



Rating Policy

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Responsible Officer:	• Chief Executive Officer • Director Corporate Services • Rates and Property Officer
Applicable Legislation:	• Local Government Act 1999 • Local Government (General) Regulations 2013 • Landscape South Australia Act 2019 • Valuation of Land Act 1971
Related Policies/Procedures:	• Rate Rebate Policy • Rates Hardship Policy • Debt Management Policy • Mobile Garbage Bin Collection and Disposal Service Policy • Internal Financial Controls Policy/Procedure • Delegation Register

1. INTRODUCTION

Council's are required to raise revenue for governance, administration and the delivery of goods and services to the community. Council's major source of revenue is Rates, derived as a tax on land within the Council area. All ratepayers receive benefits from paying rates, but those benefits are consumed in different quantities and types over the life of the ratepayer.

This document sets out the policy of Council for setting and collect rates from its community.

2. 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 (the Act).

3. LEGISLATIVE CONTEXT:

Council's powers to raise rates is found in Chapter 10 of the Local Government Act 1999. The Act provides the framework within which the Council must operate and provides the rating options available.

All land within a council area, except for land specifically exempt (e.g. Crown land, Council occupied land and other land prescribed in Section 147 of the Local Government Act), is rateable.

The Local Government Act provides for a council to raise revenue for the broad purposes of the council. Rates are not fees for services. They constitute a system of taxation for Local Government purposes.

In addition to rates, the Council can also raise revenue through:

- Service rates or charges for specific services (eg waste service charge);
- Optional user charges (eg hire of community facilities); and
- Expiation fees (eg parking infringements).

Section 123 of the Act, requires Councils to prepare an Annual Business Plan and Budget, which must set out the rating structure and policy for the financial year. A summary of the Annual Business Plan must be included with the first rates notice.

4. SCOPE:

In determining a suitable Rating Policy, Council has taken into consideration the following strategic documents:

- Strategic Management Plan
- Long Term Financial Plan
- Annual Business Plan and Budget
- Infrastructure and Asset Management Plan.

5. POLICY STATEMENT:

5.1 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
- compliance with the requirements of legislation;
- consideration of strategic objectives, budget considerations, the current economic climate and the likely impacts on the community; and
- acknowledging that we are one community, and over time there will most likely be periods where expenditure is higher in one area than another, and this should be balanced over time as we collectively seek to provide services and infrastructure for the whole of the Council area.

5.2 Principles of Taxation

This Policy represents the Council's commitment to balancing the main principles of taxation:

Benefits received (services required or resources consumed)

Reliance on this principle suggests that (all other things being equal) a person who received more benefits should pay a higher share of tax. The relative benefits received/available per property are effectively factored into property values.

Capacity to pay

This principle suggests that a person who had less capacity to pay should pay less; and that persons of a similar means should pay similar amounts.

Administrative simplicity

This principle refers to the costs involved in applying and collecting the tax and how difficult it is to avoid.

Economic efficiency

This refers to whether or not the tax distorts economic behaviour.

Policy consistency

The principle that taxes should be internally consistent, and based on transparent, predictable rules that are understandable and acceptable to taxpayers.

5.3 Valuation of Land

A council is permitted to adopt the following valuation methodologies to value the properties in its area:

- Capital Value – the value of the land and all the improvements on the land. The value reflects, among other things, the relative availability of and access to Council services. This applies to all types of land use, and to land in all locations.
- Annual Value – a valuation of the rental potential of the property.

Council will continue to use capital value as the basis for valuing land. The Council considers that this method provides the fairest way to distribute the rate burden across all ratepayers on the following basis:

- the 'capacity to pay' principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth;
- property value is a relatively good indicator of wealth (when lifetime incomes, including incomes from capital gains, are taken into account). Capital value, which closely approximates the market value of a property, provides the best indicator of overall property value.

The Council will adopt the most recent valuations made by the Valuer- General at the time of the annual declaration of rates.

5.4 Objections to Valuation

If a ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the valuation referred to in the rate notice by writing served personally or by post on the Valuer-General within 60 days after the date of service of the first quarter notice, provided they have not:

- (a) previously received a notice or notices under the Local Government Act 1999 referring to the valuation and informing them of a 60-day objection period; or
- (b) previously had an objection to the valuation considered by the Valuer-General.

The Valuer-General may extend the 60-day objection period where it can be shown that there is reasonable cause to do so by a person entitled to make an objection to a valuation.

Objections can be submitted to the Office of the Valuer-General via:

Online: www.valuergeneral.sa.gov.au

Email: OVGobjections@sa.gov.au

Post: GPO Box 1354, Adelaide 5001

Fax: 08 8115 5709

In Person: Land Services SA, Level 9, 101 Grenfell Street, Adelaide

The Council has no role in this process. The lodgement of an objection does not change the due date for the payment of rates.

Pursuant to the provisions of the Local Government Act 1999, Council shall refund any rate amount overpaid as a result of an objection, review or appeal in respect of a valuation.

5.5 Notional Values

Certain properties may be eligible for a "notional value" under the Valuation of Land Act 1971. This may apply if the property is the principal place of residence, and its value is enhanced by unrealised subdivision potential or a different potential land use. A notional value is generally less than the capital value and therefore would result in reduced rates.

Application by the ratepayer for a notional value must be made to the Office of the Valuer-General.

5.6 Fixed Charge

Section 151(10) of the Act allows councils to apply a fixed charge as part of general rates but limited the amount that can be raised from a fixed charge to 50% of total rate revenue.

Council recognises that many services are made available uniformly to all ratepayers, irrespective of property value, and that property values are influenced by factors beyond the level of Council service provision. On this basis, it is considered equitable to recover a portion of costs through a uniform fixed charge, consistent with the benefit principle, while also ensuring appropriate regard is given to the capacity to pay principle.

To balance both these principles, Council will limit proportion of general rate revenue collected through the fixed charge to approximately 33%. This approach reflects the weighting between capacity to pay and benefits received, while also recognising a fixed charge cannot be levied onto some properties due to legislative constraints, including marina berths, adjoining properties, and single farm enterprises.

In accordance with the act, only one fixed charge will apply where two or more adjoining properties are owned by the same ratepayer, and only one fixed charge will apply to a single farm enterprise. A fixed charge is not applicable to marina berth properties.

Council will therefore collect approximately 33% of general rate revenue through the fixed charge, based on Council's net income as a portion of total expenditure. The fixed charge amount will be outlined on the rates notice.

5.7 Differential Rates

The Council has elected not to apply differential rates. A single rate on the dollar will apply to all land uses and localities.

All land use codes will be set at 100% as a principle. Differential rates can be reviewed and adjusted annually, specifically to deal with unexpected factors influencing rating or capital value movements.

5.8 Landscape Levy

The Council is required under the Landscape South Australian Act 2019 to make a specified contribution to the Limestone Coast Regional Landscape Board. It does so by imposing a separate rate against all rateable properties.

This separate rate is effectively a State Government tax that councils are required to collect, and return to a State Government agency, the local Landscape Board. Even though it appears on the Council's rates notice, enquiries about this component should be directed to the Limestone Coast Regional Landscape Board, www.landscape.sa.gov.au or phone 08 8735 1177.

5.9 Service Charges

Section 155 of the Act allows a Council to impose a service charge on rateable land within its area for a prescribed service. A prescribed service is described as treatment or provision of water, collection, treatment or disposal of waste, a

television transmission service or any other service prescribed by the regulations for the purposes of this definition.

Council has adopted the following service charges:

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'.

Community Wastewater Management Charge

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 is declared against vacant and occupied land.

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.

5.10 Rate Capping

Council considers it appropriate to grant pursuant to Section 166 (1)(l)(i) of the Act a rebate to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to a redistribution of the rates burden within the community arising from the change in the basis of rating.

A rebate will be granted to cap the increase in the general rates to no more than 12% above the general rates payable from the previous financial year.

Ratepayers are not eligible for a rebate under Clause 5.10 in the following circumstances:

- (a) The rate increase is due to capital improvements to the land;
- (b) A property is granted a 100% rate rebate;
- (c) A boundary realignment, subdivision, amalgamation or rezoning of the land has occurred; or
- (d) A change of ownership has occurred where the legal title to the land has been transferred through a transaction involving monetary consideration. Transfers that occur without payment, including those arising from wills, gifts, inheritance or other non-monetary arrangements, do not qualify as a change of ownership for the purposes of this clause.

Where a ratepayer is eligible to benefit from the application of rate capping, the Council's policy is to reflect the rate cap on the rates notice when it is issued.

5.11 Remission of Rates

The Council has a discretion to partially or wholly remit (i.e. waive) rates on the basis of hardship. If you are suffering financial hardship, you may contact the Council office to discuss the matter. Such inquiries are treated confidentially, and any application will be considered on its merits.

5.12 Postponement of Rates

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.

5.13 Cost of Living Concessions

The State Government has replaced rate concessions with a 'cost of living concession' that is paid directly to pensioners and concession card holders.

Information is available at:

Online: www.sa.gov.au/topics/care-and-support/concessions/household-concessions/cost-of-living-concessions

Email: concessions@sa.gov.au

Phone: 1800 307 758 - 9:00 am to 5:00 pm, Monday to Friday

5.14 South Australian Government's Rural Support Grants

The South Australian Government's Rural Support Grants, administered by the Rural Business Support Relief Fund, provides up to \$1,500 in financial assistance to eligible SA primary producers and rural small business owners experiencing significant financial hardship.

In conjunction with financial counselling through Rural Business Support (RBS), the grant helps cover essential costs such as utilities, council rates, groceries, medical bills, or other items identified by the financial counsellor and the individual as part of their recovery planning. Priority is given to those impacted by drought, market disruptions (such as in the wine grape industry), biosecurity incursions, and family-run rural small businesses concerned about their financial future.

Payments are made directly to suppliers upon invoice, with one grant available per family enterprise. Farming families and rural small business owners can start their financial counselling journey by contacting Rural Business Support on 1800 836 211 or by emailing enquiries@ruralbusinesssupport.org.au

5.15 Mandatory Rebates

The Local Government Act 1999 requires councils to rebate the rates payable on some land uses.

A 100% rebate must be applied to land used for:

- Health services;
- Religious purposes;
- Public cemeteries; and
- The Royal Zoological Society.

A 75% rebate (or more, at the Council's discretion) must be applied to land used by:

- Community service organisations; and
- Schools and universities.

5.16 Discretionary Rebates

The Local Government Act 1999 enables the Council (upon application and subject to certain eligibility criteria) to grant discretionary rebates of up to 100% for land used for the purposes, such as:

- Securing proper development of an area;
- Assisting or supporting a business;
- Preservation of historically significant places;
- Facilities or services for children or young persons;
- Accommodation for the aged or persons with disability; or
- Other purposes.

Upon receipt of your application, the Council will take into account:

- Why there is a perceived need for financial assistance through a rebate;
- The level of rebate being sought;
- The extent of financial assistance, if any, being provided and/or in respect of the land by Commonwealth or State agencies;
- Whether, and if so to what extent, you are or will be providing a service within the Council area;
- Whether you are a public sector body, a private not for profit body or a private or profit body;
- The nature and extent of Council services provided in respect of the land, in comparison to services provided elsewhere in the Council's area;
- The community need, if any, that is being met by activities carried out on the land;
- The extent to which activities at the land provide assistance or relief to disadvantaged persons;
- Consideration of the full financial consequences of the rebate for the Council;
- The time the application is received;
- Whether you may be eligible for a Council community grant; and
- Any other matters and policies of the Council, which the Council considers relevant.

If you or your organisation wishes to apply for a discretionary rate rebate, you may apply by contacting the Council Office.

5.17 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 fixed charge, in accordance with Section 152 of the Local Government Act 1999.

Application forms 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 30 April to be applicable for the following financial year. This does not prevent Council from considering applications at any other time on its merits.

5.18 Payment of Rates

The Council will collect rates quarterly on the dates to be specified on the rates notice, generally during the following months:

- | | |
|-------------|---------|
| • September | • March |
| • December | • June |

Rate notices will be issued quarterly however the total outstanding balance of rates may be paid at any time.

Rates may be paid via the following methods:

Online: www.kingstondc.sa.gov.au

Telephone: 08 8767 2033

In person: 29 Holland Street, Kingston SE

BPay: refer to rates notice

Direct debit: refer to rates notice

Secure online payment: refer to rates notice

Post: PO Box 321, Kingston SE SA 5275

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard instalments and due dates can contact the Council to discuss alternative payment arrangements. Fines and interest on overdue amounts will be applied in accordance with the Act.

5.19 Late Payment of Rates

The Local Government Act provides that Councils impose a penalty of 2% on any late payment for rates, whether instalment or otherwise. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be late. Interest charged on late payments is charged on both the amount of the rate arrears and any interest that has previously been imposed. The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow the Council to recover the administrative cost of following up unpaid rates and to cover any interest cost the Council may incur because it has not received the rates on time.

The Council imposes late payment penalties strictly in accordance with the Local Government Act. The ability to remit penalties in whole or part is a power vested in Council. Each case will be considered on its merit based on the information provided.

When Council receives a payment in respect of overdue rates the Council applies the money received in accordance with Section 183 of the Local Government Act, as follows:

1. To satisfy any costs awarded in connection with court proceedings;
2. To satisfy any interest costs;
3. In payment of any fines imposed; and
4. In payment of rates, in date order of their imposition (starting with the oldest account first).

5.20 Waiving of Fines

Fines for late payment of rates may be waived upon application made to Council in writing 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; or

- Whilst probate on an estate is being settled.

The following reasons are 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 or electronic 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;
- Non-receipt of a rates notice that was correctly issued by Council, whether sent by post or electronically; or
- Intentional late payment as an objection from alleged non-receipt of expected services.

5.21 Outstanding Rates

Council will apply prudent debt collection practices in the recovery of outstanding rates in compliance with the Act and follow an ongoing assessment of arrears and systematic approach to debt recovery.

In accordance with the Act, if an instalment of rates is not paid by the due date, Council will:

1. Issue a reminder to the principal ratepayer advising that the outstanding rate balance is overdue; and
2. Commence recovery of the outstanding balance, which may include legal proceedings.

5.22 Sale of Land for Non-Payment of Rates

The Local Government Act provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to provide the principal ratepayer and the owner (if not the same person) with details of the outstanding amounts and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

5.23 Changes to Assessment Records

All changes to postal address of ratepayer/owner and changes of ownership of a property must be notified promptly to Council in writing.

5.24 Disclaimer

A rate cannot be challenged on the basis of non-compliance with this policy and must be paid in accordance with the required payment provisions. Where a ratepayer believes that the Council has failed to properly apply this policy it should raise the matter with the Council.

6. 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.