

<b>Rating Policy</b>	
Type	Financial
GDS Category	Financial Management – Public
Responsible Officer	Finance Coordinator
Policy Adopted	March 2024
Review Period	Annually
Last Reviewed	June 2023 ( <i>now archived</i> )
Next Review Date	June 2025
Policy Version Number	8
Applicable Legislation	<ul style="list-style-type: none"> <li>• Local Government Act 1999</li> <li>• Local Government General Regulations 1999</li> <li>• Valuation Land Act 1971</li> <li>• Natural Resource Management Act 2004</li> <li>• Rates and Land Tax Remissions Act 1986</li> <li>• Rates and Land Tax Remissions Regulations 2011</li> <li>• Heritage Act 1993</li> <li>• Recreation Grounds Rates and Taxes Exemption Act 1981</li> <li>• Recreation Grounds (Regulations) Act 1931, Recreation Grounds Regulations 2011</li> <li>• Aboriginal Heritage Act 1988</li> <li>• Aboriginal Lands Trust Act 1966</li> <li>• Aboriginal Lands Trust Regulations 2014</li> <li>• Local Government (Financial Management) Regulations 2011</li> </ul>
Related Documents	<ul style="list-style-type: none"> <li>• Financial Hardship Policy</li> </ul>
Public Consultation Required	No
Purpose	All land within a Council area, except for land specifically exempt (e.g. Crown Land, Council-occupied land and other land prescribed in the Act) is rateable



## 1. Introduction

Council's powers to raise rates are found in Chapter 10 of the *Local Government Act 1999* ("the Act"). The Act 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 can make on how it imposes and administers the collection of rates.

## 2. Policy Principles

Councils are required to raise revenue for Governance, Administration and the delivery of appropriate goods and services to the community. 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.<sup>1</sup>

This policy represents Councils' commitment to balancing the five main principles of taxation being:

- *Equity* – taxpayers with the same wealth 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.

Councils' Rating Policy is underpinned by:

- accountability and professional ethics;
- community consultation;
- transparency and simplicity;
- efficiency;
- equitable distribution of the rate burden;
- consistency with the strategic directions of Council; and
- compliance with relevant legislation.

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<sup>1</sup> Chapter 10 Local Government Act 1999

### 3. Implementation

In setting its rates annually, the Council will consider the following:

- Councils' Strategic Plan;
- Councils' Long Term Financial Plan and Asset Management Strategy;
- the recurrent expenditure and income resources required for the delivery of Council services which are documented in the Annual Business Plan and Budget over the next 12 months;
- the operating and capital projects and new programs for the coming year;
- 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 rating levels;
- Councils' recent development approval trends and growth expected for the Council area;
- Equity issues and the relationship between various land uses and the existing rating structure;
- Increased use of "user pays" cost recovery systems;
- Current local, state and national economic conditions and expected changes during the next financial year; and
- The principles as outlined in this policy.

### 4. Policy Statement

#### ***Method Used to Value Land***

Council uses Capital Value as the basis for rating land within the Council area. Capital Value is the value of the land and all improvements on the land.

#### ***Adoption of Valuations***

Council adopts the most recent valuations provided by the Valuer General that are to apply to the financial year in question at the time rates are adopted. Valuation changes received after this time, excluding objections and corrections, will to be applied to future financial years.

If a ratepayer is dissatisfied with the valuation made by the Valuer General, their rates notice will include information about how to object to the valuation. The lodgment of an objection does not change the due date for the payment of rates.

If an objection is upheld and a new value issued by the Valuer General, rates will be adjusted accordingly for the current financial year and an amended rate notice will be issued. Retrospective adjustments will not be made for prior financial years unless expressly directed by the Valuer General.

***Differential General Rates***

All land within a council area, except for land specifically exempt under section 147(2) of the Act is rateable. The Local Government Act provides for a Council to raise rate revenue through a General Rate which applies to all rateable properties, or through differential general rates, which apply to classes of properties.

Council has elected to apply differential rates primarily based on the prescribed Land Use codes, being:

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

In addition, Council has elected to apply differentials using a combination of Locality and Land Use in a limited number of circumstances.

There are two separate differential groupings, made up of the following combinations of Locality and Land Use:

**Heavy Industry**

Significant Industry (Industry - Other and Other)  
 Visitor Experience (Industry - Other)  
 Strategic Employment (Other)

**Coastal and Rural Living**

Rural Shack Settlement (Residential and Vacant Land)  
 Rural Settlement (Residential and Vacant Land)  
 Rural Living (Residential, Vacant Land and Primary Production)

Based on these factors and by consolidating Land Use codes where appropriate, Council has eight identified differential groups. The table below shows the differential applied to each property type, with this being expressed as a percentage of the rate in the dollar applied to Residential properties.

Residential	100%
Commercial (Shop, Office and Other)	250%
Industrial (Light and Other)	300%
Primary Production	10%
Vacant	300%
Other	250%
Heavy Industry	1,600%
Coastal and Rural Living	70%

In applying this approach Council will take into consideration all prevailing economic conditions and changes and adjust its differential rates accordingly, to ensure an appropriate and fair equalisation of rates across all land use categories.

### ***Fixed Charge***

Council applies a Fixed Charge to each rateable property, based upon the principle that:

- it is appropriate that all rateable properties make a contribution to the cost of administering the Councils' activities and make a contribution to the cost of creating and maintaining the physical infrastructure that supports each property; and
- a fixed charge rating system reduces the impact of volatility in property valuations.

The Fixed Charge is set at a level such that it raises approximately 50% of the rates raised from Residential properties. In applying this approach Council will take into consideration all prevailing economic conditions and changes and adjust the Fixed Charge accordingly, to ensure an appropriate and fair equalisation of rates across properties.

Upon application, where two or more adjoining properties have the same owner and occupier, only one fixed charge is payable by the ratepayer. Properties may be classified as adjoining if:

- the relevant blocks are contiguous according to the Local Government Act;
- they have the same owner and occupier; and
- the owner lives at one property and the remaining are vacant land or zoned primary production.

### ***Capping***

Due to the large changes caused by shifting the basis of rating from Site Value to Capital Value, Council will apply a mechanism of rate capping for a period of 3 years, the maximum allowed under section 166(1)(l) of the Act.

After this time, Council may consider a mechanism for capping rate increases for properties that constitute a ratepayers principle place of residence under section 153(3) of the Act, with a decision to be made on an annual basis.

The cap adopted for each year will be applied to the net general rates payable for the previous year, after capping was applied, to set the maximum amount of general rates payable. For clarity, this means that the cap is cumulative.

For properties that fall into the differential categories Residential, Primary Production and Coastal & Residential Living, capping will be applied automatically within the following parameters:

2024/25	18% plus the General Rate Increase for 2024/25
2025/26	12% plus the General Rate Increase for 2025/26
2026/27	12% plus the General Rate Increase for 2026/27

Capping will not apply to properties held by the Crown or an instrumentality of the Crown that constitute domestic premises. Council have applied capping with the express purpose of smoothing the transition to the new rates system for individual property owners. Due to the portfolio size of the South Australian Housing Trust, they are insulated from the impacts of the rating changes to individual properties, and applying capping in this case would introduce a distortion to the rating system.

For properties that fall into the differential categories Commercial, Industrial, Vacant and Other, capping will be by application only. If an application is accepted, capping will also apply for the remaining years as applicable, a separate application is not required each year. Capping will be applied within the following parameters:

Small to Medium Business or Community Use

2024/25	30% plus the General Rate Increase for 2024/25
2025/26	30% plus the General Rate Increase for 2025/26
2026/27	30% plus the General Rate Increase for 2026/27

Other

2024/25	60% plus the General Rate Increase for 2024/25
2025/26	60% plus the General Rate Increase for 2025/26
2026/27	60% plus the General Rate Increase for 2026/27

Capping will not apply to properties in the Heavy Industry category.

***Service Charges***

The Act allows Council to apply a charge to ratepayers to recover the cost of dedicated services provided to specific properties. The use of such a charge is appropriate whenever beneficiaries can be identified, and it is practical to do so, ensuring users pay for the services provided to them.

Waste Management Service Charge

- The Council directly charges ratepayers for their kerbside waste collection services. The total amount recovered must not exceed the cost of providing the service. The charge is reviewed annually against the cost to provide the service. When making this assessment, the total cost of managing waste costs in the city is taken into account, including hard waste and illegal dumping.
- Properties may receive a discounted charge where their property access point is more than 500 metres from their bin collection point. These rebates are applied automatically against these properties.

### ***Regional Landscape Levy***

The Council is required under the *Landscape South Australia Act 2019* to make a specified contribution to the Eyre Peninsula Landscape Board. It does so by imposing a separate rate against all rateable properties. The levy is based on land use type and is shown as a separate charge on the rates notice.

This separate rate is effectively a State tax that Councils are required to collect and return to a State Government agency, the Landscape Administration Fund. Even though it appears on the Councils' rates notice, enquiries about this component should be directed to the Landscape Board. Contact details are available on the back of rates notices.

## **5. Help with Rates**

### ***Concessions***

The State Government provides a "cost-of-living concession" payment which is provided directly to those entitled. This replaced the previous concession provided by the State Government, which was directed to councils and applied to rate bills. Queries and applications for concessions can be made through the Department for Communities and Social Inclusion (DCSI) Concessions Hotline 1800 307 758 or at [www.sa.gov.au/concessions](http://www.sa.gov.au/concessions) using the on-line form.

If successful, the applicant will receive the concession as a payment directly from the Department for Communities and Social Inclusion.

### ***Refuse Charge Remissions***

Upon application, Council provides a \$178 waste service charge remission against the refuse charge for eligible pensioners. The application must be received prior to the due date for 3<sup>rd</sup> quarter rates to be applied to the current year. The concession will continue to be applied in subsequent years for eligible aged pensioners, but other eligible pensioners must apply on an annual basis. Council must be notified of any change in circumstance that would change eligibility.

### ***Remission of Rates***

Council has the discretion to partially or wholly remit (i.e. waive) rates on the basis of hardship. This is delegated to the Chief Executive Officer.

If a ratepayer believes they are suffering financial hardship, as described in Councils' Financial Hardship Policy, they may contact the Rates Officer to discuss the matter. Such inquiries are treated confidentially, and any application will be considered on case-by-case basis.

***Remission of Fines***

Council permits the remission of rates fines and interest charges under delegated authority to the Manager Finance, in order to provide relief in those circumstances where it is reasonable to expect that, had the circumstances not existed, the amount would not have been outstanding.

This applies to fines and interest raised under Section 181(8) of the Local Government Act 1999 and must not exceed \$50 per month per property.

***Postponement of Rates for Seniors***

Holders of a State Seniors Card are eligible (under certain conditions) to postpone on a long-term basis, all but \$500 of the annual rates on their principal place of residence. The postponed amount is subject to a monthly interest charge, with the accrued debt falling due for payment only when the title to the land is transferred to another person (e.g. sold), or there is a failure to comply with a condition that is imposed by regulations under the Act.

***Postponement of Rates due to Hardship***

Persons other than the holders of a Seniors Card may also apply for postponement of rates. A postponement of rates may be considered if Council is satisfied that the payment of rates would cause hardship. Council may, on application and subject to the ratepayer substantiating hardship, consider granting a postponement of payment of rates in accordance with Financial Hardship Policy.

The ratepayer must agree to pay interest on the amount affected by the postponement at the cash advance debenture rate and providing the ratepayer satisfies the following criteria:

- the property is the principal place of residence of the ratepayer, and
- the property has been owned by the ratepayer and has been their principal place of residence for a minimum of one year, or
- any other financial hardship reason as approved by Council that is in accordance with Councils' Financial Hardship Policy.

The amount postponed will not exceed:

- 75% of the rates payable for the assessment and shall accrue interest at the cash advance debenture rate published by the LGFA for 1 July each year.
- 50% of the land value of the principal place of residence.

This will be conditional:

- the owner must advise the current or potential mortgagee of such debt.
- any change in financial circumstance must be immediately advised to Council.
- a new application must be completed for each subsequent year postponed.

The amount of the postponement may be extended and is conditional on Council approval.



## 6. Rebate of Rates

### ***Mandatory Rebates***

Council are required to rebate (discount) the rates payable on some land.

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

- health services;
- religious purposes; and
- public cemeteries.

A compulsory rebate of 75% 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;
- facilities or services for children or young persons;
- accommodation for the aged or persons with a disability; or
- other purposes.

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

- why there is a perceived need for financial assistance through a rebate;
- the level of rebate being sought;
- the extent of financial assistance, if any, being provided to the ratepayer and/or in respect of the land by Commonwealth or State agencies;
- whether, and if so to what extent, they are or will be providing a service within the Council area;
- whether the ratepayer is a public sector body, a private not-for-profit body or a private or profit body;
- the nature and extent of Council services provided in respect of the land, in comparison to services provided elsewhere in the Councils' area;
- the community need, if any, that is being met by activities carried out on the land;
- the extent to which activities at the land provide assistance or relief to disadvantaged persons;
- the desirability of granting a rebate for more than one year;
- consideration of the full financial consequences of the rebate for the Council;
- the total income the applicant received for the prior financial year;
- the time the application is received;
- whether the applicant may be eligible for a Council community grant; and
- any other matters and policies of the Council, which the Council considers relevant.

After considering these matters, the Council may refuse to grant any rebate, or may grant a rebate of rates subject to specific conditions and taking into account the Discretionary Rate Rebate Operational Guidelines.

Retrospective rebates of rates will not be considered for prior financial years.

All persons who, or bodies, who wish to apply to the Council for a rebate of rates must do so on or before the due date of Councils' first quarterly rate instalment. The Council reserves the right to refuse to consider applications received after that date. To apply contact Councils' Rates Officer, or application forms are available on the website.

Where an entitlement to a rebate of rates ceases or no longer applies during the course of a financial year, the Council is entitled to recover rates, or rate at the increased level (as the case may be), proportionate to the remaining part of the year.

### ***Rebates on Service Charges***

Rebates will not apply to service charges.

## **7. Payment of Rates**

Rates are declared annually and may be paid, at the ratepayers' discretion, either in one lump sum, or in four quarterly instalments that typically fall due on the first Friday in September, December, March and June. The exact payment dates are set by Council at the declaration of rates and will be printed on the rate notice which will be forwarded to the ratepayer, not less than 30 days before the due date of each notice.

If a ratepayer opts to pay the full years rates in one single payment, the payment must be received prior to, or on the first quarter due date, as penalties will apply to outstanding rates.

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment requirements is invited to contact Councils' Rates Officer to discuss alternative payment arrangements. The Council treats such enquiries confidentially.

### ***Late Payment***

The Council will impose a penalty of a 2% fine on any late payment for rates, in line with the requirements of the Act. This fine may be remitted (waived) in whole, or in part, at the Councils' discretion and only where the fault for the late payment has not been attributed to the ratepayer. The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time and to allow Council to recover the administrative cost of following up unpaid rates.

A payment that continues to be late is then charged an interest rate (which is adjusted by legislation each year) for each month it continues to be in arrears, including the amount of any previous unpaid fines and including interest from any previous month. The purpose of this penalty is to cover any interest cost Council may meet because it has not received the rates on time.

Council issues reminder 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; and
- fourth – in payment of rates, in chronological order (starting with the oldest account first).

### ***Sale of Land for Non-payment of Rates***

Where rates have been in arrears for three (3) years or more, and Council has unsuccessfully pursued all reasonable attempts to secure payment, Council will invoke section 184 of the *Local Government Act 1999* to pursue recovery of outstanding rates through the sale of land.

Council will provide the owner with details of all outstanding amounts, and notify them of Council's intention to sell the land if payment of the outstanding amount is not received within one month.

All other avenues (including but not limited to payment arrangements and financial hardship assistance) will be exhausted in the collection of the outstanding rates on land that constitutes a persons' principal place of residence prior to the Sale of Land for Non-payment of Rates process being initiated.

Should reasonable attempts to sell the land fail, section 185 of the *Local Government Act 1999* will be applied, which may result in the land being transferred to the Crown or to Council.

Sale of Land for Non-payment of Rates will not be applied to rates arrears that have resulted due to an arrangement for postponement of rates unless the postponement ceases to have effect.

## **8. Delegations**

Council acknowledges that the Chief Executive Officer may sub-delegate matters related to this policy to staff or other persons employed or engaged by Council.

### ***Contact details for further information***

Phone: 08 8640 3444

Email: [council@whyalla.sa.gov.au](mailto:council@whyalla.sa.gov.au)

Website: [www.whyalla.sa.gov.au](http://www.whyalla.sa.gov.au)

Post: PO Box 126, Whyalla SA 5600

In person at: Darling Terrace, Whyalla

Where a ratepayer believes that the Council has failed to properly apply this policy, it should raise the matter with the Council. In the first instance, contact our Rates Officer on 86403444 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they can write and explain the nature of their concern to:

Chief Executive Officer  
Whyalla City Council  
PO Box 126  
Whyalla SA 5600

***Availability of Policy***

This policy will be available for inspection at Councils' Principal Office as per the contact details above during ordinary business hours and on the Council's website [www.whyalla.sa.gov.au](http://www.whyalla.sa.gov.au). Copies will also be provided to interested members of the community upon request, and upon payment of a fee in accordance with Councils' Schedule of Fees and Charges.

**9. Adopted by Council – 18 March 2024**