owners of rateable properties does not qualify for a rebate.

6. Payment of rates

The City levies the 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:

- a) -in full by the due date on the rate assessment notice being issued; or
- b) by the ratepayer opting to make four equal installments; or
- ~~a)c) by the ratepayer opting to use an alternative method as determined within the Council's annual budget. in the following months each year if an instalment plan is opted:~~

- ~~(d) September~~
- ~~(e) November~~
- ~~(f) January~~
- ~~(g) March~~
- ~~(h) —~~

~~The option to pay upfront is also offered upon the first rates notice issued.~~

Direct debit payment plans are offered for those ratepayers that apply and these are assessed on an individual basis.

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~~.

7. Objection rights

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

- (a) There is an error in the rate notice in relation to the identity of the ~~land owner~~ landowner or the ~~part of the land~~ parcel that is being to be rated; or
- (b) If the City 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~~ amended and other characteristics substituted.

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

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 a parcel of rateable land should be directed to the Valuer-General's office and is to be made in writing within 60 days of service of the rates notice under section 6.41 [of the Act](#).

8. Financial hardship

Council acknowledges that due to exceptional circumstances ratepayers may at times encounter difficulty in paying rates and service charges as they fall due.

It is not the intention of Council to cause hardship to any ratepayer through the City's recovery procedures and consideration will be given to acceptable arrangements to clear any debt, where possible, prior to the end of the current financial year.

Council recognises there are cases of genuine extreme financial hardship where the interest on outstanding rates will cause the ratepayer further hardship. The guideline below outlines the scope and criteria for assessing applications of cases of extreme financial hardship and to write off interest of up to \$1,000 on outstanding rates and service charges.

8.1 Eligibility Criteria:

Under s6.12(c) of the [Local Government Act 1995](#) the Council can write off monies owing in cases of hardship, which includes interest on outstanding rates and service charges.

The following conditions are ~~all~~ required to be met for a write off ₂ of interest on outstanding rates:

- (a) the ratepayer is experiencing extreme and genuine financial hardship;
- (b) the ratepayer had either no outstanding rates from a previous financial year or the ratepayer has an approved payment arrangement and continues to adhere to the terms of that agreement;
- (c) the ratepayer's circumstances are supported by an original hardship letter from a qualified financial body (e.g. a fully accredited member of Financial Counsellors Association of Western Australia, CPA/ICA Accounting firm or Bank);
- (d) where the ratepayer is a corporation or trustee that:
 - a. the applicant is authorised to make the application; and
 - b. the company or trustee is not insolvent or subject to administration;
- (e) where the ratepayer is an individual that:
 - a. they are not bankrupt or subject to a bankruptcy petition; and
 - b. no revenue is being derived from the property the subject of the application;
- (f) the maximum interest amount to be written off is \$1,000;
- (g) write-offs are applicable to interest on the ratepayer's principal place of residence or business only,

AND

- (h) the applicant must be the owner and/or occupier of the property and liable for payment of rates and charges.

Related Documents

Legislation & Local Laws	Local Government Act 1995 Local Government (Financial Management) Regulations 1996 Rates and Charges (Rebates and Deferrals) Act 1992 Valuation of Land Act 1978
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Relevant	1.2 Rate record objections
Delegations	1.7 Payment of rates by agreement 1.8 Write off of monies and special arrangements for debt
Strategies & Plans	Strategic Community Plan 2020-2030 City of Karratha Long Term Financial Plan City of Karratha Strategic Asset Management Plan City of Karratha Annual Budget City of Karratha Annual Report
Related Council Policies	CF11 Rating Exemption Policy CF 02 Cash Handling Policy
Procedures, Documents & Forms	Rates refund request form Back rates process Processing pension rebates in rates Interim rates process Process rates refund process Complete rates end of month reporting process Re-print rates notice process Rates incentive prize draw Differential rates process Asset Rates Billing process Rates refund batch process Rates parameters – interim rates settings process Overdue rates report Excess rates receipts account process Receipt rates journal for refund process Rates debtor control Account enquiry and advice of sale (EAS)/Property transfer process New/additional mobile garbage bin requires process Process a mining tenement schedule Process a change of address request Receipt EFTPOS payments process Receipt direct debit payments Print PUPP notices process

Policy Owner

Directorate	<i>Corporate & Commercial</i>
Department	<i>Financial Services</i>

Review Management

Next review due:	<i>January 2029</i>
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Version Management

Version	Date	Council Resolution #	Description
1.0	Feb 2013	152396	Original Policy Adopted
2.0	Sep 2015	153108	2 yearly review
3.0	Apr 2017	153768	2 yearly review
4.0	Jul 2019	154386	Current Version
5.0	Jan 2025		4 yearly review – <u>Consolidation with</u> <u>amalgamation of</u> CF05 <u>Financial</u> <u>hardship</u> <u>Hardship</u> <u>(Rate relief)</u> <u>Policy</u>