

Rating Policy 2018/19

Strategic Reference	Objective 1; a caring, healthy and resilient community. Strategy 1.7; achieve or implement the statutory and core responsibilities of Council.
File reference	AR18/11377
Responsibility	Community & Corporate Department
Revision Number	Original
Effective date	26 June 2018
Last revised date	Original
Minutes reference	118/18
Next review date	N/A
Applicable Legislation	Local Government Act, 1999
Related Policies	2018/19 Annual Business Plan & Budget
Related Procedures	N/A

1. Purpose

The purpose of this policy is to outline Council's approach towards rating its community in 2018/19 and to meet the requirements of the Local Government Act 1999 (SA) (the Act), with particular reference to Section 123. This Section requires Council to set out its rates structure and policies (as part of the Annual Business Plan) each financial year.

2. Scope

The policy covers:

- method used to value land
- adoption of valuations
- business impact statement
- Council's revenue raising powers
- differential general rates
- single farm enterprise
- service charges
- Natural Resource Management levy (the Council's collection role)
- pensioner concessions

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- other concessions
- payment of rates
- late payment of rates
- remission and postponement of rates
- rebate of rates
- rate capping
- sale of land for non-payment of rates
- objections
- disclaimer

3. Strategic Focus

In setting its rates for the 2018/19 financial year, Council has considered the following:

- Strategic Management Plan 2016 - 2020
- Reviewed Long Term Financial Plan 2018/19 – 2028/29
- The 2018/19 Annual Business Plan & Budget
- Current economic climate and relevant factors such as inflation, interest rates & the introduction of a carbon tax
- Specific issues faced by its community, which include:
 - the need to update and maintain capital equipment to enable servicing of the road network and other essential infrastructure;
 - the maintenance and improvement of community assets to enable the District to be promoted as an attractive place in which to live, work, invest and visit;
 - the sustainable management of waste and the promotion of recycling programs;
 - the fostering and promoting of recreational activities for all ages.
- The budget context for the 2018/19 financial year
- The impact of rates and service charges on the community, including:
 - - households, businesses and primary producers;
 - the broad principle that the rate in the dollar should be the same for all properties except where there is clearly a different level of services available to ratepayers or some other circumstance which warrants variation from the broad principle;
 - minimising the level of general rate required by levying fees and charges for goods and services on a user pays basis, where possible and equitable, to recover the full cost of operating or providing the service or goods, with provision for concessions to those members of the community unable to meet that cost.

Council has increased general rates by 3% to set a budget that will provide Council with sufficient revenue to meet its business plan objectives and to absorb cost increases. The Strategic Management Plan 2016-2020 provides the strategic direction of Council over a

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five year period while the budget provides detail for the 2018/19 year and the rates are set at a level to meet those strategic directions.

Council must raise revenue sufficient for the purpose of governance, administration and to provide appropriate goods and services for the community. The goods and services are especially those that would not be provided by private enterprise, e.g. infrastructure, waste management, community, regulatory, environmental health services and street lighting.

Rates are a system of taxation on the community for local government to deliver the goods and services expected by the community. All ratepayers receive benefits from paying rates. In considering the impact of rates on the various sectors of the community, Council has determined its rates so that they apply in a consistent manner and are commensurate with the level of services provided in the urban and rural areas.

Council conducts community engagement on a broad range of issues relating to specific programs and the future directions for the area. These opportunities are advertised in local newspapers, Council newsletters and special interest email groups. Council encourages feedback at anytime and can be done so by visiting www.coorong.sa.gov.au or posting to;

Chief Executive Officer
Coorong District Council
PO Box 399
TAILEM BEND SA 5260

4. Valuation Methodology

Council has adopted the use of capital value as the basis for valuing land within the Council area. Council considers that this method of valuing land provides the best of the options available to Council as prescribed in the Act and therefore the fairest method of distributing the rate responsibility across all ratepayers.

Council may adopt one of the following three valuation methodologies to value the properties in its area (Section 151 of the Act). They are:

- *Capital Value* – the value of land, buildings and other improvements
- *Site Value* – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements.
- *Annual Value* – a valuation of the rental potential of the property.

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 Act to adopt the capital valuations as assessed by the Valuer General through the State Valuation Office. If a ratepayer is dissatisfied with a property valuation then an objection may be made as detailed in Section 21 of this Policy.

5. Business Impact Statement

Council has considered the impact of rates on businesses in the Council area, including primary production. Council maintains contact with the business community both directly and through the Regional Development Australia Murraylands and Riverland.

Council has also considered:

- Those elements of Council’s Strategic Management Plan 2016-2020 relating to business development.
- Coorong District Council Development Plan.
- The equity of the distribution of the rate burden – including the decision to provide a differential rate between residential, commercial/industrial, primary production and vacant land as outlined under the heading “Differential General Rates”. Council considers that all ratepayers have access to broadly comparable services and are generally similarly impacted upon by prevailing economic conditions.
- Council’s policy on facilitating local economic development including:
 - preference for local suppliers where price, quality and service provision are comparable to suppliers outside the Council area;
 - support for and contribution to tourism marketing;
 - support for and contribution to the Murraylands Regional Development Board.
- Current local, state and national economic conditions and expected changes during the next financial year. Changes in the valuation for 2018/19 based on the general valuation assessment, where the capital value has increased by 3.55%.
- Specific infrastructure maintenance issues that will principally benefit businesses and primary producers include:
 - up-grading the pavement structure and sealing major roads both rural and urban, partly as a result of the need for roads to carry heavier vehicles to service industry.

6. Council’s Revenue Raising Powers

All land within a Council area, except for land specifically exempt (e.g. Crown land held for a public purpose, Council occupied land and land prescribed in the Act – refer Section 147 of the Act), is rateable. The Act provides for a Council to raise revenue for the broad purposes of the Council through a general rate, which applies to all rateable properties, or a differential general rate, which applies to different classes of properties.

Council can raise separate rates, for specific areas of the Council or service rates or charges for specific services. Council also raises revenue through fees and charges, which are established having consideration to the cost of the service provided and any equity issues. The list of applicable fees and charges is available on Council’s website www.coorong.sa.gov.au or by contacting one of the Council offices.

7. Differential General Rates

The Act allows Councils to ‘differentiate’ rates based on the use of the land, the locality of the land, the use and locality of the land or on some other basis determined by Council.

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Coorong District Council applies different rates on the basis of land use. Land use is recognised by other State taxing agencies and is easily identified and understood by our communities. It is therefore considered the most appropriate method for applying different rates by the majority of councils.

Definitions of the use of the land are prescribed by regulation and are as follows:

- (1) Residential
- (2) Commercial – Shops
- (3) Commercial – Office
- (4) Commercial – Other
- (5) Industrial – Light
- (6) Industrial – Other
- (7) Primary Production
- (8) Vacant Land
- (9) Other

For ease of classification and for the application of rates, Council categorises these into the following differentials:

- Residential/Other (1 & 9)
- Commercial/Industrial (2-6)
- Primary Industry (7)
- Vacant (8)

As part of the valuation assessment process the State Valuation Office applies a land use to each assessment to identify the predominant use of the land. This land use is used by various taxing authorities. Council generally applies this land use for general rating purposes however under the Act, Council is the relevant authority that determines land use for rating purposes and our rating land use must meet the definitions under Development Regulations. As such the local government land use may vary from that used by other taxing authorities.

If a ratepayer believes that a particular property has been wrongly classified as to its land use, then an objection may be made as detailed below.

Differential rates better reflect consumption of council services but can also be tailored to support other key objectives, e.g. economic development, encourage capital development, or recognise the value of a specific land use sector.

Council's budget contains rate revenue of \$7.249m net of rebates and discounts (a 3% plus growth increase in net general rate revenue from the 2017/18 budget). Council is proposing to apply the following rate in the dollar to give effect to the increase in rate revenue to the following property classifications.

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Summary - Differential Rate Revenue

Differentiating Factor/ Land Use	2017/18 Rate in \$	2018/19 Rate in \$
Vacant	0.5034	0.5151
Primary Industry	0.3567	0.3734
Residential/Other	0.4196	0.4293
Commercial/Industrial	0.4196	0.4293
Bulk Handling	1.1958	1.2234

8. Fixed Charge

Council has historically determined that a fixed charge is applied to all rateable assessments and has decided to increase by \$10.00 per property in 2018/19. Fixed charges in previous years have been \$310 in 2010/11, \$325 in 2011/12, \$345 in 2012/13, \$300 in 2013/14, 2014/15, 2015/16 and 2016/17, \$350 in 2017/18.

The primary reason for imposing a fixed charge is to ensure that all rateable properties make a base contribution to the cost of administering Council activities and maintaining the services and physical infrastructure that supports each property.

In applying the fixed charge only one charge can be imposed on two or more adjoining assessments with the same owner and occupier (contiguous).

Where a ratepayer believes that they may be eligible for a reduction in the fixed charge applied to contiguous assessments an objection may be made as detailed in Section 21.

Council has decided to apply the fixed charge at \$360 for 2018/19.

9. Separate Rates & Service Charges

Community Wastewater Management Schemes (CWMS)

This service charge is set to cover the costs associated with operating and developing the Community Wastewater Management Schemes (CWMS) in townships throughout the Council area. Ongoing comparative reviews of Council's CWMS charges reveals Council is charging considerably less for this service than other councils in its vicinity.

Council is currently progressing through a detailed CWMS Business Plan, which will provide a clear indication of the ongoing costs associated with maintaining CWMS systems. Over the next few years Council will seek to gain full cost recovery from its CWMS service charge.

Council has decided to charge the following CWMS charges for 2017/18:

Tailem Bend, Meningie, Tintinara & Wellington East:

- \$605 – per occupied unit
- \$605 – per vacant allotment

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Water Supply

Council provides water supply systems to residential and commercial properties in the small townships of Wellington East and Peake. The full cost of operating these systems is raised from a range of service charges as follows:

Wellington East and Peake water supply; a

- Service Charge comprised of \$235
- Non-portable water usage charge at \$0.60 per kilolitre;

Kerbside Waste Management

Council provides a comprehensive kerbside waste management collection service, including a yellow recycling bin, green organic waste bin and red residual general waste bin, to divert recyclables and green organics waste from landfill dumps.

These initiatives and increase in service levels resulted in the implementation of a Kerbside Waste Management Charge, which is in accordance with Councils financial strategies and its Long Term Financial Plan. The charge for 2014/2015 was \$240 and in 2015/2016 was \$290. \$325 charge in 2016/2017 and 2017/18 was only applied to those ratepayers who are recipients of the increased service levels and are within the kerbside collection boundary. This fee of \$325 remains for 2018/19 in an effort to migrate towards a self funding cost system, so that those benefitting from the service are paying for it.

10. Natural Resource Management (NRM) Levy

The NRM Levy is a State Government tax imposed under the Natural Resources Management Act 2004. Council is obliged to collect the levy on behalf of the SA Murray Darling Basin and South East NRM Boards.

For that part of the Council area covered by the South Australian Murray Darling Basin Natural Resources Management Board, the levy is based property capital valuations and the rate is 0.00025905 cents in the dollar. For that part of the Council area covered by the South East Natural Resource Management Board, the levy for the following land uses will be per property:

- a. \$72.75 per rateable property with the land use of Residential, Vacant & Other;
- b. \$109.33 per rateable property with the land use of Commercial – Shop, Office or Other;
- c. \$173.91 per rateable property with the land use of Industrial – Light or Other; and
- d. \$335.66 per rateable property with the land use of Primary Production

The NRM levy is shown as a separate charge on the rates notice.

11. Single Farm Enterprise

Section 152(2)(d) of the Act provides that where a Council declares a general rate which is based in whole or in part, on a fixed charge:

“If two or more pieces of rateable land within the area of the Council constitute a single farm enterprise only one fixed charge may be imposed against the whole of the land”.

A single farm enterprise must be comprised of two or more pieces of rateable land which are farm land and are occupied by the same person or persons. To enable properties to

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be identified as single farm enterprises it will be necessary for ratepayers to complete an application form to provide details to Council to enable Council to identify the land concerned.

An application form can be obtained from any of the Council offices.

12. Pensioner Concessions/State Seniors Concession/Other Concessions

An eligible pensioner may be entitled to a concession on their principal place of residence. All pensioner concession applications are administered by the State Government.

13. Payment of Rates

Council has decided that the payment of rates will be by four instalments, due on:

- 11 September 2018
- 11 December 2018
- 11 March 2019 and
- 11 June 2019.

A notice will be sent to each ratepayer 30 days prior to each quarterly instalment being due.

Rates may be paid:

- By post to Coorong District Council at PO Box 399, Tailem Bend SA 5260
- In person by cash, cheque, credit card or EFTPOS at the Meningie or Tailem Bend Offices during the hours of 8.30am to 5.00pm, or Tintinara Office during the hours of 11.00am to 3.00pm, Monday to Friday (noting that Meningie close for lunch between 12.30pm and 1.30pm)
- Electronic payments available via the 'web', log onto www.coorong.sa.gov.au and follow the prompts or over the counter using CREDIT cards
- By BPAY - see rate notice for biller code & reference number
- By Post BPAY – see rate notice for biller code & reference number
- By EFT Transfer to Council's Bank Account (please quote Assess No as Reference)

BSB	105-170
Account No	015437140
Account Name	Coorong District Council

14. Late Payment of Rates

The Act provides that Councils impose an initial penalty of 2% on any payment for rates, whether by instalment or otherwise, that is received late. A payment that continues to be late is then charged a prescribed interest rate on the expiration of each month that it continues to be late. For the 2018/19 financial year, compound interest will be charged, per month, of the amount in arrears, at the prescribed percentage as set by the Local Government Finance Authority.

When the Council receives a payment in respect of overdue rates the Council applies the payment as follows:

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- First – to satisfy any costs awarded in connection with court proceedings.
- Second – to satisfy any interest costs.
- Third – in payment of any fines imposed.
- Fourth – in payment of rates, in chronological order (starting with the oldest rate account).

Postal delays which result in the payment being received after the due date will incur a fine. Council does not usually waive the fine because of such delays.

16. Remission & Postponement of Rates

Where the payment of rates will cause a ratepayer demonstrable hardship, Council is prepared to consider an extended payment provision or defer the payment of rates. This will only occur upon application and persons likely to be affected are asked to contact Council on 1300 785 277 to discuss the matter. Such enquiries are treated confidentially by Council.

17. Seniors Postponement of Rates

Application of postponement of rates and charges will be considered under the provisions of section 182A of the Act – ‘Postponement of rates – Seniors’

Applications must be lodged in writing and must provide evidence of eligibility plus other evidence as required. Requests must be lodged on the Application Form for Postponement of Rates Seniors. Monthly interest at the prescribed rate will be applied to rates postponed under Section 182A of the Act

Where an application for postponement under Section 182A is granted, a presumption of on-going annual postponement will be assumed subject to receipt of an annual signed declaration of continued eligibility.

Ratepayers requesting postponement of rates will initially be referred to the availability of reverse mortgage loans through financial institutions.

Seniors granted postponement of rates are required to pay a minimum of \$500 of rates and charges levied in each financial year in compliance with the Local Government (General) Regulations.

18. Rebate of Rates

Council has determined that rebates of rates will be granted when the applicant satisfies the requirements for mandatory rebates under Sections 159 to Section 165 of the Act. Applications for discretionary rebates lodged under Section 166 of the Act will be considered under Council’s Rate Rebate Policy and will be assessed against guidelines prepared by the Local Government Financial Management Group.

The Act acknowledges that there are particular land uses that are economically disadvantaged and provide local community benefit and therefore must be offered rate relief in order to be sustainable. Some rebates under the Act are applied as a mandatory requirement however further discretionary provisions allow for Council to determine whether other desirable land uses may be offered rate relief.

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Each year we develop a Rate Rebate Policy which provides the full details regarding rate rebates permissible under the Act. This policy documents supports our Strategic Rating Policy.

A full list of mandatory and discretionary rate rebate recipients is attached to Council's Rate Rebate Policy, which was adopted as amended at the 28 June 2016 meeting.

19. Rate Capping

For the year ending 30 June 2019 and in accordance with Section 166(l)(i)(ii) of the Act, Council has decided to make generally available a rebate on the differential general rates paid, so that the maximum rate paid in 2018/19 is no greater than 10% more than that applicable in 2017/2018 for residential properties, and 20% for all other properties. The rebate is subject to the increase not being due to capital improvements on the property or a change in ownership with the new value reflecting the purchase price. Council has adopted this position for the current financial year due to the change in its Rating Policy and the subsequent impact this may have on its ratepayers.

Any property owner who has experienced an increase in accordance with the criteria above are encouraged to make application for a refund by visiting one of Council's offices or online www.coorong.sa.gov.au.

20. Sale of Land for Non-Payment of Rates

The Act provides that a Council may sell any property where the rates have been in arrears for three years or more. Council is required to notify the owner of the land of the amounts outstanding and its intention to sell the land if payment of the outstanding amount is not received within one month. Except in extraordinary circumstances, Council will enforce the sale of land for arrears of rates. A copy of Council's Debt Recovery Policy is available from any office of Council or by visiting www.coorong.sa.gov.au

21. Objections

Council rates are imposed under the provisions of the Act, and within the Coorong District Council are based on the Capital Valuation and the Land Use Category applied for the current financial year, plus the Fixed Charge declared by Council. Where a ratepayer believes the level of rates charged on an assessment is excessive, the avenues for appeal are to lodge a formal objection to the Capital Value, the Land Use or to the Fixed Charge (where multiple adjoining properties are involved).

It is important to note that the lodgement of any objection does not change the due date for payment of rates. Rates must be paid in accordance with the Rate Notice until otherwise notified by Council.

The following provides information on lodging objections.

Valuation Objections

Council has adopted the valuations made by the Valuer-General as provided to Council on 25 June 2018. If a ratepayer is dissatisfied with the valuation made by the Valuer-General then an objection may be made to the State Valuation Office in writing within 60

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days of receiving the notice of the valuation, 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 State Valuation Office in the current financial year.

The address of the State Valuation Office is:

State Valuation Office
GPO Box 1354
ADELAIDE SA 5001
Email: lsgobjections@sa.gov.au
Phone: 1300 653 345
Fax: 8226 1428

Forms for lodging objections are available on the State Valuation Website www.landservices.sa.gov.au. Please note that Council has no role in this process and it is also important to note that the lodgement of an objection does not change the due date for the payment of rates. Rates must be paid in accordance with the rate notice until otherwise notified by Council.

Land Use Objections

If a ratepayer believes that a particular property has been wrongly classified as to its land use, then an objection may be made (to council) 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.

It is important to note that the lodgement of an objection does not change the due date for payment of rates. Rates must be paid in accordance with the rate notice until otherwise notified by council.

Fixed Charge Objections

Where a ratepayer believes that they may be eligible for a reduction in the fixed charge applied to contiguous assessments, they must lodge their objection in writing to:

Chief Executive Officer
Coorong District Council
PO Box 399
TAILEM BEND SA 5260

The objection must contain full details of the ownership, occupants (tenants) and dates of any lease agreements and date of purchase for each assessment subject to objection. Rates must be paid in accordance with the Rate Notice until otherwise notified by Council.

22. Disclaimer

In accordance with Section 171(5) of the Act, 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.

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In accordance with Council's Customer Compliments and Complaints Policy, where a ratepayer believes that Council has failed to properly apply this policy, initial contact should be made with a Council office. If, after this initial contact, a ratepayer is still dissatisfied they should lodge a formal complaint which can be done by attending a Council office, telephoning the Customer Service Centre, visiting the Council website, emailing or writing to Council.

23. Further information

This policy will be available for inspection at the Council offices listed below during ordinary business hours and available to be downloaded, free of charge, from Council's website: www.coorong.sa.gov.au.

Coorong Civic Centre

95 - 101 Railway Terrace
Tailem Bend
Phone: 1300 785 277
Fax: 8572 3822

Meningie Information Hub

49 Princes Highway
Meningie

Tintinara Customer Service Centre

37 Becker Terrace
Tintinara

Copies will be provided to interested parties upon request. Email council@coorong.sa.gov.au.

Any grievances in relation to this code of practice or its application should be forwarded in writing addressed to the Chief Executive Officer of Council.