

Consultation Questions – Local Councils – Baw Baw Shire

Local Government Rating Systems Review

1. How regularly does your council assess occupancies for each of the non-rateable exemptions under s154 of the *Local Government Act 1989* (the Act)?

- What policy criteria do you apply?
- By property category, in your municipality, how much in rates do you estimate would be raised if these non-rateable occupancies were rateable?

Baw Baw Shire currently only assess occupancies at the time of application by the non-rateable occupant. Usually upon application we do a check of the Not for Profit Charitable organisations website and rely on that. Estimated costs are not currently analysed.

2. What rates and charges does your council declare?

- Do you have a revenue and rating strategy to help determine rates and charges under s155 of the Act?
- How do you engage your community in determining rates and charges?
- If you use a municipal charge, how do you calculate its level?
- What exemptions do you apply for municipal charges? How many, and what is the total value?

We do have rating strategy that is reviewed each year as part of the budget process and is out for public consultation for a period of 3 months approx. prior to adoption. We do not apply a municipal charge.

3. How often have you issued rate notices to the occupier, or mortgagee in possession of, the land under s156 of the Act?

- What are the problems that you have experienced issuing notices under s156(3)?

We have only issued notices to mortgagee in possession a handful of times however have always been provided with NOA advising of possession so have had no issues.

4. Do you issue separate notices for Special Rates and Charges, or do you combine them on a single notice?

- What are the challenges of providing prescribed information on rate notices?

We no longer have Special Rates and Charges however when we did, they were issued on separate notices. Challenges of prescribed information is that there is so much of it and not end user friendly.

5. How does your council determine general rates (uniform or differential)?

- What criteria does your council use in their application?
- What evidence does your council consider when determining the rates in the dollar for your differential rating categories?
- Does your council consider what services should be paid for with other income (e.g. municipal/service/special charges)?

Currently BBSC applies several differential rates, evidence is based on number of properties and what the municipality needs. I.E Further support for farmers, support of business, encouraging vacant land owners to build etc. Council does charge for waste services separately.

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6. What administration issues have you experienced when creating and administering special rates and charges?

Special Rates and Charges are a manual process that requires monitoring and runs over a number of years. Systems have to be amended to apply interest and invoices generated for instalment payments.

7. Please describe the payment options your council makes available to ratepayers?

- Do you provide other payment options (in addition to offering a choice between paying in four instalments or in a lump sum)?
- Do you provide any incentives for payment of rates such as early payment? What are they?

Council offer direct debit, Bpay, Aust Post, Online via website Centrepay and over the counter. These can be weekly, monthly or fortnightly. Although Council is an instalment only Council we do offer an Early Bird Incentive of a one off prize of \$1000 to ratepayers who pay in full by the 30th of September. Approx. 20% of our ratepayers do this.

8. Do you provide any rating rebates and concessions (in addition to State government concessions)?

- What are the criteria in your council for providing these rebates and concessions?
- What is the total annual value of these rebates and concessions?
- How do you monitor and report on the community benefits?

BBSC does provide an additional \$50 rebate per eligible pensioner application as per DHHS criteria. Total value is 60,000 p.a. No formal benefit reporting is undertaken.

9. Do you have a policy for deferment of rates and charges? No

- What is the current total of rates and charges that are currently deferred?

10. Do you have policies regarding waiving rates and charges? No

What types of waivers do you provide to ratepayers and what is their estimated annual value?

11. Do you raise the amount declared under the *Penalty Interest Rates Act 1983* of 10 per cent for unpaid rates and charges? Yes

- If not, what rates do you apply?

12. What issues do you face when rating by occupancy?

The biggest issue is monitoring tenancy, it is difficult to keep track of change of use or tenants when not informed.

13. What issues have you determined when applying rates to land that is becoming, or ceasing, to be rateable?

- Annually, over the past 5 years, how many supplementary rates and charges notices have been issued?
- For each of these years, what was the total income for these occupancies?

The biggest issue for BBSC is the sheer volume of new supps. Council over the past few years have seen supplementary valuations increase exponentially with 10,250 issued over the last 5 years. Total income was approx. \$2.9M.

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14. Do you have a policy regarding treatment of unpaid rates and charges? No

- If you do not, how do you treat ratepayers that live in their properties?
 - Do you treat non-residential properties differently?
- Annually, over the past 5 years, how many ratepayers have you issued complaints on for unpaid rates and charges and to what total value?
- What amount of interest do you charge on unpaid rates and charges? Do you raise the amount declared under the *Penalty Interest Rates Act 1983* of 10 per cent?
- Do you have any additional administration fees and charges for managing ratepayers with unpaid rates and charges?
- What type of collection activities do you use to recover unpaid rates and charges?

Although Council have no formal policy, practices are standard. We undertake many steps including reminder notices and personal phone calls prior to debt recovery. It is unlikely that we would proceed to S181 for residential properties that are occupied by the owner. On average we would issue approx. 54 complaints at a cost of 61K. We do charge the 10% penalty interest rate however do not apply any further admin costs. We utilise a contracted debt recovery agency and only apply magistrate awarded costs to ratepayer.

15. What is your council's policy regarding selling land to recover unpaid rates and charges?

- If no policy exists, how do you apply the relevant legislation?
 - Do you apply the same approach regarding selling land where ratepayers live in their property?
- Annually, over the past 5 years, how many times have you undertaken this process?
 - How many properties have you sold?
 - How much has this cost, per instance?

Council has only recently moved to sell a number of properties although look to only actually sell one. We do not look to sell property that is owned and occupied by residents and look perhaps at bankruptcy in these instances. We are unsure of costs as this process is still underway.

Council have no history of claiming land.

16. What issues have you encountered in providing information for Land Information Certificates?

- Do you provide any updates (verbal or otherwise) to ratepayers/would-be ratepayers for these certificates?
 - Have you experienced any privacy issues in providing updates? If so, what were they?

The biggest issue we face with LIC are that conveyancers apply months in advance of settlement, we do give verbal updates to conveyancers and encourage them to ring prior to settlement. We also have issued at the EOFY when settlements take place with no adjustments causing confusion for new owners. In a municipality that is developing as fast as BB we also struggle with sales prior to title allocation and supplementary valuations taking place. We do not give update to would be ratepayers.

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17. Do you have a policy on how you apply the rates section of the *Cultural and Recreational Lands Act*?

- How many occupancies in your municipality are categorised as cultural and recreational lands?
 - Annually, over the past 5 years, how much have you received in lieu of rates in relation to cultural and recreational property?
 - How much would you receive if you were to assess these properties under your normal rates?

We do not have a current policy however this is currently under review. We have 13 properties who have 100% of their rates waived and 1 property that has 47% waived. This as a cost of \$57K.

18. How many occupancies make payment in lieu of rates under the *Electricity Industry Act 2000* in your council area? None

- How much revenue do you collect and approximately how much is forgone as result (compared to rating under the *Local Government Act 1989*)?

19. Other questions

- How many public inquiries on rates do you receive each year? What are some common themes of those inquiries?
- What software do you use to administer your rating system?
 - What is the estimated annual hardware/software cost to maintain rates using this system?
- How many staff do you employ to administer rates and charges?
 - What is the total FTE and costs for the rating and revenue function in your council?

Public inquiries fluctuate with the time of year, during rates notice time and objections it could be as many as 500 per week. Other times it could be as little as 50. The majority are LIC updates, fencing details, change of address, debt recovery and payment arrangements.

We use Tech One P & R at an annual cost of 255K to administer our system (including other modules).

We currently have 5 full time staff at an annual cost of \$341,584 (salaries only)