Shellharbour CITY COUNCIL

Policy

Rates

Policy Owner: Executive Manager Financial Services (Chief Financial Officer)	
Date Last Adopted: 24 June 2025	**Review Date: Annually**

1. Policy Statement/Objective(s)

Shellharbour City Council is committed to providing a consistent, fair and legally compliant approach to all rating functions. We are required by the *Local Government Act, 1993* (Section 494), to make and levy Ordinary rates each year.

The objectives of the policy are to:

- Provide the guiding principles for the Rating function including the recovery of rate debts.

2. Scope

This policy applies to the levying and collection of Council Rates and Charges. It includes recovery procedures for overdue rates, the pensioner rebates and other general matters associated with rating.

3. References

- *Local Government Act 1993* • *Local Government (General) Regulation 2021*

4. External/Internal Consultations

Nil

5. Definitions

Material	Refers to printed items such as small brochures and flyers.
Organisation	Includes Local Government organisations, charitable organisations, commercial organisations and organisations affiliated with Council
Pensioner	Means an eligible pensioner for the purposes of determining pensioner concessions, as defined in clause 134 of the *Local Government (General) Regulation 2021.*
Section 575 rebate	A mandatory pensioner rebate granted under Section 575 of the *Local Government Act 1993*, which is applied to the properties of all eligible pensioners, regardless of any arrears that may be owed.

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Voluntary rebate	A rebate on rates provided by this Council, only to eligible pensioners registered with Council and who are entitled to receive the mandatory rebate under Section 575 of the Local Government Act. Council reserves the right to withhold the voluntary rebate if an eligible pensioner's rates & charges are not paid in full by 31 May of a particular financial year. This rebate is provided under Section 582 of the Local Government Act. It is a voluntary rebate, not provided by all Councils but reviewed by this Council on an annual basis.

6. Variation and Review

Council reserves the right to review, vary or revoke this policy.

Review History

Date Policy first adopted – version 1	22/09/1998
Date amendment adopted – version 2	12/10/2010
Date amendment adopted - version 3	9/11/2010
Date amendment adopted - version 4	26/06/2012
Date amendment adopted - version 5	12/06/2013
Date amendment adopted - version 6	10/06/2014
Date amendment adopted - version 7	23/06/2015
Date amendment adopted – version 8	28/06/2016
Date amendment adopted – version 9	13/06/2017
Date amendment adopted – version 10	12/06/2018
Date amendment adopted – version 11	29/06/2021
Date amendment adopted – version 12	27/06/2023
Date amendment adopted – version 13	25/06/2024
Date amendment adopted – version 14	24/06/2025

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7. Policy

7.1 COUNCIL REBATE OF RATES AND CHARGES

7.1.1 Voluntary Rebate

Council will grant a voluntary rebate to eligible pensioners registered with Council and who are entitled to receive the mandatory rebate under Section 575 of the *Local Government Act 1993*.

Council reserves the right to withhold the voluntary rebate if an eligible pensioner's rates & charges are not paid in full by 31 May of a particular financial year.

If an eligible pensioner's rates and charges are not paid in full by 31 May of a particular financial year, the pensioner may no longer qualify for future voluntary rebates until all outstanding payments have been paid. The pensioner will then commence receiving the rebate again in the first rating year after the year in which the outstanding balances have been paid.

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The voluntary rebate is granted under Section 582 of the *Local Government Act 1993.*

The voluntary rebate may be applied proportionally, if the eligible pensioner sells one property and purchases another property.

7.2 GRANTING OF PENSIONER CONCESSIONS

Council will only grant pensioner concessions pertaining to the current year and previous year upon receipt of an application along with appropriate supporting documentation. Adjustments beyond the current year and previous year may be made to correct any administrative irregularities and/or administrative errors, where required.

7.3 WAIVING OF INTEREST CHARGED TO PENSIONERS

Provided pensioners pay their rates and charges in full, on or before 31 May each year, Council will waive the next year's interest charges.

This waiver only applies to interest charged against the next year's rates. Interest charged on arrears from a previous financial year will not be waived.

If a pensioner's rates and charges are not paid in full, on or before 31 May in a particular year, the next year's rates and charges will need to be paid by the quarterly instalment due dates to avoid interest charges.

7.4 DEBT RECOVERY

7.4.1 Recovery of Pensioner Rate Debts

Where a pensioner has an outstanding rate debt on a property currently subject to a pension rebate, Council will refrain from taking legal action against that person, for recovery of that debt.

The exception to this will be where a pensioner has rates outstanding, for a term approaching 20 years. In this circumstance, Council must serve a Statement of Liquidated Claim on the pensioner debtor and then enter Judgment to ensure that the debt remains secured as a charge against the property.

Council may seek to make payment arrangements with a pensioner who has an outstanding rate debt, in an effort to reduce the quantum of the debt.

7.4.2 Recovery of All Other Rate Debts

a. Arrangements for the Payment of Overdue Rates

Where a ratepayer has overdue rates and charges and they cannot pay their rates by reason of financial hardship, a reasonable arrangement to pay the overdue amount may be made.

The arrangement must be acceptable to Council and reasonable in all the circumstances of the case. Prior to accepting any arrangement, Council will take into account the history of the ratepayer and the conduct of any previous arrangements with Council.

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In the first instance, determination of a reasonable arrangement will be made by the Senior Rates Officer; however this determination can be subject to review by the Manager Financial Services at the request of the ratepayer. Any such review will be conducted having regard to all of the circumstances of the case.

It is Council's requirement that all rates and charges, where possible, are paid in full by 31 May of the rating year. If this is not possible, an agreement for payment of the outstanding rates and charges over a period not exceeding 2 years, may be made. This excludes future rates and charges which must be paid on or before their due dates. Where there are exceptional circumstances, a longer period may be considered for approval by the Manager Financial Services.

Whilst an agreed arrangement for payments is in place and is being adhered to by the ratepayer, no further action will be taken by Council on the amount overdue which is the subject of the arrangement.

Where a ratepayer defaults on an agreed arrangement, Council will take any action that is appropriate in the circumstances. This may include overdue arrangement letters or legal action, depending on the circumstances of the default and the history of the ratepayer. New arrangements will not be entered into.

b. Overdue Rates

This section does not apply whilst an arrangement is in place and is being adhered to by the ratepayer as per 2a above.

Where 7 days after the due date of a rate instalment, a ratepayer has the current quarter rates owing, and/or arrears with a combined total not exceeding $850, a reminder notice will be sent requesting immediate payment.

Where 7 days after the due date of a rate instalment, a ratepayer has $50 or more of the previous quarter rates plus the current quarter rates owing, with a combined total exceeding $850, a notice of intended legal action (final notice) will be sent.

If the overdue amount has not been paid in full, or a suitable arrangement has not been made as a consequence of the final notice, then legal action may be commenced. The costs of any legal action are added to the debt to be recovered from the ratepayer.

The legal process conducted through Council's external debt collection agency, will allow for the issue of one or more of the following:

- Statement of Liquidated Claim;
- Garnishee;
- Writ of Execution;
- Examination Summons,
- Rent for Rates Notice (Sec 569),
- Instalment Order,
- Winding Up,
- Bankruptcy,
- Sale of Land.

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The Senior Rates Officer will usually approve the recommendation of the external debt collection agency. A decision not to proceed with legal action may be made at the discretion of the Senior Rates Officer, where the overdue amount is less than $850.
For overdue amounts over $850 the Manager Financial Services has the discretion to stop the legal action, where further pursuit of the debt would be uneconomical.

7.4.3 Write off Rates and Charges

Where it is necessary to write off rates and charges as unable to be collected (e.g.. land becoming non-rateable, lapsed Crown leases etc.), the Chief Executive Officer is authorised to approve the writing off of amounts up to $20,000.

7.5 RATING OF SUB-DIVIDED LAND

Following the sub-division of a parcel of land, rates cannot be levied on new lots until supplementary valuations have been provided to the Council by the Valuer-General and Council has categorised each of the new parcels. Once this has happened, Council can levy rates on a pro-rata basis from the date the plan was registered.

Upon notification from NSW Land Registry Services, rates and charges are cancelled on the parent properties from the date of the registration of the plan to reflect that rates and charges are only payable on that parcel up until the date of subdivision.

7.6 DELIVERY OF RATES NOTICES

7.6.1 Service by mail

Council will deliver annual and quarterly rates notices to the postal address as per the advice of the title deeds or solicitor at the time of purchasing a property, or to the last known place of residence, business or post office box.

If a rates notice is not returned to Council by way of “Return to Sender”, it is deemed to be served.

An owner must advise Council in writing of a change of postal address. It is the owner’s responsibility to inform Council of this change.

If a property is managed by a real estate, then the owner is giving the above responsibility to the real estate, who must inform Council in writing of their commencement of managing the property. When a real estate ceases managing a property, the responsibility to inform Council rests with the owner.

7.6.2 Service by email

Council offers ratepayers the option to have rates notices delivered by email, in lieu of the normal mailing option. Registering, de-registering and updating email information is the responsibility of the owner. If the rates notice fails to be delivered by email, Council will revert to posting the rates notice by mail.

Rates notices may be delivered by email to managing agents if they have previously informed Council of the commencement of managing the property on behalf of the owner. Email addresses that are unrecognisable as being specifically related to the owner may not be approved for this method of service.

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7.7 CHANGES TO RATING CATEGORIES

7.7.1 Ratepayer requests review

A ratepayer may request a review of their rating category in accordance with Section 525 of the Local Government Act.

Where the application is approved, any adjustments to the Ratepayer's assessment will be affected from the date of application. A new rates notice will be forwarded to the ratepayer.

7.7.2 Council conducts a review

Where Council reviews a category in accordance with Section 523 of the Local Government Act and as a result of the review a category change occurs, any adjustment of rates and charges will be affective from the date of transfer or date of the inspection. A new rates notice and letter will be forwarded to the ratepayer.

7.7.3 Exemption from rates

Ratepayers may apply for exemption from rates and/or charges in accordance with Sections 554-559 of the Local Government Act by completing an 'Application for Rate Exemption' form. All applications must have a completed form, state which Section of the Local Government Act the appeal is being made, and must be supported by sufficient evidence to allow a decision to be made.

If the application is approved, adjustment will be made accordingly to the rate account from the date of application. A letter will be sent to the Ratepayer advising them of Council's decision.

Council will review all properties exempt from rates at least every three years, where a ratepayer may be required to reapply for a rating exemption providing evidence that the use of land supports their claim of the exemption.

A separate application must be made for each individual property as evidence supporting use of land for each assessment is required.

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8. Related Forms/Documents

Nil

9. Attachments

Nil

Policy Authorised by:

Name: Council Resolution Number TBC

Date: 24 June 2025

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