

Review of Rating Policy

Discussion Paper

for the District Council of Robe

October 2013

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1 INTRODUCTION

1.1 Background.

Councils receive the majority of their revenue from rates. A rating review considers a Council's rating requirements and the best way for that Council to distribute the rate burden amongst their community. Each Council will have different communities so the rating system used is unique for each Council.

S151(6) of the Local Government Act 1999, states that the report must address the following:

- The reasons for the proposed change
- The relationship of the proposed change to the Council's overall rates structure and policies
- as far as practicable, the likely impact of the proposed change on ratepayers
- issues concerning equity within the community
- and any other issues that Council considers relevant.

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2 THE PURPOSE OF THIS DISCUSSION PAPER

The purpose of this discussion paper is to provide Council with information in relation to:

- Why Councils collect rates
- Council's current rating methodology
- Legislative framework for setting Council rates
- Rating options available
- The right option for Robe?
 - Comparison to similar Councils
 - District Council of Robe's profile
 - Issues and impact of current rating system on the community
 - Potential rating solutions and the impact on sections of the community
- Consultation Requirements

2.1 Workshop

A workshop will be held on the 29th October 2013, with Elected Members to explore the information within this discussion paper and to determine the options that will be presented for public consultation.

3 WHY COUNCILS COLLECT RATES

Councils are responsible for the delivery of a broad range of services to the community. The range of services continues to grow.

To support the provision of services and to improve the quality of life for all ratepayers, whether residential or business, Councils provide significant levels of infrastructure in the form of roads,

bridges, drainage, buildings and part and recreation facilities. This infrastructure needs to be maintained and replaced.

Each Council provides unique services for their own particular communities as different communities have different priorities. Councils are therefore faced with the challenge to:

- Establish a level of goods and services for its community; and
- Equitably distribute revenue raising measures that provide funding for these goods and services

As each Council faces different circumstances and provide a different mix of services to its community, it is likely that its revenue requirements are different from its neighbours. The capacity of each Council to raise revenue and the way that the ratepayers will share in providing the revenue will also be different in each Council.

3.1 Nature of Council Rates

Taxation is the major source of revenue for Governments. Councils are responsible for raising their own revenue by way of property taxation (Rates) and user charges as prescribed by legislation. Councils also receive Government funding.

Many ratepayers will question the value they individually receive from the rates they pay, however rates are raised as a form of taxation for services for the whole community. Rates are a wealth tax, taxed against the value of property. The principle being that the more property, or the higher the value of the property, the more you should and are able to pay. One problem with a wealth tax is that someone that owns a property that has a high value may not have the income to pay a higher level of tax. An example is a person who has lived in an area their whole life, has a lower valued type house, but the area has become popular amongst holiday makers and the value of property has increased dramatically. That person may now be living in a very valuable property and rated as such, but may not have the income to afford this level of rating.

3.2 Principles of Taxation

When setting taxes, governments and Councils need to be mindful of the principles of taxation. The principles are:

- 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, easy to collect.

To some extent these principles are in conflict with each other. Governments and Councils must balance the application of the principles, the policy objectives of taxation, the need to raise revenue and the effects of the tax on the community.

4 COUNCIL'S CURRENT RATING METHODOLOGY

4.1 Land Valuation

The District Council of Robe uses the Capital Value provided annually by the Valuer-General as the basis for valuing its property within its area. The Capital Value method of valuation includes both the value of the land and improvements to the land such as housing. This method results in higher valued properties, ie land with a larger more expensive house, being rated higher than lower valued properties such as land with a small house.

Some Councils in South Australia continue to use the Site Value for rating purposes. This is the value of the land only without any consideration of the improvements such as housing to the land. In this case if two properties were next to each other, one with a large house and one with a small house would both incur the same rates.

The Valuer-General analysis the sales of all property types in the any to determine market movements, if any. This analysis of sales happens continuously throughout the year and occurs both in reference to Site (Land) Values and Capital (Improved) Values. The Valuer-General advises that different market movements can occur amongst varying property types and localities.

Certain properties may be eligible for a notional (concessional) value under the Valuation of Land Act 1971, where the property is the principal place of residence of a ratepayer. This can relate to certain primary production land or where there is a state heritage recognition. A notional value is generally less than the capital value and therefore will result in reduced rates, unless the minimum rate is applicable.

4.2 xxx

5 LEGISLATIVE FRAMEWORK FOR SETTING COUNCIL RATES

S151 (10) of the Local Government Act 1999 states that a Council cannot set a fixed charge that will raise an amount that exceeds 50% of all revenue rates by the Council from general rates for any financial year.

6 RATING OPTIONS AVAILABLE

There are a number of alternative rating options available under the Local Government Act 1999. The options that can be considered are:

- A General Rate
- A Differential General Rate
- Minimum rate
- Fixed Charge
- Tiered Rating
- Separate Rates

All rating options provide different ways for the ratepayers to split the cost of running the Council. Councils need to consider the profile and issues of their communities and determine the method that distributes the rates tax burden in the most appropriate manner for their community.

6.1 A General Rate

All properties are charged the same 'rate in the dollar', regardless of land use or locality. This is very simple to administer. Council's will often move to a differential general rate in order to 'tailor' their rating strategy more closely with their communities needs and profile.

6.2 A Differential General Rate

This means there are different 'rates in the dollar' set for different groupings of properties. Differentiating property based on Locality and Land Use are described below. A Council can determine to use a combination of both systems.

6.2.1 Locality

Rating according to where a property is. Some Councils set different 'rates in the dollar' for different townships, or whether a property is inside or outside a township(s).

6.2.2 Land Use

This is where the 'rate in the dollar' is set depending upon what the property is used for. The Land Use types determined by the Valuer General are:

- Residential
- Commercial (sub divided into Shop, Office, Other)
- Industrial (sub divided into Light, Other)
- Primary Production
- Vacant Land
- Other

The use of differential rates makes the rating system more complex, but not usually to the extent that it offends the simplicity principle. This is reflected by the fact that the majority of South Australian Councils use this rating method.

Differential rates based on land use can allow a Council to set policy direction in regards to their rating, such as:

- Lower 'rate in the dollar' to assist or encourage a certain type of land use
- Higher 'rate in the dollar' to deter a certain type of land use, or as an acknowledgement that that land use group needs to pay a higher contribution to the rates burden for the community.

6.3 Fixed Charge

Under this system a fixed amount is first applied evenly against all ratepayers. There is no restriction to the fixed amount and it could be applied so that all ratepayers pay almost the same amount. The remaining amount of rate revenue would be based on the valuation of the property. The effect of a fixed charge is a lower rate in the dollar so higher valued properties pay less than they would if there were no fixed charge.

This system would disadvantage owners of lower valued properties and could offend the 'ability to pay' principle. Developers with a number of adjoining blocks will only pay one fixed charge and all the remaining properties will be charged at a lower rate in the dollar.

6.4 Minimum Rate

A minimum rate is only applied where the calculated rates are lower than a point that Council has set as a minimum to pay. This ensures that all ratepayers pay at least a certain amount. Properties valued higher pay more.

Unlike a fixed charge, the higher valued properties do not gain an advantage. Care must be taken that the minimum is not set so high as to offend the 'ability to pay' principle. Legislation also requires that the total of properties on the minimum rate do not exceed 35%.

6.5 Tiered Rating

In some Council areas there is a large number of low valued residential properties with relatively few high valued properties. The rate in the dollar will be set to obtain a reasonable contribution from every property towards the cost of providing goods and services. It may well be the case that the few high valued properties are paying disproportionately more as compared to the impact of services on their property values. The Local Government Act makes a provision which allows Councils to make adjustments to the rate in the dollar applied to properties in a specified range of values, provided that no more than 35% of rateable properties in a Council's area are affected by this measure and a minimum rate.

The effect of this provision in a Council with a wide range of property values is that a significant number of lower valued properties will attract an increase in rates, whilst higher valued properties receive a reduction.

This method offends the equity principle. It would also affect negatively the 'ability to pay' principle. However in considering the benefit principle, there may be some justification for considering this method.

6.6 Service Rates & Charges

A service rate is raised to provide a service. Councils raise this type of rate or service charge for the:

- Treatment or provision of water
- Collection of domestic waste
- Television transmission service

6.7 Rate Concessions

Rate concessions are available to the following types of ratepayers:

- Pensioners who meet certain conditions may be entitled to a concession on their Council rates. A concession of up to \$190.00 is available through SA Water on your principal place of residence.
- Self Funded Retirees who meet certain conditions may be entitled to a concession on their Council rates. A concession of up to \$100.00 is available through Revenue SA on your principal place of residence.
- Centrelink beneficiaries and low-income earners may receive assistance with the payment of Council rates. Assistance of up to \$190.00 is available throughout the Department of Family and youth Services on your principal place of residence.

The above rate concessions are provided by the State Government.

6.8 Rate Rebates and Remissions

The Local Government Act requires Councils to rebate the rates payable for certain land uses.

The District Council of Robe grants the following rebates as per the Local Government Act.

- S162 - Religious Purposes – 3 church properties
- S165 – Educational Purposes – 3 school properties
- S163 – Public Cemetery – 1 Cemetery

There are also a number of types of properties that are legislated as non-rateable.

Councils also have a general power to grant rebates and remissions subject to meeting certain conditions. The exercise of this power allows for:

- Local discretion;
- The pursuit of local policy objectives;
- Assistance to some community organisations;
- Assistance to local businesses; and
- Assistance in the case of hardship.

Some Councils that have high levels of non-resident ratepayers offer Rates Remissions (Capping) to residents of the area. This type of remission reflects the taxation principle of 'ability to pay' and can relieve the higher burden of rates on properties that have been impacted by holiday popularity. The premise is that a 'holiday' home is likely to be an additional property for a ratepayer that lives

elsewhere and therefore that ratepayer has more 'wealth' than a resident who only owns the property they live in.

A remission of this type is applied to ensure that the rates for residents don't increase by more than x% as determined by the Council. Councils may offer different levels of capping for different types of resident ratepayers such as pensioners.

An example of this is where a Council sets the following remissions:

- Pensioners and other centrelink supported residents – 5%. This means that if their rates increase by more than 5% they will receive a remission to ensure they only pay a 5% increase.
- Other residents – 10%. This means that if their rates increase by more than 10%, they will receive a remission to ensure they only pay a 10% increase.

A number of conditions can be developed to ensure that the Council is protecting the ratepayers they intend to assist.

6.9 Postponement of Rates

6.9.1 Hardship

Councils can wholly or partially postpone rates on the basis of hardship.

6.9.2 Seniors

Ratepayers who hold a Seniors Card are able to apply to Council to postpone payment of a prescribed portion of rates on their principal place of residence. Postponed rates remain a charge on the land and are not required to be repaid until the property is sold or disposed of.

7 THE RIGHT OPTION FOR ROBE?

7.1 Comparison to similar Councils

There are 68 Councils in South Australia and they vary considerably in geographic and population size, economic situation and challenges they face. It can therefore be quite difficult to draw comparisons between Councils however Councils are grouped together in a number of ways, and these groupings can be useful to identify Councils that have similar situations.

7.1.1 Australian Centre of Local Government Grouping

The Department of Regional Australia, Local Government, Arts and Sport, classifies Councils in groups known as the ACLG code (Australian Centre of Local Government). The ACLG code and description for the Councils in South Australia are listed in Appendix 2.

The District Council of Robe is classified as 'Rural Agricultural Small' (RAS). RAS Councils are Councils that have a population under 30,000, are rural and have agriculture as their main development influence.

7.1.2 South Australian Remuneration Tribunal Groupings

Councils in South Australia are grouped by the South Australian Remuneration Tribunal for the purposes of determining the level of allowances for Elected Members. The full list of groupings is listed in Appendix 3.

The District Council of Robe is classified in Group 5 of the Remuneration Tribunal Groupings.

7.1.3 Comparison Councils.

Combining both the Australian Centre of Local Government Grouping and the South Australian Remuneration Tribunal Groupings, results in the following Councils being useful for comparison to the District Council of Robe.

District Council of Barunga West	District Council of Orroroo Carleton
District Council of Ceduna	District Council of Peterborough
District Council of Cleve	District Council of Streaky
District Council of Elliston	District Council of Tumby Bay
District Council of Franklin Harbour	District Council of Kingston
District Council of Karoonda East Murray	District Council of Southern Mallee
District Council of Kimba	District Council of Flinders Rangers
District Council of Mount Remarkable	Wudinna District Council

7.2 SA Local Government Grants Commission Database 2011/12

The South Australian Local Government Grants Commission Database is produced each year with the latest available at the time of writing this discussion paper, being the year 2011/12.

This database has information collected from all South Australian Councils which can be useful when considering how a Council compares to others. Some useful comparisons are explored below.

7.2.1 Area

Councils vary widely in geographic size and this can have an impact on the costs Councils have to bear to manage their assets. The average size of Councils in South Australia is 229,000 hectares whilst Robe is 110,000 hectares.

7.2.2 Total Roads

Councils are responsible for asset management in their districts with the largest and most costly asset type being roads. The average length of roads that Councils in South Australia are responsible for is 1,100 Kms. Robe is responsible for 435kms of roads.

7.2.3 Number of Ratepayers and Population

A Council will have a community which is made up of ratepayers (people who own property) and non-ratepayers (such as renters and visitors). Ratepayers are made up of residents and non-residents. The size of the population determines many of the needs of a community. The size of the populations of the comparison Councils are listed in the Grants Commission Database but this data does not indicate the extent that holiday visitors can expand the population numbers.

The ratepayers are the people who pay for the services that are available to the wider community.

7.2.4 Rates Revenue compared to Total Revenue

Most Councils in South Australia rely heavily on rates as their revenue base. This is consistent with Councils in other Australian States. The average % of rates income compared to total revenue for Councils was 59%. Rates made up 70% of Robes total revenue.

7.2.5 Residential Rates per Rateable Residential Property

This is a calculation of the Council's total residential rates, excluding CWMS, divided by the number of residential properties. The CWMS (Community Waste Water Management Scheme) is a system for dealing with sewerage waste. These systems are predominantly used in rural Councils with many city Council properties being able to access a SA Water Sewerage Scheme. Properties with access to SA Water Sewerage Schemes do not pay fees to their Councils for this. Therefore when comparing rates paid, CWMS is excluded.

Note this comparison is only on Residential Rates, not any of the other rate categories such as Primary Production, Commercial or Industrial.

7.2.6 Road Cost per Ratepayer

As discussed earlier, roads are the largest cost area for rural Councils. When trying to understand the cost impacts on different Councils it can be useful to calculate the cost of roads per ratepayer. The table below shows the operating expenditure on transport assets (roads, bridges etc) and the cost per ratepayer for the comparison Councils. This cost does not include capital costs.

	Size in hectares	Total Roads (km)	Population	Ratepayers	Rates as % of Total Revenue	Residential Rates per rateable Residential Property	Operating Expenditure Transport Assets	Operating Costs of Transport Assets per Ratepayer
State Average	228,788	1,100	24,225	13,063	59%	\$1,193	\$6,009,000	\$465
Robe	109,837	435	1,422	2,323	70%	\$1,708	\$1,527,000	\$657
Barunga West	158,149	931	2,476	2,673	67%	\$826	\$1,817,000	\$680
Ceduna	543,306	1,715	3,692	2,263	42%	\$1,412	\$2,178,000	\$962
Cleve	448,842	1,396	1,736	1,443	49%	\$808	\$1,012,000	\$701
Elliston	667,874	1,148	1,051	1,284	48%	\$3,187	\$2,099,000	\$1,635
Flinders Rangers	410,645	1,262	1,709	1,706	35%	\$953	\$1,719,000	\$1,008
Franklin Harbour	327,786	935	1,284	1,189	32%	\$392	\$1,150,000	\$967
Karoonda East Murray	440,868	1,299	1,042	1,110	26%	\$530	\$2,226,000	\$2,005
Kimba	396,640	1,716	1,093	883	30%	\$1,160	\$1,778,000	\$2,014
Kingston	335,110	744	2,350	2,565	65%	\$1,399	\$1,598,000	\$623
Mount Remarkable	341,192	2,066	2,907	3,086	38%	\$829	\$1,661,000	\$538
Orroroo Carrieton	330,629	1,628	889	1,293	27%	\$590	\$3,100,000	\$2,398
Peterborough	300,616	1,230	1,752	1,683	27%	\$949	\$1,460,000	\$867
Southern Mallee	570,227	1,336	2,108	1,732	46%	\$763	\$3,172,000	\$1,831
Streaky	624,070	1,733	2,210	2,289	35%	\$679	\$2,254,000	\$985
Tumby Bay	266,988	1,110	2,629	2,314	61%	\$1,217	\$2,241,000	\$968
Wudinna	536,908	1,705	1,262	1,062	29%	\$660	\$2,196,000	\$2,068

7.3 Comparison of Calculated Rates

All the comparison Councils have different issues and costs and they use different rating methodology. This means that comparing a Council's declared Rate in the Dollar does not actually compare what the ratepayers are paying.

A useful comparison is to determine a median price for various types of property within your Council, calculate the total rates that would be due and compare the results with comparison Councils. The CWMS charge is excluded, but the rubbish waste charge is included as some Councils charge a separate rate for waste and others include it in their total rates.

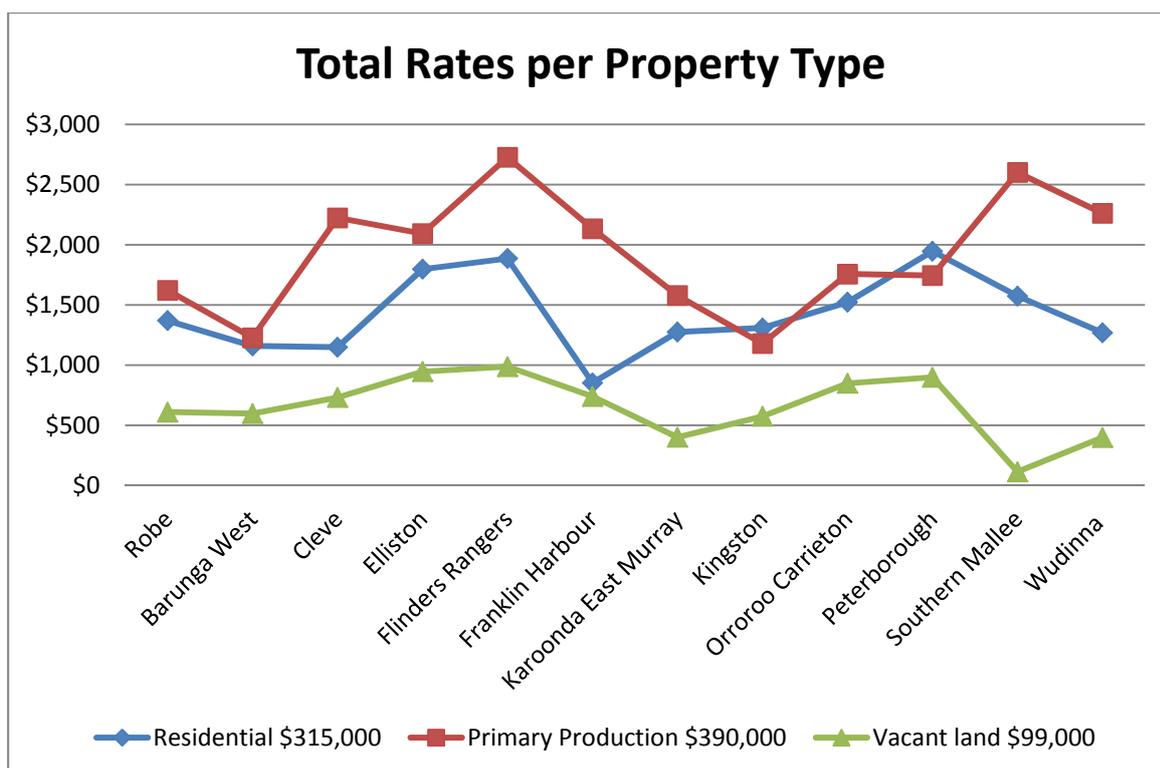
Some Councils rate by the site value, which is the value of the land. There are no longer many Councils in South Australia that still rate in this manner and it is difficult to calculate a comparison result. These Councils have been excluded from the comparison group shown below.

In the following table, the rates due for a median priced Residential, Primary Production and Vacant properties have been calculated based on declared rates for the 2013/14 financial year.

Ceduna, Kimba, Mount Remarkable, Streaky and Tumby Bay rate by site value and are excluded from this comparison.

Comparing Councils in this manner achieves quite different results than comparing the averages that are available from the Grants Commission Database.

	Residential	Primary Production	Vacant Land
Value of Property	\$315,000	\$390,000	\$99,000
	Rates		
Robe	\$1,371	\$1,622	\$610
Barunga West	\$1,160	\$1,228	\$597
Cleve	\$1,149	\$2,224	\$731
Elliston	\$1,798	\$2,094	\$946
Flinders Rangers	\$1,887	\$2,727	\$988
Franklin Harbour	\$853	\$2,134	\$740
Karoonda East Murray	\$1,275	\$1,579	\$401
Kingston	\$1,309	\$1,180	\$575
Orroroo Carrieton	\$1,523	\$1,758	\$849
Peterborough	\$1,947	\$1,745	\$899
Southern Mallee	\$1,574	\$2,601	\$114
Wudinna	\$1,269	\$2,262	\$399



7.4 District Council of Robe's profile

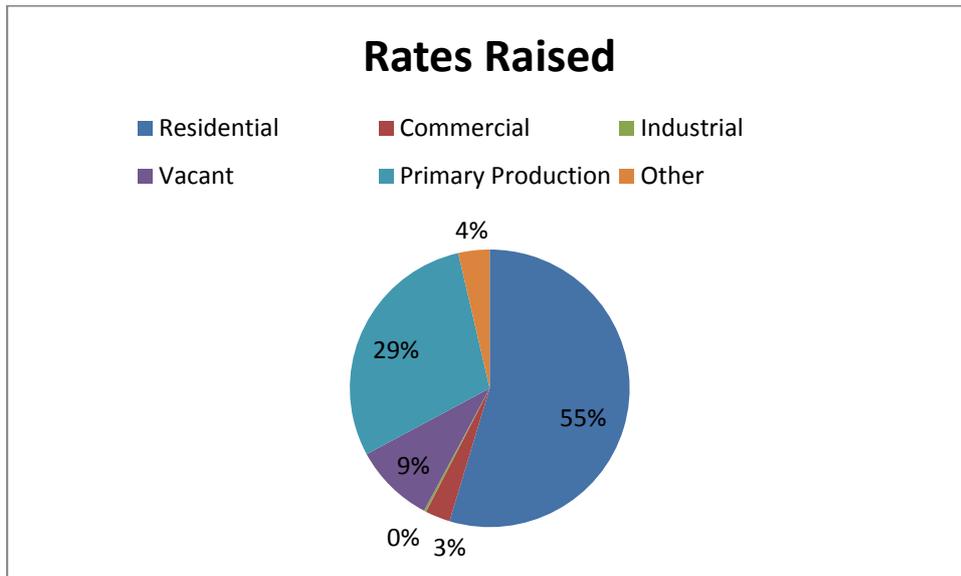
7.4.1 Australian Bureau of Statistics

It is important to understand the profile of the community that a Council cares for prior to making decisions which may affect them. The Australian Bureau of Statistics has considerable data that can be used. The census was last conducted in 2011. The census data is only about those people that live in the district. The table below shows some of the data for the Council area.

	Robe District Council	South Australia	Australia
Median Household Income	\$846 per week = \$43,992 per year		
Median Personal Income	\$555 per week = \$28,860 per year		
Median family Income without children	\$1,275 per week = \$66,300 per year	\$1,906	\$2,081
Median family income with children	\$1,789 per week = \$93,028	\$2,130	\$2,310
Working Full – Time	51.1%	56.7%	59.7%
Working Part – Time	35.6%	31.6%	28.7%
Unemployed	2.9%	5.7%	5.6%
Working as Managers (highest occupation for Robe)	32.1%	12.6%	12.9%
Working as Labourers (2 nd highest for Robe)	19.9%	11.1%	9.4%
Working in the Farming industry (highest industry for Robe)	16.6%	1.9%	1.2%
Couple family with no children	56.9%	40.6%	37.8%
Couple family with children	34.7%	41.5%	44.6%
Unoccupied private dwellings	59.1%	11.9%	10.7%
Median Mortgage repayments (month)	\$1,389	\$1,500	\$1,800

7.4.2 Rates Raised per Land Use.

The total value of the rates raised by Council come from the following Land Use groupings.



7.5 Issues and Impact of Current Rating System on the Community

The District Council of Robe has a high non-resident ratepayer base. This is quite common in coastal holiday communities and results in some distinct issues for those communities.

Holiday communities commonly have low off-season population numbers which swell considerably during the 'holiday' season. Coastal towns in the South East are popular with holiday makers from both South Australia and Victoria.

7.6 Potential Rating Solutions and the Impact on Sections of the Community

8 CONSULTATION REQUIREMENTS

8.1 Legislative Requirements for Consultation.

There is a legal requirement for Councils to consult with their communities when considering changes to their rating methodology.

S151 (5) of the Local Government Act 1999, states that a Council must prepare a report before:

- changing the basis of rating of any land or
- changing the basis on which land is valued for rating purposes, or
- imposing separate rates, service rates or service charges,

S 151(7) of the Local Government Act 1999, states that the Council must follow the steps of its public consultation policy but must at least:

- publish a notice
- describing the proposed change
- notifying that a Rate Review Report is being prepared
- inviting interested person to
- attend a public meeting
- make written submissions.
- Organise a public meeting which must be at held at least 21 days after the publication of the notice
- Ensure copies of the report are available
- at the meeting
- during the consultation period
- for inspection at Council's office for free or
- for purchase for a fee set by Council

Council must consider any submissions made either in writing during the consultation period or at the public meeting.

This report and consultation can take place as part of Council's Annual Business Plan process.

8.2 Aim of Consultation

Council must follow the legal requirement of consultation. The period of consultation is 21 days and can be undertaken as part of the Annual Business Plan process and consultation. However there is value in undertaking this consultation earlier in the financial year than the time period when Council's normally prepare their Annual Business Plans.

The aims of consulting with Council's community are

- for the community to understand the issues that Council is facing
- to allow for the community to respond regarding concerns they may have.

Elected Members are representatives of the people in their community but can't always know all the issues that face their communities. Communities that feel Council is making autonomous decisions or not listening to the responses from the community are likely to feel disengaged from Council.

(Sheedy, et al., 2008) explains that a more robust consultation process will allow for;

- increase in community members understanding of complex issues
- clarification of the community's values, needs and preferences
- better decisions with more understanding of the potential social implications for sections of the community

An earlier and longer period of consultation results in more interaction with the community about the changes that Council wants to consider.

On a practical note, the changing of rate systems results in a level of administration workload. Undertaking the required changes to Corporate Software Systems is more practical to undertake earlier in the financial year rather than in the short time between the declaration of Council Rates and the production of rate notices.

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11 Appendix 1 – Legislation Excerpts

11.1 Local Government Act 1999

Section 151 – Basis of rating

- (1) Subject to this Act, a rate must be—
 - (a) a rate based on the value of land subject to the rate; or
 - (c) a rate based on two components—
 - (i) one being based on the value of land subject to the rate; and
 - (ii) the other being a fixed charge; or
 - (d) a rate based on some other factor or factors specifically allowed under this Act.
- (2) The value of land for the purpose of rating is its capital value.
- (3) However, a council may declare rates on the basis of the annual value or site value of land if—
 - (a) the council declared rates in respect of that land on that basis for the previous financial year; or
 - (b) the council declared rates in respect of that land on the basis of capital value for the previous three financial years.
- (4) Except as authorised by proclamation under Chapter 3, a council must not apply different valuation bases to different parts of its area.
- (5) Before a council—
 - (a) changes the basis of the rating of any land (including by imposing differential rates on land that has not been differentially rated in the preceding financial year, or by no longer imposing differential rates on land that has been differentially rated in the preceding financial year); or
 - (b) changes the basis on which land is valued for the purposes of rating; or
 - (c) changes the imposition of rates on land by declaring or imposing a separate rate, service rate or service charge on any land,the council must—
 - (d) prepare a report on the proposed change; and
 - (e) follow the relevant steps set out in its public consultation policy.
- (6) A report prepared for the purposes of subsection (5)(d) must address the following:
 - (a) the reasons for the proposed change;
 - (b) the relationship of the proposed change to the council's overall rates structure and policies;
 - (c) in so far as may be reasonably practicable, the likely impact of the proposed change on ratepayers (using such assumptions, rate modelling and levels of detail as the council thinks fit);
 - (d) issues concerning equity within the community, and may address other issues considered relevant by the council
- (7) A public consultation policy for the purposes of subsection (5)(e) must at least provide for—
 - (a) the publication in a newspaper circulating within the area of the council a notice describing the proposed change, informing the public of the preparation of the report required under subsection (5)(d), and inviting interested persons—

- (i) to attend a public meeting in relation to the matter to be held on a date (which must be at least 21 days after the publication of the notice) stated in the notice; or
 - (ii) to make written submissions in relation to the matter within a period (which must be at least 21 days) stated in the notice; and
 - (b) the council to organise the public meeting contemplated by paragraph (a)(i) and the consideration by the council of any submissions made at that meeting or in response to the invitation under paragraph (a)(ii).
- (8) The council must ensure that copies of the report required under subsection (5)(d) are available at the meeting held under subsection (7)(a)(i), and for inspection (without charge) and purchase (on payment of a fee fixed by the council) at the principal office of the council at least 21 days before the end of the period for public consultation.
- (8a) Subject to complying with the requirements of this section—
- (a) a report required under subsection (5)(d) may form part of the council's draft annual business plan (and that plan as adopted); and
 - (b) the public consultation required under subsection (7) may be undertaken as part of the public consultation required with respect to the council's draft annual business plan.
- (9) A rate cannot be challenged on a ground based on the contents of a report prepared by a council for the purposes of subsection (5)(d).
- (10) A council must not, in relation to any financial year, seek to set fixed charges as a component of general rates under this Part at levels that will raise a combined amount from such charges that exceeds 50% of all revenue raised by the council from general rates under this Part.
- (11) A charge is not invalid because fixed charges imposed in relation to any financial year raise more than the amount referred to in subsection (10).

12 Appendix 2 – Australian Centre of Local Government Groupings.

12.1 Codes

Clare And Gilbert Valleys	RAL
Coorong	RAL
Grant	RAL
Mallala	RAL
Mid Murray	RAL
Naracoorte Lucindale	RAL
Renmark Paringa	RAL
Tatiara	RAL
Wakefield	RAL
Barunga West	RAM
Ceduna	RAM
Goyder	RAM
Kangaroo Island	RAM
Kingston District	RAM
Lower Eyre Peninsula	RAM
Mount Remarkable	RAM
Northern Areas	RAM
Southern Mallee	RAM
Streaky Bay	RAM
Tumby Bay	RAM
Yankalilla	RAM
Cleve District	RAS
Elliston	RAS
Flinders Ranges	RAS
Franklin Harbour	RAS
Karoonda East Murray	RAS
Kimba	RAS
Orroroo/Carrieton	RAS
Peterborough	RAS
Robe	RAS
Wudinna District	RAS
Berri Barmera	RAV
Copper Coast	RAV
Light Regional	RAV
Loxton Waikerie	RAV
Murray Bridge	RAV
Port Pirie	RAV
Wattle Range	RAV
Yorke Peninsula	RAV

Adelaide City	UCC
Charles Sturt	UDL
Marion	UDL
Port Adelaide Enfield	UDL
Tea Tree Gully	UDL
Burnside	UDM
Campbelltown	UDM
Holdfast Bay City	UDM
Mitcham	UDM
Norwood, Payneham & St. Peters	UDM
Unley City	UDM
West Torrens	UDM
Prospect	UDS
Walkerville	UDS
Salisbury	UDV
Playford	UFL
Adelaide Hills	UFM
Alexandrina	UFS
Barossa	UFS
Gawler	UFS
Onkaparinga	UFV
Mount Barker	URM
Coober Pedy	URS
Mount Gambier	URS
Port Augusta	URS
Port Lincoln	URS
Roxby Downs	URS
Victor Harbor	URS
Whyalla	URS

12.2 Descriptions

Type	Population	Code	
Capital City		UCC	Urban Capital City
Metropolitan	20,000 to 30,000	UDS	Urban Developed Small
	30,001 to 70,000	UDM	Urban Developed Medium
	70,001 to 120,000	UDL	Urban Developed Large
	More than 120,000	UDV	Urban Developed Very Large
Regional Towns/City	Up to 30,000	URS	Urban Regional Small
	30,001 to 70,000	URM	Urban Regional Medium
	70,001 to 120,000	URL	Urban Regional Large
	More than 120,000	URV	Urban Regional Very Large
Fringe	Up to 30,000	UFS	Urban Fringe Small
	30,001 to 70,000	UFM	Urban Fringe Medium
	70,001 to 120,000	UFL	Urban Fringe large
	More than 120,000	UFM	Urban Fringe Very Large
Rural	Significant Growth	RSG	Rural Significant Growth
Rural Agricultural	Up to 30,000	RAS	Rural Agricultural Small
	30,001 to 70,000	RAM	Rural Agricultural Medium
	70,001 to 120,000	RAL	Rural Agricultural Large
	More than 120,000	RAV	Rural Agricultural Very Large
Rural Remote	Up to 400	RTX	Rural Remote Extra Small
	401 to 1000	RTS	Rural Remote Small
	1001 to 3000	RTM	Rural Remote Medium
	3001 to 20,000	RTL	Rural Remote large

13 Appendix 3 – South Australian Remuneration Tribunal Groupings.

Group 1	Group 2	Group 3	Group 4	Group 5
Adelaide	Adelaide Hills	Berri Barmera	Clare & Gilbert Valleys	Barunga West
Charles Sturt	Alexandrina	Port Lincoln	Walkerville	Ceduna
Marion	Campbelltown	Victor Harbor	Grant	Cleve
Mitcham	Holdfast Bay	Loxton Waikerie	Lower Eyre	Coober Pedy
Onkaparinga	Mount Gambier	Copper Coast	Mallala	Elliston
Playford	Prospect	Yorke Peninsula	Yankalilla	Franklin Harbour
Port Adelaide Enfield	Unley	Light	Renmark Paringa	Karoonda East Murray
Salisbury	Mount Barker	Port Augusta	Kangaroo Island	Kimba
Tea Tree Gully	Barossa	Port Pirie	Mid Murray	Mount Remarkable
West Torrens	Burnside	Wattle Range	Naracoorte Lucindale	Orroroo Carrieton
	Norwood Payneham St Peters		Northern Areas	Peterborough
	Whyalla		Goyder	Robe
	Murray Bridge		Tatiara	Streaky
	Gawler		Coorong	Tumby Bay
			Wakefield	Kingston
				Southern Mallee
				Flinders Rangers
				Wudinna