



Rating Policy

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Responsible Officer:	<ul style="list-style-type: none"> • Chief Executive Officer • Director Corporate Services • Rates and Property Officer
Applicable Legislation:	<ul style="list-style-type: none"> • Local Government Act 1999 • Local Government (General) Regulations 2013 • Landscape South Australia Act 2019 • Valuation of Land Act 1971
Related Policies/Procedures:	<ul style="list-style-type: none"> • Rate Rebate Policy • Rates Hardship Policy • Debt Management Policy • Mobile Garbage Bin Collection and Disposal Service Policy • Internal Financial Controls Policy/Procedure • Delegation Register
Appendices:	<p>Application Forms:</p> <ul style="list-style-type: none"> • Appendix 1 – Rate Capping Rebate • Appendix 2 – Land Use Objection • Appendix 3 – Single Farm Enterprise • Appendix 4 – Payment Arrangement • Appendix 5 – Direct Debit • Appendix 6 – Waiving of Fines

1. PURPOSE:

The purpose of this policy is to outline Council's approach towards rating its community and to meet requirements of the Local Government Act 1999. This policy outlines the mandatory features of the rating system, as well as the policy decisions that the Council has made on how it imposes and administers the collection of rates.

In determining the rating methodology as detailed in this policy, Council has considered the following objectives:

- Recognise the importance and significance of primary production, industrial and commercial businesses to our community;
- Minimise the impact of property valuation movements;
- Encourage development of vacant land;
- Ensure all ratepayers are contributing a minimum amount to Council's operational and capital costs;
- Ensure flexibility and transparency of Council's rating structure for the future.

2. LEGISLATIVE CONTEXT:

Council's powers to raise rates are provided under Chapter 10 of the Local Government Act 1999 (the Act). The Act provides the framework within which the Council must operate, but also allows Council to make a range of policy choices.

3. SCOPE:

Section 147 of the Local Government Act 1999 states that all land within a Council area, except for land specifically exempt (e.g. Crown Land or Council occupied land) and land which includes other limited categories, is rateable.

Rates are not a fee for service but constitute a system of taxation for local government purposes as stated in Section 150 of the Local Government Act 1999. Local Government functions are broadly defined under Section 7 of the Local Government Act 1999, where Council is to provide services and facilities that benefit its area, its ratepayers, residents and visitors to its area (including general public services or facilities which include fee for service such as community wastewater management services, waste collection, control or disposal services), health, welfare or community services or facilities, and cultural or recreational services or facilities and to provide for the welfare, well-being and interests of individuals and groups within its community.

4. PRINCIPLES:**4.1 General Principles:**

Council's decisions regarding rating are underpinned by:

- accountability, transparency and simplicity
- efficiency, effectiveness and timeliness
- equitable distribution of the rate responsibility across the community
- consistency with Council's strategic and financial directions and budgetary requirements
- compliance with the requirements of legislation and accepted professional conventions and ethics.

4.2 Taxation Principles:

In developing this policy Council has also given consideration to the five main principles of taxation, being:

- *equity* - taxpayers with the same income pay the same tax (horizontal equity), wealthier taxpayers pay more (vertical equity)
- *benefit* - taxpayers should receive some benefits from paying tax, but not necessarily to the extent of the tax paid
- *capacity to pay* - in levying taxes the ability of the taxpayer to pay the tax must be taken into account
- *efficiency* - if a tax is designed to change consumers behaviour and the behaviour changes, the tax is efficient. However, if the tax is designed to be neutral in its effect and it changes taxpayers behaviour than the tax is inefficient
- *simplicity* - the tax must be understandable, hard to avoid, easy to collect.

5. RATING STRATEGIES AND METHODOLOGIES:

5.1 Rating as a Tool to achieve Strategic Goals:

In setting the rates for the 2023/2024 financial year, Council has considered how it can strategically utilise rating as a tool to achieve the objectives set out in its Community Plan.

COMMUNITY PLAN STATEMENT	RATING STRATEGY
A sought after visitor and lifestyle destination	Higher vacant land differential to discourage land banking and encourage conversion to housing.
A vibrant town centre	Business support strategy - commercial and industrial businesses have a lower Rate in the Dollar (RID)
A diverse range of prosperous local businesses and primary industries	A lower rate in the dollar for primary production properties, commercial and industrial properties.
Strong Community	Discretionary rebate on rates for sporting and community groups.
Best practice Assets and Infrastructure management	Raise sufficient rates to maintain and improve community infrastructure and to ensure long-term financial sustainability.
A sustainable and progressive Cape Jaffa Development	Higher vacant land differential to discourage land banking and encourage conversion to housing. Commercial, Industrial businesses have a lower RID.

5.2 Valuation Methodology:

Council has adopted the use of capital value as the basis for valuing land. Council considers that this method the fairest method to distribute the rate burden across the community.

In adopting capital value as the basis for valuing land, Council believes that this more appropriately addresses the principles of taxation and is a better indication of capacity to pay.

Council does not determine property valuations but chooses to exercise the right under Section 151 of the Local Government Act 1999 to adopt the capital valuations provided through the Office of the Valuer General on an annual basis. Council will apply its rates and valuations on the basis of property ownership (tenancy apportionment not applied) in accordance with the Valuer General assessments.

5.3 Minimum Rate:

Council will impose a minimum rate to properties in accordance with the provisions contained within Section 158 of the Local Government Act 1999, and will not apply to more than 35% of all properties pursuant to Section 158 (2)(da) of the Local Government Act 1999.

The imposition of a minimum rate ensures all ratepayers are contributing a minimum amount to Council's ongoing maintenance and capital costs.

5.4 Differential General Rates:

5.4.1 Land Use

Council will apply differential general rates by land use based on the capital valuation of rateable properties. In accordance with Regulation 14 of the Local Government (General) Regulations 2013, the following land use categories are used for rating purposes:

- (1) Residential
- (2) Commercial – Shop
- (3) Commercial – Office
- (4) Commercial – Other
- (5) Industry – Light
- (6) Industry – Other
- (7) Primary Production
- (8) Vacant Land
- (9) Other
- (10) Marina Berth

Council chooses to apply the land use of each assessment as determined by the Office of the Valuer General, being based on the predominant use of the land.

5.4.2 *Differential Rate Methodology*

Council sets differential rates based on land use and sets the rate in the dollar (RID) in relation to other land use as follows:

Land Use Code	Differential Base Rate
Residential	100%
Commercial (shop, office, other)	95%
Industrial (light, other)	95%
Primary Production	63%
Vacant Land	135%
Other	100%
Marina Berth	100%

5.5 **Maximum Increase on Rates ('Rate Capping' Rebate):**

Council will apply a maximum increase on rates in accordance with Section 166(l)(ii) of the Local Government Act 1999, providing a rebate of the general rate in order to provide relief against rapid changes in valuation.

The Council has determined that a rebate of general rates for the 2023/2024 financial year will be granted to the principal ratepayer on written application, where the general rates have increased by more than 12% when compared to the amount of general rates raised for the 2022/2023 year, except in the following circumstances:

- Where the valuation increase is due to capital improvements to the land (as determined by the Office of the Valuer General), or
- Where a boundary realignment, subdivision, amalgamation or rezoning of the land has occurred, or
- Where an application to change the use of the land has been lodged and a subsequent change in land use has occurred; or
- Where the ownership of the land has changed since 1 July of the preceding financial year
- If the land use is vacant land.

Applications for rate capping must be received on the prescribed application form (Appendix 1), by 30 September 2023. Application forms will be made available on Council's website or from the Council office. One application must be completed for each rateable assessment.

6. **SERVICE CHARGES:**

Council will apply a service charge for the provision of the following services:

6.1 **Mobile Garbage Bin Collection and Disposal Service:**

Council will recover the cost of providing a kerbside waste and recycling collection to serviced properties in accordance with legislation and Council's 'Mobile Garbage Collection and Disposal Service Policy'.

6.2 Community Wastewater Management System:

Council will recover the cost of providing a Community Wastewater Management System (CWMS) to defined properties within the Kingston township. Council aims to recover the cost of operating and maintaining the service through the imposition of a service charge, which are declared as follows:

- Vacant
- Occupied

CWMS service charges will be levied in accordance with the Local Government Act 1999 and the '*Code for Establishing and Applying Property Units as a Factor for the Imposition of Annual Service Charges for Community Wastewater Management Systems*' as prescribed in Regulation 12 of the Local Government (General) Regulations 2013.

7. REGIONAL LANDSCAPE LEVY:

Council is in the Limestone Coast Landscape Board area and is required under the Landscape South Australia Act 2019 to make a specified annual contribution. Council will collect the levy by imposing a separate rate against rateable properties within the Council area (contiguous properties and single farm enterprise will have one levy applied in accordance with legislation).

The Limestone Coast Landscape Board has determined that Council is to collect the levy using a fixed charge based on land use, pursuant to Section 69 (3)(a)(iii) of the Landscape South Australia Act 2019.

Revenue from this levy is not retained by the Council, nor does the Council determine how the revenue is spent.

8. OBJECTION TO VALUATION AND/OR LAND USE:

8.1 Valuation:

In accordance with section 169 of the Local Government Act 1999, if a ratepayer is dissatisfied with the valuation made by the Valuer- General then an objection may be made to the Office of the Valuer General in writing within 60 days of receiving the notice of the valuation (1st rate notice), explaining the basis for the objection, provided they have not:

- previously received a notice of this valuation under the Act, in which case the objection period is 60 days from the receipt of the first notice, or
- previously had an objection to the valuation considered by the Office of the Valuer General in the current financial year.

All objection forms are to be lodged to the Office of the Valuer General, and addressed to:

Office of the Valuer General
GPO Box 1354
ADELAIDE SA 5001
Email: OVGObjections@sa.gov.au

Valuation objection forms are available at www.valuergeneral.sa.gov.au or from the Council office. The valuation objection will be considered by the Office of the Valuer General and Council will receive notification of the outcome.

Council has no role in this process and the lodgment of an objection does not change the due date for the payment of rates. Rates must be paid in accordance with the rate notice even if an objection has been lodged.

8.2 Land Use:

If a ratepayer believes that a property has been wrongly classified as to its land use, then an objection may be made within 60 days of being notified of the land use classification. Council may exercise its discretion to extend the allowable objection period where it can be shown there is reasonable cause.

Land use objection forms (Appendix 2) are available on Council's website or from the Council office. The land use objection will be considered by Council in conjunction with the Office of the Valuer General, and applied accordingly.

The lodgment of an objection does not change the due date for payment of rates. Rates must be paid in accordance with the rate notice even if an objection has been lodged.

9. SINGLE FARM ENTERPRISE:

Primary producers are able to apply to be considered as a 'Single Farm Enterprise' for the purposes of the Landscape Levy and application of the minimum rate, in accordance with Section 152 and 158 of the Local Government Act 1999. In the absence of tenancy apportionment, Council will consider all applications based on the predominant use of the land and each on its merits.

Application forms (Appendix 3) can be obtained from the Council office or Council's website. Council will inform the community of this provision on an annual basis. Applications must be received by 31 March to be applicable for the following financial year. This does not prevent Council from considering applications at any other time on its merits.

10. ASSISTANCE AVAILABLE:

10.1 Rate Rebates:

10.1.1 Mandatory Rebates

Council has determined that rebates of rates will be granted when the applicant satisfies the requirements for a mandatory rebate in accordance with Section 159-165 of the Local Government Act 1999, being:

- Health Services
- Community Services
- Religious Purposes
- Public Cemeteries
- Royal Zoological Society of SA
- Educational Purposes

10.1.2 *Discretionary Rebates*

Ratepayers are able to apply to be considered for a discretionary rebate in accordance with Section 166 of the Local Government Act 1999. Discretionary rate rebate applications will be considered by Council in accordance with Council's 'Rate Rebate Policy'.

10.2 Postponement of Rates for Seniors:

In accordance with section 182A of the Local Government Act 1999, any person holding a state seniors card issued by the State Government may make application to Council for a postponement of the prescribed proportion of rates for the current or future financial years.

All applications of postponement will need to be considered in accordance with the relevant legislative provisions.

10.3 Hardship:

Any ratepayer experiencing financial difficulty or hardship may seek assistance from Council to sustainably manage their payments in accordance with Council's 'Rates Hardship' Policy.

11. PAYMENT OF RATES:

In accordance with Section 181 of the Local Government Act 1999, rates will fall due in four (4) approximately equal instalments payable at the beginning of each of following months:

- September
- December
- March
- June

Rate notices will be issued quarterly (at least 30 days and no more than 60 days) before payment is due. The total outstanding balance of rates may be paid at any time.

Council offers the following payment options:

- Paying in person at the Council office
- Mailing the payment by post
- Credit card payment via Council's website (BPoint)
- Credit card payment over the phone
- BPay
- Direct debit (fortnightly, quarterly or annual)
- Bank deposit (EFT).

12. ALTERNATIVE PAYMENT ARRANGEMENTS:

Any ratepayers who may experience difficulty with meeting the standard instalments and due dates or wish to make smaller, more regular payments to meet their rates liability, can apply to Council to enter into an agreement to make periodical payments.

In order for such an agreement to be considered, an application form for Payment Arrangements (Appendix 4) or Direct Debit (Appendix 5) must be completed which specifies the dates and amounts that are to be paid.

13. LATE PAYMENT OF RATES:

The Council will impose a penalty of a 2% fine on any late payment for rates in accordance with Section 181 (8) of the Local Government Act 1999.

A payment that continues to be late will be charged an interest rate (which is adjusted by legislation each year) for each month it continues to be in arrears, including the amount of any previous unpaid fine and including interest from any previous month.

14. WAIVING OF FINES:

14.1 Fines for late payment of rates may be waived upon application made to Council in writing (Appendix 6) by a ratepayer in the following circumstances:

- Financial difficulties due to unemployment, sickness or sudden hospitalisation of the principal income earner.
- Where there is a regular payment arrangement in place and the ratepayer shows a genuine attempt to pay the outstanding rates.
- The property has been sold and settlement is imminent.
- Where an electronic payment error has occurred.
- Whilst probate on an estate is being settled.

The following reasons are generally not considered acceptable for waiving of fines:

- Loss of cheques for payment of rates via post.
- Incorrectly completed cheques.
- Late receipt of payments due to postal delay.
- Absenteeism from the area due to business or vocational purposes.
- Simple oversight and no explanation provided.
- Failure to provide Council with written notification of a change of address resulting in non-receipt of rates notice.
- Intentional late payment as an objection from alleged non-receipt of expected services.

15. AVAILABILITY OF THE POLICY:

This policy will be available for inspection at the Council's principal office, 29 Holland Street Kingston SE, during ordinary business hours and on Council's website: www.kingstondc.sa.gov.au. Copies will also be provided to interested members of the community upon request, and upon such payment of the fee set by Council.