



**Alpine Shire**

File Number: 951.00

Our Ref: KD

28 October 2019

Local Government Rating Systems Review  
C/- Department of Environment, Land, Water and Planning  
Level 35, 2 Lonsdale Street  
Melbourne VIC 3000

Dear Sir/Madam,

### **Local Government Rating Systems Review submission**

Alpine Shire Council hereby contributes the following recommendations in submission to the Local Government Rating System Review. Council has provided a response to item 7 only in the "Consultation questions – local council" papers.

*"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?"*

It is our opinion that Councils should be able to decide which system of payment to offer ratepayers including whether to offer a choice of payment by instalment or full payment.

We do not believe there should be a compulsory full payment, unless the due date for payment in full is the same as the due date for the first instalment.

We also make the following supporting comments:

- Alpine Shire Council successfully migrated to instalment payments only 3 years ago, resulting in a marked reduction in anger and angst among ratepayers. It has also resulted in a significant reduction in the number of files referred to legal action.
- The main source of argument and complaint regarding rate payments in the past was confusion about the two systems of payment
- Low income earners with inconsistent payment habits often ignore the first and second instalments, preferring to pay in full after Christmas. These ratepayers then often find that they are still not in a position to pay due to the much higher amount due.

- The requirement to charge interest on overdue amounts at 15 February caused a great deal of confusion and anger. Of particular concern to ratepayers was the fact that the interest was charged from the dates the instalments were due (even though some had not opted to pay by instalments).
- Alpine Shire Council found that there was a need to send a further letter after 15 February, prior to interest being charged, to inform ratepayers they were about to be charged interest, thus resulting in further administrative burden, postage costs and ratepayer arguments.
- Should Council be required to revert to full payments conflicts with our original reasons for the shift away from this and is likely to create confusion for the ratepayers who have now adjusted to the new system.
- Moving to instalments only has allowed Council to align with neighbouring Councils in this region who also collect rates by instalment only. Ratepayers who had either moved or owned properties in both Councils had the expectation that they would receive instalment reminder notices. This was another common source of criticism.
- Regular communication with ratepayers via quarterly instalments generally results in Council having more regular opportunity to be alerted when a ratepayer has changed their details or address. This gives Council a better chance of locating the ratepayer when it is only a matter of a month or months since the last communication and when the amount of accumulated debt is likely to be minimal.

On behalf of Alpine Shire Council we appreciate your inclusion of our concerns in your review and we look forward to hearing the outcome.

Yours sincerely,



Charlie Bird  
Chief Executive Officer