



## Rating Policy

Approved by	Council
First Approved	18/08/2014 (CNC62/14-15)
Review Frequency	Annually
Last Reviewed	June 2019 (CNC390/18-19)
Next Review	June 2020
Document Number	POL201717710
Responsible Officer	Group Manager Corporate Services
Policies Related	Budget Management Policy Treasury Management Policy Financial Internal Controls Policy
Applicable Legislation	Local Government Act 1999 Local Government (General) Regulations 1999

### 1. Council's Duties and Powers

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 has made on how it imposes and administers the collection of rates.

All land within a Council area, except for land specifically exempt (e.g. Crown Land, Council occupied land and a few other limited categories) is rateable.

Rates are not fees for services. They constitute a system of taxation for Local Government purposes. Local Government functions are defined broadly in the Act.

In addition to rates, Council also raises some revenue through Fees & Charges.

#### Valuation of Land

Walkerville Council uses capital value as the basis for valuing land within the Council area. Council considers that this method provides the fairest method of distributing the rate burden across all ratepayers, as property value is representative of the property owners' wealth.

Council has chosen to adopt the valuations made by the Valuer General as provided to the Council each year.

## **Objection to valuation**

Any ratepayer dissatisfied with the valuation made by the Valuer General can raise an objection to the valuation. Information on the mechanism to do this will be provided on individual rate notices. The Council has no role in this process.

The lodgement of an objection does not change the due date for the payment of rates.

Where a person (including a Council) is dissatisfied with a decision by the Valuer-General following an objection, they may seek a review of the decision by SACAT rather than in the Land and Valuation Court.

For further information on SACAT please visit their website.

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

## **2. Scope**

### **2.1 Strategic Focus**

Rates are the primary source of revenue for the Town of Walkerville and are levied each financial year on all ratepayers in a manner that is deemed to be fair and equitable so as to meet the Town's annual budget commitments. Rate increases are based on using the average of the December LGPI and CPI for the current year.

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

- its Community Plan 2016-2020;
- its Long Term Financial Plan Estimates 2016-2026;
- its Financial Guiding Principles;
- its Budget Principles;
- the current economic climate;
- the specific issues faced by our community;
- the Annual Business Plan and Budget for the 2019/2020 financial year;
- the impact of rates on the community;
- the impact of rates on businesses;
- the relationship between Council objectives and rating strategy;
- Council's debt strategy;
- required funding for future asset replacement;
- the impact of differential changes in property valuations across the Town;
- as may be relevant, issues of consistency and comparability across Council areas in the imposition of rates on sectors of the community such as business; and
- issues of equity arising from circumstances where ratepayers provide or maintain infrastructure that might otherwise be provided or maintained by Council and whether discretionary rebates will be granted.

### **2.2 Business Impact Statement**

The Council has considered the impact of rates on businesses in the Council area. In considering the impact, Council assessed the following matters:

- those elements of the Council's strategic management plans relating to business development;
- the current and forecast economic climate as identified in Council's environmental scan;
- operating and capital projects for the coming year that will principally benefit industry and business development within the Town;
- movement in the Consumer Price Index (CPI) and other relevant indices such as the Local Government Price Index (LGPI) ; and
- valuation changes in commercial and industrial properties across the Town as compared with valuation changes in residential properties across the Town.

### **3. Components of Rates**

#### **3.1. A rate in the dollar**

The largest component of rates is the component that is calculated by reference to the value of land. Council will officially "declare" the rate in the dollar before 31 August of each year. Council can impose rates that differ (i.e. higher or lower) based on the locality and/or use of the land (residential, commercial, primary production, industrial, vacant, etc.).

To ensure an equitable distribution of the rate burden and to account for the variations within the community's capacity to pay, the Council will continue to apply differential rates based on use of the property.

For the purposes of sections 156 and 167 of the Act, the following categories of land use are declared as permissible differentiating factors:

- (a) Residential comprising the use of land for a detached dwelling, group dwelling, multiple dwelling, residential flat building, row dwelling or semi-detached dwelling within the meaning of the Development Regulations;
- (b) Commercial—Shop comprising the use of land for a shop within the meaning of the Development Regulations;
- (c) Commercial—Office comprising the use of land for an office within the meaning of the Development Regulations;
- (d) Commercial—Other comprising any other commercial use of land not referred to in the categories specified in paragraph (b) or (c);
- (e) Industry—Light comprising the use of land for a light industry within the meaning of the Development Regulations;
- (f) Industry—Other comprising any other industrial use of land not referred to in the category specified in paragraph (e);
- (g) Primary Production comprising—
  - i. farming within the meaning of the Development Regulations; and
  - ii. horticulture within the meaning of the Development Regulations; and
  - iii. the use of land for horse keeping or intensive animal keeping within the meaning of the Development Regulations; and
  - iv. in respect of a dairy situated on a farm—the use of land for a dairy within the meaning of the Development Regulations; and
  - v. commercial forestry;
- (h) Vacant land comprising the non-use of vacant land;
- (i) Other comprising any other use of land not referred to in a previous category.

### 3.2 Differential General Rates

Land use is a factor to levy differential rates. If a ratepayer believes that a particular property has been wrongly classified by the Council as to its land use, then the ratepayer may object to that land use (to the Council) within 60 days of being notified. The objection must set out the basis for the objection and details of the land use that, in the opinion of the ratepayer, should be attributed to that property. The Council may then decide the objection as it sees fit and notify the ratepayer. A ratepayer also has the right to appeal against the Council's decision to the Land and Valuation Court.

### 3.4 Fixed or Minimum Charge

Council can apply either:

- a fixed charge (applying equally to all rateable properties); or
- a minimum rate (to lower-value properties)
- (or neither) but cannot use both of these mechanisms.

#### ***Minimum rate***

In accordance with Section 158 of the Act, Council imposes a minimum rate, as it considers it appropriate that all rateable properties make a base level contribution to the cost of:

- Administering the Council's activities and
- Creating and maintaining the physical infrastructure that supports each property.

The minimum rate is levied against the whole of an allotment (including land under separate lease or licence) and only one minimum rate is levied against two or more pieces of adjoining land owned and occupied by the same ratepayer.

Section 158 (2) of the Acts provides direction on which properties will be exempt from the minimum rate. No more than 35% of the total number of properties in the area subject to the separate assessment of rates may be affected by the minimum rate.

Council will assess and determine the maximum percentage of properties on minimum rate as part of the annual business plan process, and will report on that maximum percentage in the Annual Business Plan.

### 3.5. Natural Resources Management Levy

The Council is required under the Natural Resources Management Act 2004 to make a specified contribution to the Adelaide and Mount Lofty Ranges NRM Board. It does so by imposing a separate rate against all rateable properties. This separate rate is effectively a State tax that Councils are required to collect, and return to a State Government agency, the Adelaide and Mount Lofty Ranges NRM Board.

## 4. Help with Rates

### 4.1. Concessions

To check eligibility, contact the Department for Communities and Social Inclusion (DCSI) Concessions Hotline 1800 307 758 or at [www.sa.gov.au/](http://www.sa.gov.au/)

### 4.2. Remission of Rates

The Council can partially or wholly remit (i.e. waive) rates on the basis of hardship. Ratepayers experiencing financial hardship can contact the Council's Rates Officer to discuss the matter. Such inquiries are treated confidentially, and any application will be considered on its merits. While arrangements for extended payments of rates are negotiable, remission of rates in whole, or in part, is rarely approved.

Access the hardship application form from Council's website.

### 4.3. Postponement of Rates

#### Seniors

Ratepayers who hold a State Seniors Card (or who are eligible to hold a State Seniors Card and have applied for one) are able to apply to Council to postpone payment of rates on their principal place of residence. Postponed rates remain as a charge on the land and are not required to be repaid until the property is sold or disposed of.

More information and an application form are available from the Council's Rates Officer on:

**Phone:** +61 8 8342 7100

**Fax:** +61 8 8269 7820

**E-mail:** [walkerville@walkerville.sa.gov.au](mailto:walkerville@walkerville.sa.gov.au)

**Post:** PO Box 55, Walkerville 5081

**In person** at 66 Walkerville Terrace, Gilberton SA 5081

They can also be found on the Council's website;

[http://www.walkerville.sa.gov.au/webdata/resources/files/Postponement\\_of\\_Rates\\_Seniors\\_Information.pdf](http://www.walkerville.sa.gov.au/webdata/resources/files/Postponement_of_Rates_Seniors_Information.pdf)

[http://www.walkerville.sa.gov.au/webdata/resources/files/Postponement\\_of\\_Rates\\_Seniors\\_Application\\_Form.pdf](http://www.walkerville.sa.gov.au/webdata/resources/files/Postponement_of_Rates_Seniors_Application_Form.pdf)

## **5. Rebate of Rates**

### **5.1. Compulsory rebates**

Councils 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;
- public cemeteries; and
- the Royal Zoological Society.

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

- community service organisations; and
- schools and universities.

### **5.2. Discretionary rebates**

In addition, Council has the 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; or
- accommodation for the aged or persons with disability; or
- other purposes.

Persons or bodies which seek a discretionary rebate will be required to submit an application form to the Council and provide to the Council such information as stipulated on the application form as well as any other information that the Council may reasonably require.

Each rebate that is granted either reduces Council's revenue and hence its capacity to provide services, or else it effectively increases the amount that must be collected from other ratepayers. Decisions on these applications must be carefully considered and upon receipt of an application for a discretionary rebate, Council will take into account:

- why there is a need for financial assistance through a rebate;
- the level of rebate being sought;
- the extent of financial assistance, if any, being provided in respect of the land by Commonwealth or State agencies;
- whether, and if so to what extent, a ratepayer is 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 Council's 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 time the application is received;
- whether you may be eligible for a Council community grant;
- any other matters and policies of the Council, which the Council considers relevant.

After considering these matters, Council may grant a rebate subject to specific conditions or refuse to grant any rebate of rates.

The Council may grant a discretionary rebate where two non-contiguous titles form a single residential. In those circumstances, Council may grant a rebate subject to further conditions. For example, in consideration for the grant of such a rebate and to avoid two non-contiguous titles from being sold independently, an applicant may be required to grant Council a caveatable interest over the relevant title (or titles). Any such conditions will be at the discretion of Council.

## **6. Payment Of Rates**

Rates are declared annually, and may be paid, in one lump sum, or in quarterly instalments that fall due in early September, December, March and June. Council will determine the exact date that rates fall due, no later than 31 August of each year. Various options for paying rates will be clearly indicated on the rates notice. Ratepayers who have (or are likely to have) difficulty meeting these payments, should contact the Council's Rates Officer to discuss alternative payment arrangements. Such inquiries are treated confidentially.

Currently Rates can be paid through:

- BPay Service
- Telephone 1300 276 468 using MasterCard or Visa Card
- Council's website using MasterCard or Visa Card
- in person at Council offices
- cheque, money order, cash, EFTPOS, MasterCard or Visa Card facilities are available for payments (American Express and Diners Club cards are not acceptable)
- post addressed to the Town of Walkerville, PO Box 55, WALKERVILLE SA 5081
- Australia Post.

### **6.1. Late Payment**

The Council will impose a penalty of a 2% fine on any late payment for rates in accordance with section 181(8) of the Act.

A payment that continues to be late is then charged an interest rate for each month it continues to be in arrears, including the amount of any previous unpaid fine and including interest from any previous month. 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.

Ratepayers who do not pay rates by the due date will receive a reminder notice within six business days after the due date for payment.

Should rates remain unpaid after the reminder notice period has expired, Council will issue the final notice of overdue rates with late payment fines. If the rates remain unpaid for two quarters, debt collection will commence.

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).

Fines are imposed for falsely claiming eligibility for rebates, and for failing to notify the Council when eligibility no longer applies. See Section 159 of the Act.

## 6.2. Fine Waiver

Council is prepared to waive fines for late payment of rates for a limited range of circumstances;

- Financial difficulties due to unemployment or sickness of the principal income earner
- Accidents or sudden hospitalisation

The following reasons are considered as not acceptable:

- Loss of cheques for payment of rates in the post
- Late remittances for payments made by Financial Institutions on the clients behalf
- Absenteeism from the area due to business or pleasure purposes
- Intentional late payment as an objection for alleged non-receipt of expected services
- Simple oversight and no other explanation given
- Non receipt of rate notices as a result of change in postal address and not communicated to Council Administration

Fines may be waived by Administration as per Council delegation as restricted to:

Request	Frequency	Fine	Accounts Officer	Group Manager Corporate Services	CEO	
In writing	Twice in last 24 Months	< = \$50	Yes			
In writing	> Twice in last 24 Months	>\$50 <= \$100		Yes		
In writing	> Twice in last 24 Months	>\$100 <= \$500			Yes	

Any fine waiver requests received will be recorded against the respective assessment file in Councils record management system.

### **6.3. Sale of Land for Non-Payment of Rates**

Council may sell any property where the rates have been in arrears for three years or more. Council is required to notify the owner of the land of 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.

### **7. Contacting the Council's Rates Officer**

For further information, queries, or to lodge an application for rate postponement or remission, contact should be made with the Council's Rates Officer on:

**Phone:** +61 8 8342 7100

**Fax:** +61 8 8269 7820

**E-mail:** [walkerville@walkerville.sa.gov.au](mailto:walkerville@walkerville.sa.gov.au)

**Post:** PO Box 55, Walkerville 5081

**In person** at 66 Walkerville Terrace, Gilberton SA 5081