	Function: CORPORATE SERVICES (FINANCIAL MANAGEMENT)	Adopted: 2 nd July 2003 Resolution No.: C148:03
	Policy Number: FIN013	Last Review: 6 th July 2022 Resolution No.: C192:0722
	Version Number: 20	Next Review: Annually
RATING POLICY		

Policy Statement

1. Introduction

- 1.1. Council's powers to raise rates are contained in Chapter 10 of the Local Government Act 1999 (the Act). The Act provides the framework within which the Council must operate, but also leave 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.
- 1.2. Compulsory features of the rating system can be recognised by references to relevant sections of the Act.

2. Scope

- 2.1. All land within a Council area, except for land specifically exempt (eg. Crown Land, Council occupied land and a few other limited categories) is rateable in accordance with Section 147 of the Act.
- 2.2. Rates are not fees for services. Rates constitute a system of taxation for Local Government purposes in accordance with Section 150 (a) of the Act, Local Government functions are defined broadly in Section 7 of the Act.
- 2.3. All systems of taxation aim to balance various Principles of Taxation (refer 7.1).

3. Applicable Legislation

- 3.1. The following legislation applies to this Policy:
 - Local Government Act 1999
 - Local Government (Financial Management) Regulations 2011
 - Local Government (General) Regulations 2013
 - Landscape South Australia Act 2019
 - Valuation of Land Act 1971
- 3.2. This Policy is a mandatory requirement and essential for good governance.

4. Integration with Corporate Objectives

- 4.1. This Policy supports Council's Strategic Plan 2019 - 2029
 - 4.1.1. Governance Objective – Leadership

Goal 5 - To provide leadership and ensure resources are managed efficiently and effectively. (5.2 Finance to have open, accurate and effective financial Management).

5. Related Council Policies and Documents

- 5.1. This Policy is designed to operate in conjunction with other Council policies, including but not limited to:
 - Rates Rebate Policy
 - Postponement of Rates Policy

6. Definitions – nil.

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7. Application

7.1. Principles of Taxation

7.1.1. This Policy represents the Council's commitment to balancing the five main principles of taxation:

- a) **Benefits received** (i.e. services provided, or resources consumed). Reliance on this principle suggests that (all other things being equal) a person who received more benefits should pay a higher share of tax.
- b) **Capacity to pay**. This principle suggests that a person who has less capacity to pay should pay less; and that persons of similar means should pay similar amounts.
- c) **Administrative simplicity**. This principle refers to the costs involved in applying and collecting the tax and how difficult it is to avoid.
- d) **Economic efficiency**. This refers to whether or not the tax distorts economic behaviour.
- e) **Policy consistency**. The principle that taxes should be internally consistent, and based on transparent, predictable rules that are understandable and acceptable to taxpayers.

7.2. Balancing the Principles of Taxation is not a compulsory aspect of the policy. Nevertheless, these principles are broadly accepted throughout the world in a variety of contexts.

7.3. Valuation of Land

7.3.1. In accordance with Section 151 of the Act, Council is permitted to adopt one of three following valuation methodologies to value the properties in its area:

- Capital Value – the value of the land and all improvements on the land.
- Site Value – the value of the land and any improvements which permanently affect the amenity or 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.

7.3.2. The Council has decided to continue to use capital value as the basis for valuing land within the council area. The Council considers that this method provides the fairest way to distribute the rate burden across all ratepayers on the following basis:

- The 'capacity to pay/equity' principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth;
- Property value is a relatively good indicator of wealth (when lifetime incomes, including incomes from capital gains, are taken into account). Capital value, which closely approximates the market value of a property, provides the best indicator of overall property value.

7.3.3. In accordance with Section 167 of the Act, Council has a choice to employ its own valuers, or accept the valuations made by the Valuer-General.

7.3.4. The Council will adopt the valuations made by the Office of the Valuer General as provided to the Council each year.

7.3.5. If you are dissatisfied with the valuation made by the Office of the Valuer General your rates notice will include information about how to object to the valuation. The Council has no role in this process. The lodgement of an objection does not change the due date for the payment of rates.

7.3.6. Certain properties may be eligible for a 'notional value' under the *Valuation of Land Act 1971*. This may apply if the property is your principal 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 Office of the Valuer General.

8. Components of Rates

8.1. A Rate in the Dollar

8.1.1. The largest component of rates is the component that is calculated by reference to the value of a parcel of land. Every year, the Council officially 'declares' what percentage of the value of each parcel of land will be payable in rates. In accordance with Section 156 of the Act, allows Council to impose rates that differ (i.e. higher or lower) based on the location of land and the uses to which the land is put (residential, commercial, primary production, industrial, vacant, etc).

8.1.2. Property values reflect, among other things, the relative availability of and access to Council services. This applies to all types of land use, and to land in all locations.

8.1.3. The Council has decided to impose differential general rates based on land use for the following categories for all rateable land within the area of the Council, which has a land use designated as:

Category	Rate in the Dollar	Expected Revenue
A – Residential	0.2923	\$14.6 million
B – Commercial- Shop, C – Commercial- Office, D – Commercial- Other.	0.6422	\$1.8 million
E – Industry- Light, F – Industry- Other	0.6663	\$223,000
G – Primary Production	0.2526	\$2.15 million
H – Vacant Land	0.4946	\$1.79 million
I - Other (any other land use not referred to in the above categories)	0.3294	\$67,000
Marina Berths	0.6422	\$122,000

8.2. Fixed Charge

8.2.1. Council has the discretion to apply either:

- A fixed charge (applying equally to all rateable properties) (Section 152 of the Act); or
- A minimum rate (to lower-value properties) (Section 158 of the Act); or
- neither, but cannot use both of these mechanisms (Section 158 (2)(e) of the Act).

8.2.2. The Council will impose a fixed charge of \$631.00. The fixed charge is levied against the whole of an allotment (including land under a separate lease or licence). 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. The reasons for imposing a fixed charge is 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.

8.2.3. Council has the discretion to collect up to 50% of its general rate revenue from a fixed charge (Section 151 (1) of the Act).

8.3. Separate Rates

8.3.1. Pursuant to Section 154 of the Act, Council may declare a separate rate on rateable land within a part of the area of the Council for the purpose of planning, carrying out, making available, supporting, maintaining or improving an activity that is, or is intended to be, of particular benefit to the land, or the occupiers of the land, within that part of the area, or to visitors to that part of the area.

a) Kadina CBD

The Council is working with the Kadina Business District to undertake a project to redevelop the Commercial precinct of Kadina. The Council has decided to implement a differential separate rate of 0.0370 cents in the dollar with a minimum amount of \$50.00 being payable in respect of each separate piece of rateable land (excluding land with a residential land use) to partly fund this project this financial year. The expected revenue of \$30,000 raised from this rate can only be applied to this project. The area concerned is as per the diagram below.



b) Port Hughes Golf Course (Dunes)

The Council introduced in the 2013/14 financial year a Separate Rate to partly fund the maintenance of the Port Hughes Golf Club (Dunes). This replaced the existing annual Development Levy that each land owner has agreed to pay to the developer of The Dunes, Port Hughes.

The Separate Rate will be ongoing and remain as an annual charge on properties rates notices as long as the course is open and operational. The separate rate for 2022/23 will be \$721.00 per annum.

The Separate Rate has previously been subject to annual CPI Increases however at the request of the Copperclub Golf and Community Association Inc it will not be indexed in 2022/23 and in fact will be capped at \$721.00 until 30th June 2023.

If the additional 9 holes are established the Separate Rate would be a maximum of 100% to reflect the intention of the current encumbrance and the initial intention to have a fully operational 18 hole golf course when the land was originally developed and purchased.



c) Riley Cove Community Corporation

The Council was approached by the Riley Cove Community Corporation 20692 to assist with the maintenance of the internal roads owned by the Corporation for a period of 100 years to fund the replacement of the road seal, pavement and kerbing.

The proposal is to resurface the road every 10 years to minimise maintenance and protect the pavement and to allow for kerb replacement and maintenance over a 50 year cycle.

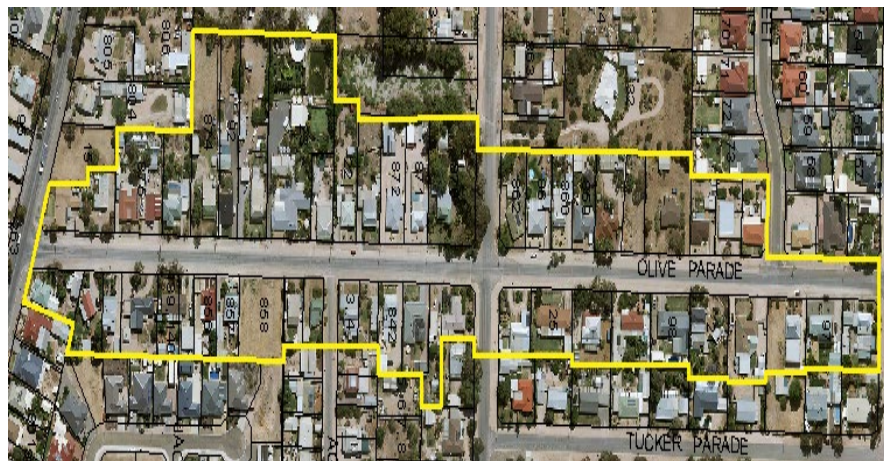
The Council has decided to implement a separate rate as a fixed amount of \$265.00 in respect to each allotment per certificate of title for properties adjoining the Community Corporations internal roads (see map). This means it includes all properties that benefit from the road, not just those that are part of the Riley Cove Community Corporation 20692.

Should the project be completed for less than the amount stated, revisited every 10 years, the charge will be reduced by this amount over the remaining years.



d) Separate Rate – Olive Parade Kerbing

At the Council meeting 6th September 2017 the Council supported the motion to install kerbing for properties adjoining Olive Parade, New Town in the 2018/19 budget at the rate of \$164.00 per allotment per certificate of title. This rate was requested by Olive Parade residents to upgrade the road by the installation of kerbing. Olive Parade is currently due for a reseal and the greatest benefit would be provided to the residents if the kerbing was completed before the resealing works were undertaken. Once the kerbing has been installed and the reseal completed the road would also be ready for a concrete footpath in accordance with Council’s footpath program.



This rate will be applied over a 5 year period ending in 2022/23 and the properties to which this separate rate will apply is as highlighted in the diagram below.

e) Separate Rate – David Street Sealing and Kerbing

At the Council meeting 4th December 2019 the Council supported the motion to install kerbing and sealing on David Street between George Street and Brittain Road in the 2020/21 Annual Budget. The rate of \$1,231.20 per property for the 11 properties affected.

This rate will be applied over a 5 year period ending in 2024/25 and the properties to which this separate rate will apply is as highlighted in the diagram below.



f) Separate Rate – Otago Road Sand Drift Study Implementation

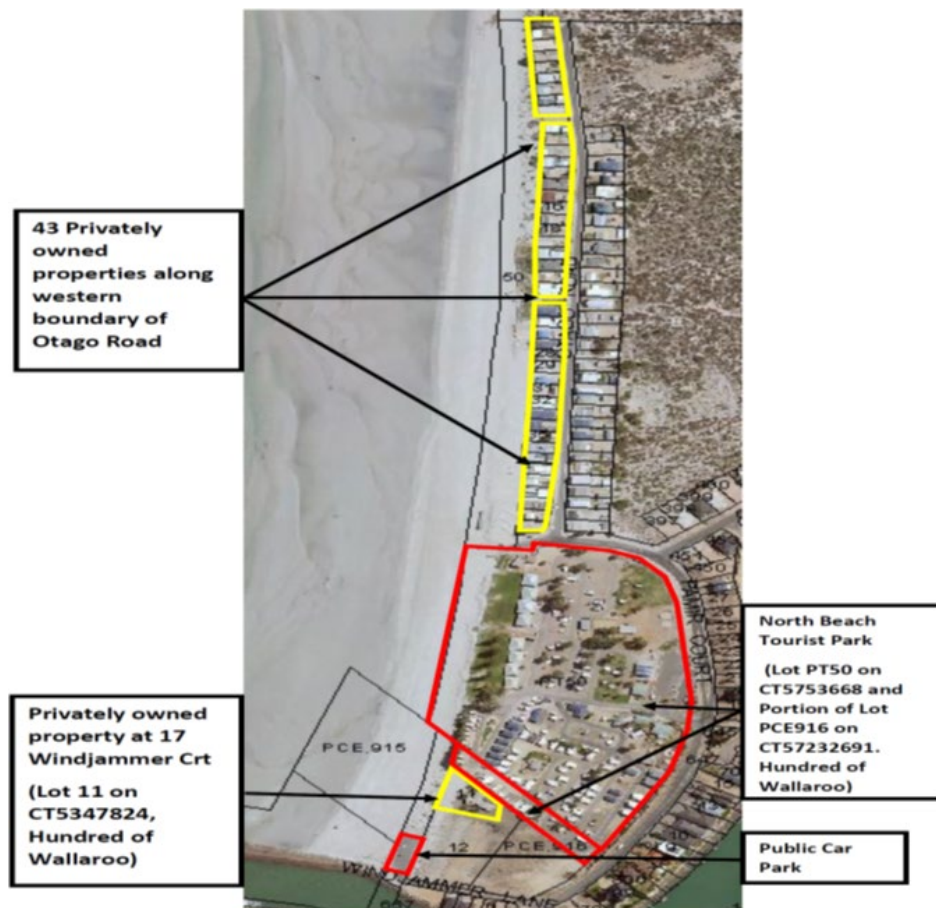
Over recent years a large build-up of sand has formed along the coastal frontage of Otago Road, North Beach, Wallaroo resulting in the inundation of some properties with sand and causing significant impact on the amenity of North Beach in general.

The Land Management Agreement registered on title of the privately owned properties along Otago Road identified on the Map requires land owners to take responsibility for any potential risks posed to the properties as a result of the vulnerable location. For this reason the owners were expected to resolve the problem themselves, whilst Council accepted responsibility for maintenance work in front of the Wallaroo Holiday Park and the public car park. There were, however, still some owners who had an expectation that Council should 'fix' the problem.

To ensure consistency in works carried out on the beach in front of the properties and also to provide guidance to the individual landowners, Council adopted the *Otago Road Sand Drift Policy* in December 2017 which was publicly advertised and referred to Coastal Protection Board for comment.

As part of the public consultation process for the Otago Road Sand Drift Policy, a public meeting was held on 23 January 2018. Due to the differences of opinion at the meeting, it was agreed that a Sand Drift Study Committee, consisting of the Wallaroo Beach Home Owners Association, be established to represent home owners on Otago Road.

Upon referral to the Coastal Protection Board, they advised that the Sand Otago Road Sand Drift Policy could not be supported unless a study was undertaken by suitably qualified coastal experts to investigate and advise what measures should be implemented to manage the problem. The study intended to formulate a sand drift strategy which would then to replace the Policy adopted by Council. At this stage, a decision was made that it would be beneficial for all stakeholders if Council takes control of the process to ensure a unified approach in resolving the sand management along the entire beach.



A Victorian based company, Water Technology, was engaged in accordance with Council’s Procurement Policy to conduct the study. The study covered an area from the Wallaroo Marina northern breakwater northwards to a point in line with the end of Otago Road. The study with recommendations to manage the sand drift was finalised and supported by the Coastal Protection Board and Council in 2019.

Council was successful in obtaining \$52,000 grant funding from the Coastal Protection Board to assist with the implementation of the strategy. At the time when the study was concluded, it was estimated that the implementation of the recommended works would cost around \$130,000.

In accordance with Council’s Procurement Policy a Request for Quotation was sent out to nine selected companies and after careful consideration and consultation with the Coastal Protection Board, Succession Ecology was engaged at a cost of \$313,870 for the implementation of the strategy.

The Separate Rate to the 43 residential properties located along the western boundary of Otago Road, North Beach and the privately owned property on Lot 11, located to the immediate south of the Wallaroo Holiday Park (see Map, Appendix 1), will be in place for 5 years to fund the implementation of the sand drift strategy. This is the third year (2022/23) of this rate.

The charge is calculated based on the linear beach frontage (i.e. the width) of each property and is reflected in the table in Appendix 2 of the report titled ‘Otago Road - Separate Rate 2020 – 2025 – North Beach Sand Drift Strategy’.

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8.4. Service Charge

8.4.1. Pursuant to Section 155 of the Act, Community Wastewater Management Annual Service Charges based on the nature of the service and varying according to the CWMS Property Units Code in accordance with Regulation 12(4)(b) of the *Local Government (General) Regulations 2013* be declared and imposed on all land to which the Council provides or makes available the prescribed service for the financial year ending 30th June 2022. This includes the areas covered by the Kadina Community Wastewater Management Systems, the Wallaroo Community Wastewater Management Systems and the Moonta, Port Hughes and Moonta Bay Community Wastewater Management Systems. The annual service charge for the 2022/23 financial year will be \$544.00 on each property unit for occupied allotment and an annual service charge of \$544.00 on each vacant allotment.

8.5. Regional Landscape Levy

8.5.1. The Regional Landscape Levy (previously known as the NRM Levy) is a state tax. Under the *Landscape South Australia Act 2019* Council is required to collect the levy from all rateable properties on behalf of the State Government to fund the operations of regional landscape boards who have responsibility for the management of the State's natural resources. These responsibilities include regional landscaping, water allocation, community capacity building, education and compliance activities. The levy is collected by imposing a separate rate of 0.0153 cents in the dollar against all rateable properties.

8.5.2. Even though it appears on the Council's rate notice, enquiries about this component should be directed to the Northern and Yorke Landscape Board.

Head Office, 155 Main North Road, Clare SA 5453

Phone: (08) 8841 3400

Website: <https://statewide.landscape.sa.gov.au/>

8.6. Assistance with Rates

8.6.1. State Government Concessions

To check eligibility for State Government Concessions, visit www.sa.gov.au/concessions or phone Concessions SA Hotline 1800 307 758.

8.6.2. Residential Rate Capping

The Council does not currently apply residential rate capping.

8.6.3. Remission of Rates

The Council has a discretion to partially or wholly remit (i.e. waive) rates on the basis of hardship (Section 182 (1)(b) of the Act).

If a ratepayer is suffering financial hardship, they are required to contact the Council's Senior Rates Officer to discuss the matter. Such inquiries are treated confidentially, and any application will be considered on its merits and according to Council policy.

8.6.4. Postponement of Rates

If a ratepayer holds a State Seniors Card then (unless the ratepayer has a mortgage entered prior to 2007 that is greater than 50% of the home's value), they will be eligible to postpone, on a long-term basis, a large component of the rates on their principal place of residence under Section 182(a) of the Act. The postponed amount is subject to a monthly interest charge, with the accrued debt falling due for payment only when the property is sold or transferred to someone else. However, some or all of the debt may be paid at any earlier time, at the ratepayer's discretion.

At least \$500.00 of the annual Council rates bill must be paid as it falls due, but amounts above \$500.00 per year may be postponed.

Further information about the Seniors Rate Postponement Scheme is available at the Local Government Association of South Australia website fact sheet - [2021 Council Rates FactSheet 6.pdf \(lga.sa.gov.au\)](https://www.lga.sa.gov.au/2021-Council-Rates-FactSheet-6.pdf)

Persons other than the holders of a Seniors Card may also apply for postponement of rates under Section 182 of the Act. The Council will consider each case on its merits, but any successful applicant should expect that any postponed rates would be subject to accruing interest charges in the same manner as the Seniors Rate Postponement Scheme.

8.6.5. Rebate of Rates

a) Compulsory Rebates

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

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

- Health services (Section 160 of the Act),
- Religious purposes (Section 162 of the Act),
- Public cemeteries (Section 163 of the Act),
- the Royal Zoological Society (Section 164 of the Act);

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

- community service organisations (Section 161 of the Act); and
- schools and universities (Section 165 of the Act).

b) 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; or
- accommodation for the aged or persons with disability; or
- other purposes (refer full list of purposes – Section 166 of the Act).

If you or your organisation wishes to apply for a discretionary rate rebate, you may apply by contacting the Council's Rate Officer.

Each rebate that is granted either reduces the Council's revenue and hence its capacity to provide services, or else it effectively increases the amount that must be collected from other ratepayers. Therefore, decisions on these applications must be carefully considered.

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

- why there is a perceived need for financial assistance via a rebate;
- the level of rebate being sought;
- the extent of financial assistance, if any, currently being provided to you and/or in respect of the land by Commonwealth or State agencies;
- whether, and if so to what extent, you are or will be providing a service within the Council area;
- whether you are 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 for 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, the Council may refuse to grant any rebate, or may grant a rebate of rates subject to specific conditions.

Anyone wishing to claim a rebate of rates are advised there are fines for falsely claiming eligibility for rebates and for failing to notify the Council when eligibility no longer applies under Section 159 of the Act.

8.7. Payment of Rates

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

If a ratepayer is having (or are likely to have) difficulty meeting payments, contact the Council's Senior Rates Officer on (08) 8828 1200 (option 4) to discuss alternative payment arrangements. Such enquiries are treated confidentially.

8.8. Late Payment

In accordance with Section 181 (8) of the Act, Council will impose a penalty of a two (2) per cent fine on any late payment for rates. Fines may be remitted (waived) in whole, or in part, at the Council's discretion, refer 8.6.3 Remission of 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 fine and including interest from any previous month. In 2021/22 the rate was 0.4208%.

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 commence which attracts additional fees that are recoverable from the ratepayer.

When Council receives partial payment of overdue rates, in accordance with Section 183 of the Act, Council must apply the money as follows:

- Firstly, to satisfy any costs awarded in connection with court proceedings (if applicable);
- Secondly, to satisfy any interest costs;
- Third, in payment of any fines imposed;
- Fourthly, in payment of rates, in chronological order (starting with the oldest account first).

8.9. Sale of Land for Non-payment of Rates

Under Section 184 of the Act, Council may sell any property where the rates have been in arrears for three (3) 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 (1) month.

Except in extraordinary circumstances, the Council will enforce the sale of land for arrears of rates.

8.10. National Debt Helpline

Trained financial counsellors are available for free financial counselling, enquiries through the National Debt Helpline. For more information visit <http://ndh.org.au> or call 1800 007 007.

8.11. Council Contact

In the event a ratepayer believes Council has failed to properly apply the policy, the person should contact the Council’s Senior Rates Officer to discuss the matter. If after this, the person is still dissatisfied then refer to Clause 9.1.

For further information, queries, or to lodge an application for rate postponement, rebate or remission, contact Councils Senior Rates Officer on (08) 8828 1200 (Option 4) or by email info@coppercoast.sa.gov.au.

9. Complaints

9.1. Complaints under this Policy must be in writing to the Chief Executive Officer and lodged in accordance with Council’s Complaints Policy.

10. Council Delegation

10.1. Pursuant to Section 44 of the Local Government Act 1999, Council has delegated to the Chief Executive Officer authority to administer Council’s policies.

10.2. This Policy will be implemented by the Chief Executive Officer or relevant portfolio director and managed in accordance with Council’s scheme of delegations.

10.3. In terms of this Policy, Section 44 of the Local Government Act 1999 states that Council may not delegate the power to declare rates or to adopt or revise an annual business plan or budget of the Council.

11. Adoption and Review

11.1. This Policy shall be reviewed annually, or more frequently, if legislation or Council requires by the Corporate Service Department and a report shall provide to Council for consideration and adoption.



12. Records Management

12.1. Official records will be managed in accordance with Council’s Records Management Policy pursuant to Section 125 of the Local Government Act 1999.

13. Availability of Policy

13.1. Policies will be available for inspection without charge at Council’s Principal Office and on Council’s website www.coppercoast.sa.gov.au.

13.2. A copy of this Policy may be obtained on payment of a fee in accordance with Councils’ Register of Fees and Charges.

Signed		
	Mayor	Chief Executive Officer
Date	6th July 2022	