

THE LOCAL GOVERNMENT ACT 1993



**WHY DO YOU
PAY RATES?**

Department of Local Government

Why do you pay rates?

Rates are councils' basic source of income. Council uses rate funds to maintain and improve services and facilities for the community.

When do you pay your rates?

Under the new Act, you will be sent a rates bill every three months or you can pay the whole amount up front. If you pay up front, your council may offer you a discount. From July 1, 1994 councils changed their financial year to begin on July 1 each year. Thus your rate instalments will be due on the following dates, if you pay quarterly: August 31, November 30, February 28, and May 31.

What are the different types of rates?

There are two types of rates: ordinary and special.

Ordinary rates cover councils' basic costs.

Special rates are charged for services provided by council or for special purposes such as water supply, sewerage and drainage.

Ordinary rates can vary for different types of land. There are four categories of land: residential, farmland, business and mining. Sub-categories may be established under each of these four categories.

How are rates calculated?

Ordinary rates and special rates may be assessed entirely upon land values or via a two part structure. The two part structure consists of a base amount and an amount calculated using land value. The level of the base amount for ordinary rates will generally be determined by councils' administrative and general operational costs or administrative services costs for special rates. The base amount must not produce more

than fifty percent of total revenue from a particular category or subcategory of rate.

Council may also calculate rates by the minimum rate concept. This means council may charge a minimum rate on each parcel of land. Minimum rates may apply to ordinary or special rates.

Council will also bill you each quarter with a domestic waste management charge.

Can council charge me for any extras?

Yes, if council provides the following services, it may charge an annual amount for them. These include:

- ⚡ water supply
- ⚡ sewerage
- ⚡ drainage
- ⚡ any other service prescribed by regulation.

What is rate-pegging?

Rate-pegging is the limit set by the Minister for Local Government & Co-operatives by which a council may increase the total income it will receive from rates. The Minister specifies this percentage each year. In 1995/96, the rate-pegging limit will be 2.2%. This means council could only gain 2.2% more total income from rates compared to 1994/95. This does not mean that each individual rate assessment could increase by 2.2%. The Minister may approve applications from individual councils to exceed this percentage. The Minister may also specify the amount by which councils may vary domestic waste management charges.

Pensioner rebates and hardship

Concessions are available for eligible pensioners. Other concessions are available, eg, for vacant land, or where zoning anomalies exist, or for land to be rated in accordance with heritage valuations.

Council also has a discretion to reduce the rates you have to pay in a case of genuine hardship.

If you want to find out whether you are eligible for a concession or if you need any further information on rating issues, you should contact your council.



How does council set rates?

Only council can make rates and charges - this function cannot be delegated to other people. Every year before the final amounts are fixed, council must

develop and put on exhibition a Draft Management Plan. The plan must give details of all rates and charges proposed to be levied by council. Any member of the public can comment to council on the Draft Management Plan.



You should ask for councils' advice about any problems or queries. If you are unhappy with the way your land is categorised for rating, you may appeal to the Land and Environment Court.

Where do I get further assistance?

If you need assistance, you should contact your local council.



New South Wales Government

Other Contacts

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