Rating Policy

Strategic Reference	**Leadership** *Priority Area 4 – Financial Sustainability* Action 5.4.3 – Council considers financial sustainability (including Long Term Financial Plan) capacity in decision making for projects involving significant expenditure.
File reference	AR25/10827
Responsibility	Office of Chief Executive Officer
Revision Number	9
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Next review date	June 2027
Applicable Legislation	Local Government Act 1999 Local Government (Financial Management) Regulations 2011 Local Government Finance Authority Act 1983 Landscape South Australia Act 2019 Valuation of Land Act 1971 Aboriginal Lands Trust Act 2013
Related Policies	Debt Recovery & Financial Hardship Policy Kerbside Waste, Recycling & Green Organics Collection Service Policy
Related Procedures	N/A

1. Purpose

All land within a council area, is rateable, except for land specifically exempt (e.g. crown land, Council occupied land and other land prescribed in the Act).

The purpose of this policy is to set and collect rates in accordance with Chapter 10 of the *Local Government Act 1999* (the **Act**).

Council must, each financial year, prepare and adopt a Rating Policy in conjunction with the Annual Business Plan and the annual declaration of Council rates.

2. Policy Principles and Objective

Council must raise sufficient revenue for the purpose of the provision of appropriate goods and services for the community, being: infrastructure, street lighting, regulatory and compliance services, governance and administration. Rates are not a fee for service; they constitute a system of taxation for Local Government functions and purposes which are defined in the Act.

Council may also raise separate rates and service rates or charges for specific areas of the Council. In addition, Council raises revenue through service charges for community wastewater management schemes, non-potable water schemes and kerbside waste management collection.

Council fees and charges are set giving consideration to the cost of the service provided.

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

Equity – taxpayers with the same income pay the same tax (horizontal equity), wealthier taxpayers pay more tax (vertical equity);

Benefit – taxpayers should receive some benefits from paying tax, but not necessarily to the extent of the tax paid;

Ability 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 (e.g. tobacco taxes); if a tax is designed to be neutral in its effect on taxpayers and it changes taxpayers behaviour the tax is inefficient; and

Simplicity – the tax must be understandable, hard to avoid and easy to collect.

Tax burden of future generations – taxes should be equitable between different generations. Ratepayers in each time period should (as a group) contribute to public expenditures from which they derive benefits in accordance with their share of those benefits. In other words, they should 'pay their way' without either subsidising, or being subsidised by ratepayers in other time periods, thus achieving intergenerational equity.

Council's Rating Policy is underpinned by:

- Accountability & professional ethics
- Community engagement
- Transparency
- Consistency with the strategic directions of Council
- Compliance with relevant legislation.

3. Implementation

In setting its rates, Council considers the following:

- Community Vision Plan
- Long Term Financial Plan & Asset Management Plans

- Recurrent and project expenditure and income resources required for the delivery of services documented in annual business plans & budgets
- The impact of rate changes on all ratepayers in the Council area
- Extreme changes in valuation and how their effect can be minimised in setting rate levels
- Recent development approval trends and growth expected for the area
- Increased use of "user pays" cost recovery systems

4. Valuation Methodology

Council adopts capital value as the basis for rating within the Council area (defined as the value of the land and all improvements on the land). Council considers that this method provides the most equitable way to distribute the rate burden across the district.

Council does not determine property valuations but chooses to exercise the right under Section 167 of the Act to adopt the capital valuations assessed by the Valuer-General through the State Valuation Office.

5. Differential General Rates

Council applies 'differential' rates based on land use and locality categories for the basis of rating in accordance with regulation 14 of the *Local Government (General) Regulations 2013 (the Regulations)*.

The land use categories prescribed by the Regulations and used by Council are as follows:

(1) Residential

(2) Commercial – Shop

(3) Commercial – Office

(4) Commercial – Other

(5) Industrial – Light

(6) Industrial – Other

(7) Primary Production

(8) Vacant Land

(9) Other.

The land that is located in the Bulk Handling Zone is rated based on locality.

In accordance with Section 148 of the Act, Council assesses any piece or section of land subject to separate ownership or separate occupation.

6. Separate Rate

Under Section 154 of the Act, Council may declare a separate rate on rateable land within a part of the area of the council for the purpose of planning, carrying out, making available, supporting, maintaining or improving an activity that is, or is intended to be, of particular benefit

to the land, or the occupiers of the land, within that part of the area, or to visitors to that part of the area.

Council has determined that the use of the separate rate provisions of the Act will be limited to the use of a separate rate for:

- Wellington East Water Supply

7. Fixed Charge

Council imposes a fixed charge on the following basis:

- Council considers it appropriate that all rateable properties make a contribution to the cost of administering Council activities and creating and maintaining the physical infrastructure that supports each property; and
- A fixed charge rating system reduces the impact of volatility in the real estate market.

Council services are provided and available relatively uniformly to all ratepayers, and property values vary, Council considers it equitable to recover the costs of such services by way of a uniform fixed charge, set at an appropriate level.

Where two (2) or more adjoining properties have the **same owner and occupier** – only one (1) fixed charge is payable by the ratepayer.

Properties will be classified as adjoining if the relevant blocks are contiguous in accordance with the Act.

8. Service Charges

8.1 Community Wastewater Management Schemes (CWMS)

This service charge is set to recover the costs associated with operating, maintaining and developing the Community Wastewater Management Schemes (CWMS) in townships throughout Council's area.

Council manages CWMS for the areas of Tailem Bend, Meningie, Tintinara and Wellington East.

8.2 Water Supply

Council provides non-potable & non-drinking water supply systems to residential and commercial properties in the township of Peake.

Council recovers the cost of these services through a service charge.

8.3 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.

A separate charge per property to which the service is made available is levied to recover the costs to provide that service.

Regulation 13 of the *Local Government (General) Regulations 2013* provides that residents who do not have their bins picked up at their property are entitled to a reduction in the waste management charge on a sliding scale:

- Up to 500 metres from property access point – full charge
- 500 metres to 2 kilometres – 75% charge
- 2 kilometres to 5 kilometres – 50% charge
- Over 5 kilometres – no charge

9. Regional Landscape Levy

The Regional Landscape Levy (previously known as the NRM Levy) is a State Government Tax which councils are required to collect in accordance with the *Landscape South Australia Act 2019.* Council is required to make a specified contribution to both the Murraylands & Riverland Landscape Board and the Limestone Coast Landscape Board. It does so by imposing a separate rate against all rateable properties.

For Council areas covered by the Murraylands & Riverland Landscape Board, the levy is calculated by the Rate in Dollar calculation against property capital valuations.

The Limestone Coast Landscape Board determine the Fixed Charge levy for the following land uses and is applied per assessment:

a) Residential, Vacant & Other;
b) Commercial – Shop, Office or Other;
c) Industrial – Light or Other; and
d) Primary Production

The Regional Landscape Levy is shown as a separate charge on the rates notice. Council does not retain revenue collected from this levy, nor does Council determine how the State Government spend the raised revenue.

For further information regarding this levy, or the work the levy supports, enquiries should be directed to: Murraylands & Riverland Landscape Board and/or the Limestone Coast Landscape Board at www.landscape.sa.gov.au or phone:

- Murraylands & Riverland Landscape Board: (08) 8532 9100
- Limestone Coast Landscape Board: (08) 8429 7550

10. Single Farm Enterprise

A single farm enterprise (SFE) is defined in sections 152(2) & (5) and 158(2bb) & (6) of the Act which 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".

- the relevant eligibility criteria of the definition of single farm enterprise are that,
  - (i) both pieces (current assessments) are farm land and they are farmed as a single enterprise and they are occupied by the same persons, regardless of contiguity or,
  - (ii) that all pieces except one are farm land and they are farmed as a single enterprise and they are occupied by the same persons and that one piece (contiguous with at least one of the other pieces), is the principal place of residence of one of those persons;
- farm land is defined as land used wholly or mainly, for the business of primary production; and
- primary production is defined at regulation 14(1)(g) of the LG (General) Regulations 2013.

Council has specified 31 December as the date by which an application for Single Farm Enterprise should be made in any financial year.

Applications received after this date will still be assessed by Council in accordance with the statutory requirements. If Council is not satisfied that the relevant criteria for a single farm enterprise was met as of 1 July in the year the application was made, then (provided the Council is satisfied the criteria is met as at the date of the application) treatment of the land as a single farm enterprise for rating purposes will occur from 1 July the following financial year.

11. Payment of Rates

Rates are declared annually and may be paid by a single payment, or in four quarterly payments which are payable:

- September
- December
- March
- June

Due dates are specified on each rates notice. If an instalment of rates is not paid on or before the date on which it falls due it will be regarded as being in arrears in accordance with Council's Debt Recovery & Financial Hardship Policy.

12. Rate Rebates

If an entitlement to a rebate ceases or no longer applies during the course of a financial year, Council will recover rates, service charges and landscape levies proportionate to the remaining part of the financial year.

Council will advise applicants in writing of its determination of any application for the rebate of rates. The advice will state:

- If the application has been granted, the amount of the rebate; or

- If the application has not been granted, the reasons why.

A person or body who is aggrieved by the determination of Council in respect on their rebate application may seek a review of that decision within twenty-one (21) days of the date of the notice of determination.

i. Mandatory Rebates

Council is required to rebate (discount) rates payable on some land under sections 159 to 165 of the Act. Where Council is satisfied that a person or body meets the specific criteria for a mandatory rate rebate, Council will grant the rebate accordingly. Where Council is not satisfied that the conditions for the rebate have been met, Council will require the body or person to apply for the rebate. Eligibility for rebates will be reviewed in accordance with the criteria set out in the Act at Council's discretion.

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

- Health services
- Religious purposes
- Royal Zoological Society of South Australia
- Public cemeteries

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

- Community service organisations
- Educational purposes

Applicants who satisfy the criteria for a mandatory 100% rebate will be granted the rebate at any time.

Where any mandatory rebate is applied the rebate will also extend to Regional Landscape Levies. Council may grant a rebate of service charges as Council deems fit.

ii. Discretionary Rebates

Section 166 of the Act allows Council a wide discretion to apply any rebate percentage of rates for a number of other purposes, such as:

- Securing property 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 a disability
- Educational purposes
- Agricultural, horticultural or floricultural exhibitions
- Hospital or health centre

- Residential aged care facility or day therapy centre
- Provision, benefit or service to the local community
- Provision of relief against a substantial change in rates due to the basis or structure of the Council's rating, rapid changes in valuations, anomalies in valuations, change in basis on which land is valued
- Where the rebate is considered by the Council to be appropriate to provide relief in order to avoid what would otherwise constitute – (a) a liability to pay a rate or charge that is inconsistent with the liabilities that were anticipated by council in its annual business plan, or (b) a liability that is unfair or unreasonable
- Where the rebate is to give effect to a review of a decision of the Council under Chapter 13, Part 2
- Where the rebate is contemplated under another provision of the Act
- Where a council is deciding whether to grant a rebate of rates or charges under section 166, they are required to take into account:
    - the nature and extent of council services provided in respect of the land for which the rebate is sought in comparison to similar services provided elsewhere in its area; and
    - the community need that is being met by activities carried out on the land for which the rebate is sought; and
    - the extent to which activities carried out on the land for which the rebate is sought provides assistance or relief to disadvantaged persons, and may take into account other matters considered relevant by the council

Each rebate that is granted either reduces Council's revenue and thus its capacity to provide services, or, it effectively increases the amount that must be collected from other ratepayers. Decisions on applications for rebates are carefully considered. After consideration of various matters, Council may refuse to grant any rebate or may decide to grant a rate rebate subject to specific conditions.

Eligibility for rebates will be reviewed in accordance with the criteria set out in the Act, at Council's discretion, as per section 166 of the Act.

Applications for a discretionary rebate under the Act must be made in writing on Council's application form.

A summary of all discretionary rebates applied for and the outcome of the applications and the associated reasons will be reported annually to Council through its Audit & Risk Committee.

Where a discretionary rebate is applied, all service charges and regional landscape levies are excluded.

Council may use a discretionary rebate to limit any increase on the liability for general rates (when compared with the same assessment for the previous year) and Council has determined that a one year rebate will be applied to cap any increase in the general rates payable at 15% subject to the following criteria:

- the rebate is available on application only; and

- the application is lodged with Council in the form required by Council by 30 September in each year; and
- Council is satisfied all other conditions of eligibility have been met.

The rebate is not available on rateable land that is the principal place of residence of a principal ratepayer or to properties located in the bulk handling zone; and

The rebate will not apply where the increase in rates payable is a result of:

- an increase in the valuation of the property due to capital improvements; or
- a change in land use of the property; or
- a change in zoning of the land; or
- a change in ownership or occupancy during the previous financial year.

Capital improvement includes any addition, alteration or new development on the property.

13. Rate Capping (Section 153)(3)

Council provides a rate capping rebate under section 153(3) of the Act in the form of relief for what would otherwise amount to a substantial increase in rates payable to a ratepayer, due to rapid changes in valuation. Council provides a capping of 15% for the principal place of residence of the principal ratepayer on application subject to the following conditions:

- the rebate is available on application only; and
- the application is lodged with Council in the form required by Council by 30 September in each year; and
- Council is satisfied all other conditions of eligibility have been met.

Ratepayers may apply for the rate capping rebate where their general rates for the landhave increased by more than 15%, calculated based upon general rates payable before the application of any cap, discount, rebate or remission, in the previous year.

The rate cap will not apply where the increase in rates payable is a result of:

- an increase in the valuation of the property due to capital improvements; or
- a change in land use of the property; or
- a change in zoning of the land; or
- a change in ownership or occupancy during the previous financial year.

Capital improvement includes any addition, alteration or new development on the property.

14. Remissions and Postponement of Rates

Remission and Postponement of Rates is possible under limited circumstances. These circumstances are outlined in Council's Debt Recovery & Financial Hardship Policy and cover:

a. Remission and Postponement of Rates for a hardship debtor

b. Postpone of Rates (Seniors); and

c. Special Circumstances – Properties Experiencing Adverse Conditions

15. Valuation Objections

Council must adopt the most recent valuations available from the Valuer-General as close as practicable to 30 June.

If a ratepayer is dissatisfied with a property valuation made by the Valuer General, they may object in writing to the Valuer General within 60 days of receiving the first 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.

Under the *Valuation of Land Act 1971* the Valuer General has the discretion to extend the allowable objection period where it can be shown there is reasonable cause.

NOTE: 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.

16. Land Use Objections

If a ratepayer believes a property has been wrongly classified as to its land use, an objection may be made to Council within 60 days of being notified of the land use classification. An Objection to Land Use Code form must be completed in order for the request to be considered by Council, before being referred to Land Services for actioning. Council may exercise its discretion to extend the allowable objection period where it can be shown there is reasonable cause.

NOTE: 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.

17. Availability/Accessibility

This policy is available for inspection at Council's offices during normal business hours & Council's website and will be emailed to interested parties on request (please lodge request in writing via email to council@coorong.sa.gov.au).

18. Document History

This Policy shall be reviewed annually or more frequently if legislation or Council requires.

Version	Adopted	Minute No	Description of change(s)
1	1 August 2019	214/19	Cyclical review following commencement of new council
2	21 July 2020	156/20	Cyclical review
3	29 June 2021	129/21	Purpose, Policy Principles and Objective – clauses consolidated Inclusion of 'Zoning – Bulk Handling' as a land use definition under Differential General Rates Inclusion of sliding scale for kerbside waste management under Separate Rates & Service Charges New clause – 'Extraordinary Provision – COVID-19' Removal of clauses either considered operational in nature or they now appear in Debt Recovery & Financial Hardship Policy
4	19 July 2022	164/22	Strategic references in header table updated to reflect Community Vision Plan 2021 – 2025 Removal of 'Extraordinary Provision – COVID-19' clause as a result of the revocation of the state Emergency Declaration issued 24 May 2022
5	5 July 2023	173/23	Minor formatting changes Section 11 – Rate Capping: updated to 15% rate cap per 2023/24 Annual Business Plan Section 12 – Valuation adoption date amended to 'as close as practicable' to 30 June. This allows Council to adopt the most recent valuations available to Council at the time of adopting its budget.

			Policy review date amended to annually
6	15 August 2023	202/23	Section 9 amended to provide clearer definitions on single farm enterprises. Section 11 amended to provide for greater clarity around rate capping.
7	25 June 2024	156/24	Refinement of introductory clauses/purpose of rating etc. New section added (11) to provide overview of Rate Rebates available.
8	8 July 2025	180/25	'Bulk Handling Zone' removed as a land use (clause 5) on the basis that zone refers to the locality of land. Adjoining property terminology refined to match legislative definition of 'contiguous'. Insertion of clause 13 to outline the framework for remissions and postponement of rates.
9	7 July 2026	199/26	Refer agenda item 10.14 of Special Council meeting held on 7 July 2026 for full details