

1. Introduction

This policy outlines the District Council of Mount Remarkable ("the Council") and its position in relation to rating its community and to meet requirements of the Local Government Act 1999 ("the Act").

The Council's power to raise rates are found in Chapter 10 of 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 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. Policy Objectives

The rates policy sets out the guidelines that the Council adheres to when setting and collecting rates from its community and to provide a clear understanding of the process for determining rates.

3. Policy

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 a fee for service. They constitute a system of taxation for Local Government purposes. Local Government functions are defined broadly in the Act. All systems of taxation try to balance various principles of taxation.

In addition to general rates, Council also raises revenue through:

- Compulsory service charges for waste collection and disposal on residential ratepayers that abut the waste route;
- Compulsory services charges on properties serviced by the community wastewater management scheme at Booleroo Centre, Melrose, Wilmington and Wirrabara;
- User charges (e.g. waste disposal, cemetery fees, leases, licences and rentals); and
- Statutory charges (e.g. development fees, dog registrations, parking expiations).

4. Principles

General Principles:

Council's decisions regarding rating are underpinned by:

- Accountability, transparency and simplicity;
- Efficiency, effectiveness and timeliness;
- Equitable distribution of the rate responsibility across the community;
- Consistency with the Council's strategic and financial directions and budgetary requirements; and
- Compliance with the requirements of legislation and accepted professional conventions and ethics.

Taxation Principles:

In developing this policy the Council has also given consideration to the five main principles of taxation, being:

- *Equity* – taxpayers with the same income pay the same tax (horizontal equity), wealthier taxpayers pay more (vertical equity);
- *Benefit* – taxpayers should receive some benefits from paying tax, but not necessarily to the extent of the tax paid;
- *Capacity to pay* – in levying taxes the ability of the taxpayer to pay the tax must be taken into account;
- *Efficiency* – a tax is economically efficient if it doesn't distort behaviour. However, if the tax is designed to be neutral in its effect and it changes taxpayers behaviour than the tax is inefficient; and
- *Simplicity* – the tax must be understandable, hard to avoid, easy to collect.

5. Valuation of Land

Council may adopt one of the following valuation methodologies to determine the value of the properties in it area;

- *Capital Value* - the value of the land and all of the improvements on the land.
- *Site Value* – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements.
- *Annual Value* – a valuation of the rental potential of the property.

The Council uses Capital Value as the basis of valuing land within the Council area for rating purposes. The Council considers that this method of valuing land provides the clearest and most equitable method of determining the allocation of rate income across all ratepayers, as Capital Value is generally a reasonable indicator of capacity to pay.

6. Adoption of Valuations

The Council can choose to employ its own valuers, or accept the valuations made by the Valuer-General; i.e. the State Valuation Office. The Council adopts the valuations made by the State Valuation Office as provided to the Council each year.

Certain properties may be eligible for a “notional value” under the *Valuation of Land Act 1971*. For example, this may apply if the property is the ratepayer’s principle place of residence, and its value is enhanced by unrealised subdivision potential or a different potential land use. A notional value is generally less than the capital value and therefore would result in reduced rates. An application for a notional value must be made to the State Valuation Office.

A notional value will stay with the property until any of the conditions are no longer relevant to the property. For example, the owner sells the property to an investor who then rents the property out; therefore the property is then not being used as a primary place of residence so it’s no longer applicable for a notional value.

6.1 Objection to valuation and/or land use:

Valuation

Objections to valuations may be made to the State Valuation Office. The Council has no role in this process. An objection must be made within sixty (60) calendar days after the date of service of the first rates notice containing the valuation to which the objection relates. Please note that if you have previously received a notice or notices under the Act referring to the valuation and informing you of a 60-day objection period, the objection period is 60 days after service of the first such notice. You may not object to the valuation if the Valuer-General has already considered an objection by you for that valuation. Further information and contact details for the Valuer-General will be included on the rates notice received from Council.

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

If an objection is granted and a new capital value issued by the State Valuation Office, rates will be adjusted accordingly for the current financial year. Retrospective adjustments will not be made for prior financial years.

Land use

If a ratepayer believes that a property has been wrongly classified as to its land use, then an objection may be made within 60 days of being notified of the land use classification. Council may exercise its discretion to extend the allowable objection period where it can be shown there is reasonable cause.

Land use objections must be submitted to Council in writing outlining the grounds upon which your objection is based. The land use objection will be considered by Council in conjunction with the Office of the Valuer General, and applied accordingly,

Rates are still due and payable by the due date even if an objection has been lodged.

7. General Rates

7.1 Differential General Rates

In accordance with Section 156(1)(a) of the Act Council imposes one general rate across all land uses.

The State Valuation Office determines the land use of each assessment based on the predominant use of the land. If a ratepayer is dissatisfied with the land use provided, an objection may be lodged with Council. This objection must be in writing outlining the grounds upon which your objection is based. Objections must be submitted to Council within sixty (60) calendar days after the date of service of the first quarter rates notice containing the land use to which the objection relates.

Rates are still due and payable by the due date even if an objection has been lodged.

7.2 Fixed Charge

Council has the discretion to 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.

Council imposes a fixed charge rather than a minimum rate. The reasons for imposing a fixed charge are:

- The Council considers it appropriate that all rateable properties make a reasonable base contribution to the cost of administering the Council's activities;
- The Council considers it appropriate that all rateable properties make a contribution to the cost of creating and maintaining the physical infrastructure that supports each property;

- The fixed charge system is likely to have a lesser proportionate impact on lower income earners than a minimum rate system (depending on the amount of the fixed charge or alternative minimum rate);
- The fixed charge system is more readily understandable than a minimum rate system.
- The fixed charge is levied uniformly on all non-contiguous assessments, unless the principal ratepayer has applied for and been granted the benefit of a Single Farm Enterprise. In this instance, only one fixed charge is applied to the Farm Enterprise. The fixed charge is levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge is levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier.

8. Service Charges

The Council raises revenue by means of service charges because of

- The concept of user pays;
- The nature of the service;
- The cost to operate and maintain the service;
- The capital cost to establish the service;
- The cost to improve or replace the service;
- Recognition that the value of a property is likely to be enhanced by the availability of the service, whether or not the service is actually being used.

Properties rebated from payment of general rates in part or in full, are not provided with a rebate on these service charges.

Community Wastewater Management Schemes

The Council provides a Community Wastewater Management Scheme (CWMS) to all residential, commercial and vacant properties in Wilmington, Melrose, Booleroo Centre and Wirrabara. The Council recovers the cost of capital associated with these schemes, and operating and maintaining these services through the imposition of a service charge for each occupied property unit and for each vacant allotment.

For some properties (including business and commercial premises) the number of units is based on information received from the property/business owner and will be rounded to the nearest whole unit. CWMS service charges will be levied in accordance with the Act and the 'Code for Establishing and Applying Property Units as a Factor for the Imposition of Annual Service Charges for Community Wastewater Management Systems' as prescribed in Regulation 12 of the Local Government (General) Regulations 2013. Retrospective adjustments to prior financial years will not be made when incorrect or no information is provided.

Desludging

Septic tanks connected to the CWMS in the towns of Wilmington, Melrose and Booleroo Centre require desludging every two or four years depending on the size of the tank, to ensure the septic tanks are in good working order. Septic tanks smaller than 3,000L are required to be desludged every two years and tanks larger than 3,000L require desludging every four years.

In the financial year that the desludging falls due, the Council tenders out the project and charges all the properties that require desludging the cost of this service.

The CWMS in Wirrabara does not require a septic tank to connect to the Scheme and so therefore, desludging is not required.

Waste Management

The Council provide a weekly kerbside waste collection and fortnightly recycling and green waste collection service to townships in the Council area and to the rural residential properties abutting the collection route.

The cost to operate this service is beyond the Council's ability to absorb in general revenue and it would not be equitable to all ratepayers for them to do so. The Council will therefore continue to recover the cost of these services through the imposition of a service charge for the collection and disposal of domestic general, recycling and green waste. The service charge will apply to all occupied properties that have access to the service, regardless of whether or not the service is utilised. The exception is vacant land.

Where the service is available to non-rateable land, the charge is levied against that land. Where the service is made available after the declaration of rates, Section 188 of the Act permits the Council to apply the charge pro rata against the remaining period of the financial year.

The Council also makes this service available to properties not on the route, those that opt to utilise the service are charged at the same rate as those on the route. For further information please refer to the Council's Waste Management Policy.

Weeroona Island Water Supply

The cost to operate the Weeroona Island Water Supply is beyond the Council's ability to absorb in general revenue and it would not be equitable to all ratepayers for it to do so.

Pursuant to Section 155 of the Act the Council will recover the cost of operating and maintaining this service through the imposition of an annual service charge and a supply charge each financial year. The annual service charge is levied on each assessment of rateable and non-rateable land within the township of Weeroona Island to which the Council makes available the Weeroona Island Water Supply.

Permit for Grazing and Cropping/Road Rental

Subject to certain conditions roads and road reserves can be rented through a Permit for Grazing and Cropping pursuant to Sections 222 through 225 of the Act.

The Council can only issue a permit for a maximum of five (5) years. There are several types of permits that can be applied for and Council can change, add or approve different conditions as/when necessary.

- Restricted Access Permits allow the public to access the road or road reserve and the permit holder can have a gate, however, it cannot be locked or fully fenced preventing public access, public consultation and public liability insurance is not required.
- Exclusive use permits allow the land to be fenced or gates to be locked as the permit holder is granted 'exclusive use' of the land eg no public access. Public consultation is required before this option can be approved, this includes an advertisement in a newspaper the cost of this is borne by the applicant, public consultation allows members of the public to object to the permit. This type of permit requires a minimum of \$10,000,000 (ten million dollars) public liability insurance. For further information on public consultation please refer to the Council's Public Consultation Policy.

The Council calculate the value of the land being rented, based on the area of the land and the value of the land adjoining it, as roads and road reserves do not have a value provided by the State Valuation Office. The Council impose a rate in the dollar each financial year and use the road value to determine the amount of the road rental that is charged on an annual basis to the permit holder. The Council further imposes a minimum rental which is declared each financial year, if a rental is less than the minimum rate determined by Council, the minimum rental amount is charged.

Please note that the Council must use the Capital Value to calculate the road value as this is the value that is adopted and the Council do not have the means to independently value land.

9. Regional Landscape Levy

Landscape South Australia Act 2019 (State Government Levy)

The Levy, previously known as the Natural Resources Management Levy, requires all Councils within South Australia, as directed by the State Government, to collect an amount specified each financial year. The Levy funds projects determined by the Board, and the Council is simply an income collector for the Board in this regard. The Council does not retain this income nor determine how the income is spent.

Any queries relating to the Levy should be directed to the Board and their contact details can be found on your rates notice.

10. Single Farm Enterprise

Primary producers are able to apply to be considered as a “Single Farm Enterprise” (SFE) for the purposes of the Landscape Levy and application of the fixed charge in accordance with Section 152 and 158 of the Act. In the absence of tenancy apportionment, the Council will consider all application based on the predominant use of the land and each on its merits.

An application form can be obtained from the Council office or Council’s website, and the Council will inform the community of this provision on an annual basis. Applications must be received by 30 April to be applicable for the following financial year. This does not prevent the Council from considering applications at any other time on its merits.

The Council use the Land Use codes supplied by Land Services SA to determine if the assessment qualifies for an SFE, if the land is not farm land or the principal place of residence for one of the applicants that is contiguous with one of the other pieces that may form the application it will not be granted an SFE benefit and a fixed charge will apply. The Council assess farm land using the Office of the Valuer-General Land Use Code (LG LUC) of “7” and a 4-digit Valuer General land use code of between 9100 to 9999 (with exceptions, it must have a LG LUC of 7 to qualify).

The Council choose one assessment to be the Master File, if the application has a property with a house this is the Master File. The Master File is the assessment that is charged the fixed charge and Regional Landscape Levy. If no assessments provided on the application have a house then the assessment with the highest Capital Value will be chosen for the Master File. This will ensure that a consistent, fair and equitable approach is achieved as properties with a house have a higher Capital Value ensuring the Regional Landscape Levy is a reasonable contribution in line with other ratepayers. Please note that the SFE benefit ensures that only one fixed charge and one regional landscape levy is charged.

If there has been no change in owner or occupier of the properties receiving an SFE benefit Council do not require a yearly application. However, the Council may impose a penalty for failure to disclose any change in circumstances as per the Act that may affect their entitlement to the SFE benefit.

The Council will advise the applicant in writing, if the SFE benefit will be granted or not.

11. Payment of Rates

In accordance with Section 181 of the Act, rates will fall due in four (4) approximately equal instalments payable in each of the following months

- September
- December
- March
- June

Rate Notices will be issued quarterly (at least 30 days and no more than 60 days) before payment is due. The total outstanding balance of rates may be paid at any time.

It is the responsibility of the ratepayer to ensure their address is up to date, ratepayers can opt to receive their rate notice by email, via Ezybill.

Ratepayers can request a copy of their current year's rate notice to be emailed.

If quarterly payments are not suitable ratepayers may negotiate alternative payment arrangements by contacting the Council's Rates Officer.

Payment Methods

Council offers the following payment options:

- Paying in person at the Council office;
- Mailing the payment by post (cheque/money order only);
- Bpay; and
- Bank deposit (electronic funds transfer).

Collection of Rates in Arrears

For information relating to late fees, payment arrangements, debt recovery, sale of land for non-payment of rates, please refer to the Council's Debt Recovery Policy.

Postponement of Rates – Seniors

Section 182A(a) of the Act sets out the criteria that applies for a senior ratepayer to be eligible for a postponement of rates. Under Section 182A(12), a prescribed ratepayer is a person who holds a State Seniors card issued by the State Government, or who has the qualifications to hold such a card and has applied for the card but has yet to be issued with the card.

Postponement of rates is only available on the principal place of residence and it must be proven that no other person, other than a spouse, has an interest as an owner of the property. Ratepayers can apply on the Council's Application for postponement of rates – Seniors form. This form is available from the Council or on the Council's website.

All application for postponement of rates will be assessed on a case-by-case basis. All enquiries and submission will be treated confidentially.

Postponement of Rates – Hardship

Section 182 of the Act states that a postponement of rates may be granted if the Council is satisfied that the payment of these rates would cause hardship, for further information please refer to the Council's Rates Remissions and Hardship Policy.

Rate Concessions

The State Government introduced a “cost of living concession” that is paid directly to pensioners and concession card holders, this replaced the previous pensioner concession amount which was deducted from rates. The payment is administered by State agencies who determine the eligibility of applicants.

Ratepayers awaiting the outcome of an application for one of these concessions should not delay in paying their rates, as penalties apply for late payment.

Rate Rebates

Rebates and remissions are a concession granted by the Council and the granting of such rebates redistribute the rate burden to other ratepayers, irrespective of whether the rebates are mandated by legislation or granted on a discretionary basis by the Council.

There are two different types of rebates; Mandatory and Discretionary

Mandatory Rebates

Rebates of rates will be granted when the applicant satisfies the requirements for a mandatory rebate in accordance with Section 159-165 of the Act being:

- Heath Services
- Community Services
- Religious Purposes
- Public Cemeteries
- Royal Zoological Society of SA
- Educational Purposes

Discretionary Rebates

Ratepayers are able to apply to be considered for a discretionary rebate in accordance with Section 166 of the Act.

Mandatory and Discretionary rate rebate applications will be considered by the Council in accordance with the Council’s Rate Rebate Policy.

Rate refunds

The Council will where possible, refund rates in credit direct to the ratepayer’s account by Electronic Funds Transfer (EFT). A ratepayer is required to write to the Council to request a refund and provide their bank account details.

Assessment Record

Section 172 to 174 of the Act sets out the purpose and use of the Assessment Record. The Assessment Record is available for inspection at the Council Office during office hours. A copy of the Assessment Record can be provided on payment of the fee, fixed by Council; see the current fees and charges listing on Council’s website.

All information on the Assessment Record is available for public viewing, provided that the details are not suppressed.

Property owners requiring neighbours contact details to facilitate the provisions of the Fences Act 1975 can request this information from Council in writing via email to postmaster@mtr.sa.gov.au

12. Records Management

All records should be treated in accordance with the Local Government Act 1999 and the State Records Act 1991.

13. Legislation

- Local Government Act 1999
- Valuation of Land Act 1971

14. Relevant Documents

- CWMS and Water Supply Hardship Policy
- Rates Remission and Hardship Policy

15. Document administration and control

Policy title:	Rates Policy
Policy number:	04.78
Policy type:	Council / Public
Committee Review:	Audit & Risk Committee May 2023 [033-2023]
Responsible officer:	Corporate Services Manager
First issued / adopted:	May 2021, reference 101-2021
Review period:	Reviewed within 12 months following the conclusion of a periodic Election, inline with legislative changes or by resolution of Council.
Last reviewed:	20 June 2023 [113-2023]
Next review date:	By November 2027
Version:	Version 2
Date revoked:	N/A
Applicable legislation:	Refer Section 13 of Policy
Related documents:	Refer Section 14 of Policy
Public consultation required / undertaken:	Yes
Availability	<p>This Policy is available for inspection at the Council office and any person may obtain a copy of this Policy upon payment of the fee fixed by Council in accordance with Council's Fees and Charges adopted each financial year. It is also available on Council's website www.mtr.sa.gov.au.</p> <p>Any grievance in relation to this policy or its application should be forwarded in writing to the Chief Executive Officer of the Council.</p>
File reference:	4. Policy Manuals / Policy Manual /Current Policy Manual

SIGNED:



Chief Executive Officer

Date: 21/6/2023