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Responsible Officer:	Chief Executive Officer
Approved By:	Council Resolution
Applicable Legislation:	<i>Local Government Act 1999</i> Chapter 10 <i>Local Government (General) Regulations 2013</i>
Relevant Policies, Procedures and Standards:	Hardship Policy

1. PURPOSE

The purpose of this policy is to outline the Council's approach to rating its communities 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 have a rating policy that must be prepared and adopted (as part of the Annual Business Plan) each financial year in conjunction with the declaration of rates.

Council's powers to raise rates are found in Chapter 10 of the Act which provides the framework within which the Council must operate, but also leaves room for the Council to make a range of policy choices. This document includes reference to compulsory features of the rating system, as well as the policy choices that the Council has made on how it imposes and administers the collection of rates.

2. DEFINITIONS

Act refers to the *Local Government Act 1999* (SA). Also refer to the associated Regulations being the *Local Government (General) Regulation 2013*.

Capital value refers to the valuation methodology used in determining the value of land, as defined in the *Valuation of Land Act 1971*. It is the value of the property including all improvements such as buildings and other land improvements. Council uses the services of the Office of the Valuer-General to determine the capital value of properties within Council's area.

Council refers to the elected Council body.

CWMS refers to the Community Wastewater Management System within the Council area. CWMS is a service charge.

Differential rate refers to a rate that may be applied to a category of land that is different to the rate applied to other land categories (termed differential rates under the Act). A differential rate can be set against the land use and/or locality of a property.

Minimum rate refers to a minimum rate that is set by the Council. Where the calculation of rates falls below the minimum, the minimum rates applies. Contiguous Land provisions contained within the Act provide that only one minimum rate is payable across adjoining land owned and occupied by the same ratepayer (as if they were one property). Single Farm enterprises (see

definition) are also subject to one minimum rate. Marina Berths is not subject to the minimum rate.

Postponed rates refer to any rates postponed under Section 182 or 182A of the Act.

Rates refer to the system of taxation available for Councils to levy against owners of property within their communities. Rates are calculated by the value of the property multiplied by a Rate in the Dollar (RID).

Rebates refer to an amount that a rate or charge may be reduced in accordance with Chapter 10, Division 5 of the Act. There are mandatory rebates that Council must grant and discretionary rebates that Council can choose to grant.

Remissions refer to any reduction in the amount payable granted in accordance with Section 182 of the Act.

Service charge refers to a charge imposed for the provision of a prescribed service under Section 155(1) of the Act.

Separate rate refers to a rate that applies in addition to other rates and charges, which is used to fund specific activities in accordance with Section 154 of the Act.

Single Farm Enterprise refers to two or more pieces of rateable land within the area of the Council that are farmland and farmed as a single enterprise and occupied by the same person or persons.

3. PRINCIPLES AND OBJECTIVES

Rates constitute a system of taxation on the community for Local Government purposes generally based on the value of land which reinforces the equity principle that property value is a relatively good indicator of wealth.

Council's powers to raise rates are contained in Sections 123 and 150 of the Act and Regulation 6 of the Local Government (Financial Management) Regulations 2011.

The objective of this policy is to ensure that the amounts of rates levied are equitably applied and collected across the community while collecting a minimum contribution from ratepayers.

Rates are not to be seen as a user-pays system as the benefits received by the community can differ over the life cycle of a ratepayer.

In setting its annual rate revenue requirements Council considers its Long term Financial Plan, its annual business plan and budget considerations, the current economic climate, the consumer price index (CPI) and the Local Government Price Index (LGPI).

Consideration is given to the effect of the required rate revenue distribution on differing ratepayers including those land assessed as residential, primary production, commercial, industrial, vacant, marina berths and others.

Council's policy directions are guided by the four themes that are central to achieving our vision: *Community; Economic Development; Natural and Built Environments; Governance and Financial Sustainability*, which are detailed in *Community Plan 2019-2039*.

Section 150 of the Act requires Council to take into account the following principles:

- Rates constitute a system of taxation for Local Government;
- Rating policies should make reasonable provisions concerning strategies to provide relief from rates where appropriate; and
- In making any decisions, the Council should take into account the economic effects of the decision on future generations.

The principles of taxation are generally considered to be:

- **Equity** – taxpayers with the same income pay the same tax, and wealthier taxpayers pay more tax. Council rates are a system of taxation against the value of a property. Owners of higher valued properties pay more rates.
- **Benefit** – taxpayers should benefit from paying tax but not necessarily to the extent of the tax paid. An individual ratepayer may not receive direct benefit from the level of rates paid, however, the community does. The ratepayer may also be able to access several services provided by the Council but not accessing those services does not give rise to a reason to reduce the tax levied.
- **Ability to pay** – in levying taxes, the ability of the taxpayer to pay the tax must be considered. Council has hardship policies and legislation that provides for the postponement of rates for seniors.
- **Efficiency** – if a tax is to change a consumer's behaviour and the behaviour changes, the tax is efficient. If a tax is designed to be neutral in its effect on taxpayers and changes behaviour, then the tax is inefficient.
- **Simplicity** – the tax must be understandable, hard to avoid and easy to collect.

4. VALUATION METHODOLOGY

The Council adopts the use of **capital value** as the basis for valuing land as per *Section 151 of the Act*. Council considers that this method of valuing land provides the most equitable distribution of the rates burden as it identifies the land and improvements.

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. If a ratepayer is dissatisfied with a property valuation, an objection may be made as detailed on the reverse side of the rates notice. The lodgement of an objection does not change the due date for the payment of rates.

Definition of **capital value** is the value of the land and all of the improvements on the land.

5. RATEABLE LAND

All land within the Council area is rateable except for specific exemptions.

- Crown Land, unless held or occupied under a lease or licence or that constitutes a domestic premise;
- Land occupied by a University, Council, a Council subsidiary, emergency services, unless under a lease or licence; or
- Land that is exempt from rates or taxes as per the *Recreation Grounds Rates and Taxes Exemptions Act 1981*.

6. DIFFERENTIAL RATES

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

Residential	Base Rate 100%
Commercial – Shop	120% of Residential RID
Commercial – Office	120% of Residential RID
Commercial – Other	120% of Residential RID
Industry – Light	100% of Residential RID
Industry – Other	100% of Residential RID
Primary Production	100% of Residential RID
Vacant	100% of Residential RID
Other	100% of Residential RID
Marina Berths	120% of Residential RID

7. MINIMUM RATE

Council applies a minimum rate as it considers it appropriate that ratepayers in respect of all rateable land contribute to the cost of administering the Council's activities and that ratepayers in respect of all rateable land make a contribution to the cost of creating and maintaining the physical infrastructure that supports that land and the basic services provided to all ratepayers.

The minimum rate is levied against the whole of an allotment. Only one minimum rate is levied against two or more pieces of adjoining land (whether separated by a road or not) if they are owned by the same ratepayer and occupied by the same occupier. This is described as contiguous land. Only one minimum rate is levied in the case of a Single Farm Enterprise where two or more pieces of rateable land within the area of the Council are farmland and farmed as a single farm enterprise and occupied by the same person or persons.

The minimum rate for the 2023/24 financial year is \$810.00.

8. SEPARATE RATE – UNDERGROUND POWERLINE

The Council sets a separate rate for the Regional Landscape levy and Underground Powerline and will levy a separate rate for the purposes of planning, carry out, making available, supporting, maintaining and improving the Underground Powerline Project activity. This is and/or is intended to be of particular benefit to the land, occupiers of the land and/or visitors to the land (as set out below) a separate rate, based on a fixed charge of \$2,325.50 annually for five years from 2022/23 to 2026/27 on the following rateable land in the area of the Council identified by the following property address:

House No:	Street
30	Esplanade
32	Esplanade
1	Park Terrace
34	Esplanade
36	Esplanade
38	Esplanade
40	Esplanade
42	Esplanade
44	Esplanade
46	Esplanade
40A	Esplanade

9. REGIONAL LANDSCAPE LEVY

The Regional Landscape Levy is a state tax. Councils are required under the *Landscape South Australia Act 2019* to collect the levy on all rateable properties on behalf of the State Government.

The levy helps to fund the operations of regional landscape boards that have the responsibility for the management of the State's natural resources. The District Council of Robe falls within the Limestone Coast Landscape board region.

The levy is set against Land Use prescribed by Regulation 14(1) of the Local Government (General) Regulations 2013 as follows:

- Categories (a), (h) and (i): Residential, Vacant and Other \$87.56
- Categories (b), (c) and (d): Commercial Shop, Office and Other \$131.34
- Categories (e) and (f): Industry – Light and Other \$210.14
- Category (g): Primary Production \$385.26

10. SERVICE RATES AND CHARGES

Community Wastewater Management System (CWMS)

Council provides a CWMS to some areas within the Council district. To fund the provisions of this service Council imposes a service charge to recover the cost to the Council of establishing, operating, maintaining, improving, and replacing infrastructure (considering the depreciation of any assets and including future capital works).

The CWMS service charge is set as:

- Occupied \$616.00 per property unit.
- Unoccupied \$496.00 per property unit.

Garbage and Recycling Collection Service

Council provides a Garbage and Recycling Collection Service to Robe residents at a charge of \$357.00

Council provides a Garbage Collection Service to the Boatswains Point area at a charge of \$192.00

All properties able to access the relevant service are charged.

Regulation 13 of the Local Government (General) Regulations 2013 sets out the following provisions where the service is not provided at the land.

- If the service provided is a distance from the access point to the land the following applies.
 - No more than 500 metres – the full-service charge is applied.
 - More than 500 metres but less than 2 kilometres - 75% of the service charge is applied.
 - More than 2 kilometres but less than 5 kilometres – 50% of the service charge is applied.

11. RATES CAPPING – MAXIMUM INCREASE ON RATES

The Council has determined that it will fix a maximum increase of the general rates to be charged on rateable land within its area that constitutes the principal place of residence of a principal ratepayer on application to the Council as set out below.

A ratepayer will qualify for the maximum increase (cap) as follows:

- The amount of any increase in rates in respect of that Assessment between the amount of general rates imposed for the 2023/24 financial year and the amount of general rates imposed for the 2022/23 financial year must be greater than 15 per cent.
- The amount that will be "capped" will be the difference between the amount of general rates that was imposed for the 2023/24 financial year and the amount of general rates imposed for the 2022/23 financial year plus 15 per cent of that amount.

The maximum increase (rate cap) is subject to conditions such that it will not apply where:

- An application for the maximum increase (rate cap) is not received by Council by the 30 September 2023
- The application does not relate to the ratepayers principal place of residence,
- The increase is due to a valuation increase which has occurred as a direct result of capital improvement (excluding capital improvements \$30,000 or less) or development of the land;
- The ownership of the property has changed since 01 July of the preceding financial year and the new owner(s) have purchased the property at the current market value;
or

- A boundary realignment, subdivision or amalgamation has occurred, therefore the property is a difference property to the previous financial year for valuation purposes (with the exception of subdivisions to facilitate land acquired by any government entity e.g., for the purpose of drain construction or alteration and with the exception of rural properties where the boundary realignment, subdivision or amalgamation has not made a material difference).

The maximum increase (rate cap) may be applied by the Chief Executive Officer once a ratepayer who considers they could be eligible for the maximum increase (Rate Cap) has:

- 1) Lodged an application form, which will be assessed against the eligibility criteria.
- 2) Council rebates or remissions are not included in the capping calculation process.
- 3) The application must be lodged by 30 September 2023.
- 4) 1st quarter rates must be paid by the due date and if deemed eligible the maximum increase (rate cap) will be applied on the remaining three quarters.

This maximum increase in general rates is applied under the provisions of Section 153 (3), (4)(a) and (4)(b) of the Local Government Act 1999.

12. REBATE OF RATES

Mandatory Rebates

Councils are required to rebate (discount) the rates payable on some land. Therefore, the District Council of Robe will act in accordance with the Act in providing mandatory rebates as referenced in Sections 160-165.

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

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

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

- Community service organisations; and
- Schools and Universities.

Discretionary Rebates

In addition, the Council is allowed a wide discretion to rebate any percentage of rates for a number of other purposes, such as:

- securing proper development of an area.
- assisting or supporting a business.
- preservation of historically significant places.
- land used for educational, agricultural/horticultural/floricultural exhibitions, hospital or health centre, residential aged care facility.
- facilities or services for children or young persons.
- accommodation for the aged or persons with disability; or
- other purposes.

13. SINGLE FARMING ENTERPRISE

The Act provides that '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'.

Primary Producers can apply to the Council for the 'single farming enterprise' provisions. Thereafter where the grounds of application have ceased to exist (e.g., sale of the property), the person or body who has received the benefit must notify Council immediately.

14. RATE RELIEF

Council applies rate remissions and postponements in accordance with the Act.

Financial Hardship

Council will accept requests for postponement of rates from ratepayers suffering from ongoing or extreme financial hardship in accordance with the Hardship Policy. Ratepayers are advised to submit an application form found on Council's website www.robe.sa.gov.au or by contacting Council (08) 8768 2003.

Remission of Rates

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

15. PAYMENT OF RATES

Rates are declared annually and may be paid, at the ratepayer's discretion, either in one lump sum, or in quarterly instalments that fall due in early September, December, March, and June. The exact date that rates fall due, and various options for paying rates, are clearly indicated on the rates notice.

If ratepayers have (or are likely to have) difficulty meeting these payments, they should contact the Council's Rates Administrator to discuss alternative payment arrangements. Such inquiries are treated confidentially.

16. LATE PAYMENT OF RATES

The Council will impose a penalty of 2% on any late payment for rates by instalment, which is not paid on or before the due date. A payment that continues to be late is then charged an interest rate for each month it continues to be late.

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 Council to recover the administrative cost of following up unpaid rates and to cover any interest cost Council may meet because it has not received the rates on time.

Council issues a fines notice for payment of rates when rates are overdue i.e., unpaid by the due date. Should rates remain unpaid, debt collection will be commenced. This attracts additional fees that are recoverable from the ratepayer.

When Council receives a partial payment of overdue rates, the Council must apply the money as follows:

- first – to satisfy any costs awarded in connection with court proceedings (if applicable).
- 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 account first).

17. NON-PAYMENT OF RATES

Council's Debt Collection Policy sets out the process for the collection of outstanding rates.

The 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 with its intention to sell the land, provide the owner 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.

18. 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 internet site: www.robe.sa.gov.au

Royal Circus, Robe SA 5276

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

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

19. POLICY REVIEW

This policy may be amended at any time and must be reviewed at least every 12 months prior to the new financial year commencing.