

# Frequently Asked Questions

## 2024/25 Financial Year Budget & Rates

### 2024/25 Budget

#### How was the Draft Budget developed?

The 2024/25 budget has been developed with a focus on Council's financial sustainability while continuing to balance investment in services that underpin the objectives in our 2023-32 Strategic Plan. The 2024/25 budget estimates are also supported by the Glenorchy long term financial management plan to reduce budget deficits in line with the targets set.

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#### What are the budget highlights?

Some of the highlights this year include a strong focus on our strategic objectives including youth engagement, community, maintaining a clean city and investment in our parks and recreation services and infrastructure, specifically maintenance:

- \$26.9 million dollars for our capital works program
- \$10 million dollars for major works
- \$3.1 million dollars on property and environment

This includes \$700,000 for community halls, childcare and other Council infrastructure.

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#### When will the final budget be adopted?

Glenorchy City Council will meet on Monday, 17 June 2024 to discuss and vote on the final budget.

# 2024/25 Rates

## What are rates and why do we have them?

Council rates are a property-based tax collected from residential and business property owners in a council area. When councils set their rates, they need to consider their community's demand for services and the capacity of ratepayers to pay rates.

The money raised through rates goes towards paying for the services and infrastructure provided by councils to the public. Every council provides different types of infrastructure and services because of differences in community needs and expectations, land area, population size, location, number of properties and industry mix. Councils make budget decisions considering the demand for services and rates revenue.

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## Who has to pay rates?

Generally, owners of land pay rates. Occupiers of land may pay the rates in exceptional circumstances and may do so with the written consent of the owners. If someone other than the owner is paying the rates, then the council has to be notified.

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## What are my rates spent on?

Your rates are spent in a number of different ways. This includes construction and maintenance of infrastructure, managing assets and depreciation, delivering childcare services, community services, economic development, environmental works, parks and reserves, regulatory services, roads and stormwater, state fire and landfill levies, urban amenities, vegetation control, works and waste management.

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## What is the proposed rate increase?

A 5.95% general rate charge has been applied to most residential properties. Council sets a rate ("cents in the dollar") based on the Valuer-General valuation.

The rate is multiplied by the "Assessed Annual Value" of the value (which is the estimated rental potential of the property), resulting in the rateable amount to be charged for the property. As all properties are revalued, some property values move up, some stay the same and some move down. As a result, it is impossible to apply the same rate increase to each property.

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## Why have my rates increased?

The Valuer-General is revaluing properties across the municipality. This happens every six years. These valuations help us determine council rates for the next financial year. The property market has gone through significant value fluctuations over the past six years, and this may impact your Council rates for the 2024-25 financial year.

## How are my rates calculated?

All properties within the Glenorchy municipal area are valued by the Valuer-General in accordance with the Valuation of Land Act 2001 to determine the land value, capital value and assessed annual value. Assessed annual value (AAV) is the estimated yearly rental value of the property. Land value is the value of the property excluding all visible improvements such as buildings, structure and fixtures. The assessed annual value is multiplied by a cents in the dollar rate to determined your rates.

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## What is the Assessed Annual Value?

An assessed annual valuation is an assessment of the market value of a property, at a specific date and in accordance with legislation. The Valuer-General determines the AAV under the Valuation of Land Act 2001. It is the gross annual income that, at the time of valuation, the owner of the property might reasonably expect to obtain from letting it to a tenant. The assessed annual value of the land cannot be less than 4% of the capital value of the land.

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## What is the capital value?

It is the expected sum of money that might be realised if the land and any existing dwelling or improvements were offered for sale at a particular time. For instance, on a rates notice, it may show land value as \$40,000 and capital value as \$125,000. The capital value includes the land value plus the value of any buildings on the site.

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## Why has my property's capital value changed?

The Valuer-General is revaluing properties across the municipality. These valuations help us determine council rates for the next financial year. Some may be lower than expected, and some may be higher. If you disagree with your property valuation, you can lodge a formal objection with the Valuer-General within 60 days after receipt of the valuation notice.

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## When are rates due?

Rates are paid periodically by a due date, or dates set by each council. A rates notice is posted to ratepayers, allowing approximately 60 days before payment of the entire amount is due, or, if payment is by instalments, at least 30 days before the first payment is due.

Glenorchy City Council rates are due:

- 15 August 2024
- 01 November 2024
- 01 February 2025
- 01 May 2025

## How do I pay my rates?

Rates can be paid through BPay (phone or online), BPoint (phone or online by credit card), mail (by cheque), in person at Council's chambers, Centrepay, Australia Post or by direct debit.

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## Do I have to pay rates all at once?

You can pay your rates in instalments. These instalments could be quarterly, monthly, fortnightly or weekly.

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## What can I do if I have difficulties paying my rates?

Glenorchy City Council has a number of different programs that can help you with paying rates. We offer reductions on rates to eligible residents and properties. The pensioner discount might be as much as 30% of your rates. We also offer general rates exemptions for properties used for charitable purposes.

Glenorchy City Council also has a Financial Hardship policy. The policy applies if you are genuinely unable to pay your rates for your main place of residence, or commercial or industrial properties. If you would like to apply for consideration of Financial Hardship, you can find the right form on our website.

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## What if I don't pay my rates?

If rates are not paid for a period exceeding three years, the council may sell a property or part of a property to recover the unpaid rates. The council can sell it by public auction or by direct sale. If the owner of a property cannot be found, the council may apply to have that property transferred to the council.

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## What if my payment is late?

If a ratepayer does not pay the rates on his or her property a council may commence legal action against the ratepayer to recover the outstanding amount. If council takes such legal action, the ratepayer may also be liable for the council's legal costs associated with the action. If rates, or a rates instalment, is not paid on or before they fall due, the council may impose a penalty not exceeding 10% of the amount owing, and/or charge a daily interest rate determined by the council.

The penalty applied to overdue rates is 5%. The interest applied to overdue rates is 4.375%. The "grace" period before penalty interest applies from 21 days (with a warning at 7 days).

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## How can I have a say on what my rates are spent on?

You can have your say on how rates are spent while the new budget is being prepared. This can be done through the Annual Future Directions survey which informs Council's budget priorities for the next financial year.

Community members can also attend Council Yarns and other information sessions throughout the year to pass on any feedback. You can also subscribe to Council's dedicated engagement forum Let's Talk Glenorchy by visiting <https://letstalk.gcc.tas.gov.au/>.