



# Options Report

New Separate Rate 2017 – 2022  
Commercial Development Levy

*lifestyle location of choice*

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# Separate Rate – CDL (Commercial Development Levy)

## 1. Introduction

The Council is exploring the option of introducing, in the 17/18 financial year, a new Separate Rate for all Commercial and Industrial properties within the Copper Coast, for five (5) years to create a pool of funds available for a CDA (Commercial Development Application) from eligible business groups.

The proposal is for commercial and industrial businesses to contribute to an annual funding pool of \$50,000 per year for five years. This process will include a report and public meeting and culminate with a recommendation to the July 2017 Council Meeting.

The CDL provides the framework for eligible business groups to be able to invest in their local area to deliver improvements that are important to Copper Coast businesses, their staff and customers. The Council is not currently collecting revenue within the general rates for these activities. This levy would create a pool of funds that would be quarantined for eligible business groups to access, based on an agreed set of criteria and annual funding requests (CDA's).

It is for projects or services that are provided above the normal level serviced from general rate revenue.

Note: the CDL could not be used to fund services that Copper Coast Council already operates.

## 2. Definitions

**'CDA'** – (Commercial Development Application) An application for a grant from the CDL funding to:

- Improve the trading conditions for businesses
- Improve the physical surroundings
- Increase the competitiveness of the local area
- Increase safety and feeling of welcome in the local area
- Generate increased visitation and visitor spend
- Reduce the operating costs for businesses

**'CDL'** – (Commercial Development Levy) An additional levy applied to Copper Coast Commercial and Industrial businesses. This classification is based on the land use code field of the rates notice.

**'Eligible Business Groups'** - Any group representing commercial or industrial businesses within the Copper Coast. That is either a Copper Coast based business association representing a group of businesses or a single Copper Coast business facilitating an application with the written support of at least five other Copper Coast businesses.

### **3. Timelines**

The consultation period will be open for a minimum of 21 days starting in early 2017. The consultation period will include public meetings, these will most likely be held in February 2017.

Council will then consider the written submissions received by the close of the consultation period. If Council is supportive of the proposal it will include the Separate Rate in the Draft Annual Business Plan 2017/18 that will be released for comment in around April 2017.

Council will then consider any further feedback before making a decision at the July Council meeting in 2017.

If the Separate Rate goes ahead it would be effective from the 1<sup>st</sup> July 2017

### **4. Background / Proposal**

The Council currently has in place a separate rate for the commercial precinct of Kadina. This rate raises \$20,000 a year and has assisted Council with the planning and implementation of the CBD redevelopment. There has been some interest in continuing the separate rate and having the funds available for marketing and economic development. The proposal contained in this report would broaden the current concept to give all businesses Industrial and Commercial within the Copper Coast this opportunity. The rate could generate a pool of funds, \$50,000 per year, that eligible business groups could access. This concept has worked very well in other areas, with bids being placed for the funding as an enabler for ideas generated by the business community.

From the outset it must be stressed that the key objectives and the initiatives being promoted by the CDL scheme are new and additional services to those already provided by Copper Coast Council.

The key aims for the CDL funding would be to:

- Improve the trading conditions for businesses
- Improve the physical surroundings
- Increase the competitiveness of the local area
- Increase safety and feeling of welcome in the local area
- Generate increased visitation and visitor spend
- Reduce the operating costs for businesses

The exact aims and application parameters would be set following the public consultation, but the following provides some examples of the intention of this proposal;

- Provision of professional business / logistic / marketing advisors
- Creating / marketing events
- Place making
- Funding guest speakers / skill development – eg. best utilisation of NBN provision
- Christmas Light Displays
- Local buying voucher/rewards systems

- Built form – eg. business group signage

Conceptually the program would work as follows;

- Council would raise a \$50,000 CDL each year.
- Eligible Business Groups would submit a CDA based on agreed eligibility criteria broadly in line with the six points above, which could be summarised around the key themes of more **Welcoming**, better **Promotion** and more effectively **Managed**.
- A panel, comprising of all independent members or a combination of Council Elected Members and independent members (potentially Council's CDAP) would assess the applications and award the funding to the eligible business groups to undertake the projects.
- Any unallocated funding would be held over to the next year's allocation.
- It would be expected that applications could request, and be granted funding over multiple years to allow for a multi-year campaigns.
- Council would manage the funds and ensure they are spent in accordance with the application and CDL guidelines.
- Any funds not allocated or if the program was cancelled would have to be returned to the businesses on the same basis it was collected on. (likely a credit on a future rates notice)

The program has the potential to provide economies of scale that could result in a greater return for business marketing spend. If marketing opportunities are realised through this program then the return on the combined investment would be much greater than an individual businesses marketing effort.

**New and additional services to those already provided by Copper Coast Council.**

The consultation will culminate in a report to Council. Councillors will receive a summary of all submissions and make a decision in the best interest of the majority of all ratepayers.

The rate would be imposed on the land and will remain with the land if the property is sold and the new owner will have to continue to pay it for the remaining years.

Council will hold a public forum during the consultation period. This is a great opportunity to ask questions or to have any points in this report clarified.

**The separate rate can only be used for the purpose it was collected for.**

This proposal works in many countries, often on a much larger scale, around the world and often referred to as a BID system. Helpful links are provided below;

<http://www.britishbids.info/about-bids/what-is-a-bid/>

<http://bizdistricts.com/what-is-a-bid/>

<http://www.aucklandcouncil.govt.nz/EN/AboutCouncil/businessandconomy/Pages/businessimprovementdistrictprogramme.aspx>

<http://www.mainstreetsa.com.au/wp-content/uploads/MIX-IT-WITH-THE-BEST-David-West.pdf>

## 5. Rate Structure

The proposal is to apply an additional charge in the form of a Separate Rate to each allotment per certificate of title for Commercial and Industrial properties.

The proposed charge is \$0.02 per \$100 of a property capital value per annum for 5 years.

All administration costs for the fund will be borne by the Council from general rate revenue.

Examples of average rate increases with the Separate Rate included are shown in the table below;

### Option 1

#### Per CT Allotment for CDL (based on 16/17 rates policy)

Property Value	Type	Fixed charge	General Rate	Total without Separate Rate	CDL Separate Rate	Total including Separate Rate
\$90,000.00	Industrial	\$528.00	\$487.98	\$1,015.98	\$18.00	\$1,033.98
\$210,000.00	Commercial	\$528.00	\$1,097.88	\$1,625.88	\$42.00	\$1,667.88
\$480,000.00	Industrial	\$528.00	\$2,602.56	\$3,130.56	\$96.00	\$3,226.56
\$760,000.00	Commercial	\$528.00	\$3,973.28	\$4,501.28	\$152.00	\$4,653.28
\$1,650,000.00	Industrial	\$528.00	\$8,946.30	\$9,474.30	\$330.00	\$9,804.30
\$6,850,000.00	Commercial	\$528.00	\$35,811.80	\$36,339.80	\$1,370.00	\$37,709.80

Note:  
Example excludes NRM levy & CWMS

### Option 2

Alternative if the above model was used in conjunction with a \$50 minimum charge, the total amount raised would rise to \$55,000. That option would affect 247 properties who would pay less than \$50 per annum under Option 1.

#### Per CT Allotment for CDL - \$50 minimum (based on 16/17 rates policy)

Property Value	Type	Fixed charge	General Rate	Total without Separate Rate	CDL Separate Rate	Total including Separate Rate
\$90,000.00	Industrial	\$528.00	\$487.98	\$1,015.98	\$50.00	\$1,065.98
\$210,000.00	Commercial	\$528.00	\$1,097.88	\$1,625.88	\$50.00	\$1,675.88
\$480,000.00	Industrial	\$528.00	\$2,602.56	\$3,130.56	\$96.00	\$3,226.56
\$760,000.00	Commercial	\$528.00	\$3,973.28	\$4,501.28	\$152.00	\$4,653.28
\$1,650,000.00	Industrial	\$528.00	\$8,946.30	\$9,474.30	\$330.00	\$9,804.30
\$6,850,000.00	Commercial	\$528.00	\$35,811.80	\$36,339.80	\$1,370.00	\$37,709.80

Note:  
Example excludes NRM levy & CWMS

### Option 3

There is the ability for individual associations to request that the Council raises additional funding concurrently with either Option 1 or Option 2 above. For example if the Kadina Chamber of Commerce wanted an additional charge applied of \$0.01 per \$100 of property Capital Value on just the area within its membership base, this could raise approximately \$10,000. Those funds could be forwarded directly to that association each July, by-passing the CDA process. It would of course not restrict their ability to submit a CDA for the CDL pool of funding.

**Per CT Allotment for CDL (based on 16/17 rates policy)**

Property Value	Type	Fixed charge	General Rate	Total without Separate Rate	CDL Separate Rate	Association Separate Rate	Total including Separate Rate
\$90,000.00	Industrial	\$528.00	\$487.98	\$1,015.98	\$18.00	\$9.00	\$1,042.98
\$210,000.00	Commercial	\$528.00	\$1,097.88	\$1,625.88	\$42.00	\$21.00	\$1,688.88
\$480,000.00	Industrial	\$528.00	\$2,602.56	\$3,130.56	\$96.00	\$48.00	\$3,274.56
\$760,000.00	Commercial	\$528.00	\$3,973.28	\$4,501.28	\$152.00	\$76.00	\$4,729.28
\$1,650,000.00	Industrial	\$528.00	\$8,946.30	\$9,474.30	\$330.00	\$165.00	\$9,969.30
\$6,850,000.00	Commercial	\$528.00	\$35,811.80	\$36,339.80	\$1,370.00	\$685.00	\$38,394.80

Note:  
Example excludes NRM levy & CWMS

Further information about separate rates is included in the policy under section 8 of this report. Income collected via the implementation of this Separate Rate must be allocated for the purposes it is collected for.

## 6. Properties that benefit from this proposal

This additional levy and access to the accompanying pool of funding will be applied to all Copper Coast Commercial and Industrial businesses, if the program is supported. This classification is based on the Land Use code field of the rates notice.

## 7. Local Government Act 1999 – Separate Rate

The following extract is from the Local Government Act and describes a Separate Rate.

## 154—Separate rates

- (1) A 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.
- (2) A separate rate may be based on—
  - (a) the value of land subject to the rate; or
  - (b) a proportional measure or other proportional basis related to the relevant land or the area, or to the estimated benefit to the occupiers of the land in the part of the area subject to the rate; or
  - (c) a fixed charge.
- (4) A council may declare a separate rate in respect of a particular activity despite the fact that the activity is not to be directly undertaken or provided by the council.
- (5) A separate rate—
  - (a) may be declared for a specified period (eg the time taken to carry out a capital project);
  - (b) may be declared for a period exceeding one year.
- (6) Except where a separate rate is declared for more than one year, a separate rate must not be declared more than one month before the commencement of the financial year to which the rate relates.
- (7) A council may declare differential separate rates.
- (8) A council must, at the time that it declares a separate rate, identify the land to which the rate will relate.
- (9) If a council declares a separate rate, the council must, in each rate notice sent to each ratepayer who is liable to pay the separate rate, specify—
  - (a) the purpose or purposes for which the rate is declared; and
  - (b) the basis on which the rate is declared; and
  - (c) the amount payable for the particular financial year; and
  - (d) if relevant, the period for which the rate will apply (according to a determination of the council under subsection (5)).
- (10) If a separate rate is declared to raise funds for a particular purpose and—
  - (a) the council resolves not to carry the purpose into effect; or
  - (b) there is an excess of funds over the amount required for that purpose,  
the revenue raised by the rate or the excess (as the case may be) must, according to a determination of the council, be—
    - (c) credited against future liabilities for rates in respect of the land on which the separate rate was imposed; or
    - (d) refunded to the persons who paid the rate,  
in proportion to the amounts paid by each person.



## **8. Rates Policy (taken from 16/17 Annual Business Plan)**

### **WHAT IT MEANS FOR RATES**

The Annual Business Plan for 2016/17 aims to strike a balance between the level of services for the community and the need to ensure the long-term financial sustainability of Council. Council has limited options to generate the income required to pay for services which it provides to the community. The primary source of income for Council is a property based tax – rates.

In setting its rates for the financial year the Council needs to give primary consideration to strategic directions, budget considerations, the current economic climate and the likely impacts on the community.

To prepare the draft Annual Budget, rate income was projected in line with the key assumptions within the Long Term Financial Plan and will be adjusted accordingly when information is received from the Valuer General's Office regarding the capital values within the Council area.

Council considers the service delivery needs and related expenditure. Rate levels are then determined only after consideration of expenditure priorities in relation to the strategic plan and community needs.

There will continue to be economic pressures applying to the Council in a number of ways, which will have an impact on the Council's budget and therefore put pressure on rates, for example:

- as other tiers of government re-assess their core business, it is likely that local government will be required to provide more services to fill gaps;
- there are fewer funds available to Council via grants from other tiers of government;
- recent natural disasters impacting of the level of funding available;
- as households have less income, the community will become increasingly reliant on local government for the provision of additional services;
- state and Federal Governments are increasingly promoting a philosophy of user-pays for service provision and delivery;
- cost increases which are unavoidable, for example, waste, fuel and water.

There is pressure on Council to minimise rate increases. Rates represent Councils major source of income. In order to respond to the increased service demands and additional costs detailed above, increases in rates will be unavoidable to maintain services.

When projecting and proposing a draft budget, Council have assessed the following key principles:

1. That rates, represent a general tax levied on the basis of the value of land.
2. There is a commitment to the broad principle of fairness and equity in the distribution of rates across all ratepayers.
3. Capital value is used as the basis for valuing land within the Council area, as determined by the Valuer-General each year.

4. A differential rate applying to residential, commercial, industrial, primary production, marina berths and other properties and a fixed charge will be applied as a means of raising taxation revenue within the community.
5. The Council will, as is required under the Natural Resources Management Act 2004, impose a separate rate to fund the operations of the Natural Resources Management Board.
6. The Council will provide concessions to eligible ratepayers.
7. The Council will continue to accept the payment of rates in full or by four instalments, provided either choice is received in full on or before the due date shown on the front of the rate notice.
8. Pre-payment of rates may be made in instalment amounts. Payment can be made at any Council Office, by use of Bpay or the Internet.
9. The Council will impose late payment penalties strictly in accordance with the Local Government Act 1999.
10. The Council may enforce the sale of land for non-payment of rates after three years in accordance with the Local Government Act 1999.
11. The Council will consider any application from a ratepayer to partially or wholly remit rates or to postpone rates on the basis of hardship in accordance with Section 182 or Section 182A of the Local Government Act 1999.
12. The Council will apply mandatory rebates and may apply discretionary rebates in accordance with Chapter 10, Division 5 of the Local Government Act 1999.
13. The Council advises that a rate cannot be challenged on the basis of non-compliance with this policy and rates must be paid in accordance with the required payment provisions.

### **Council's Revenue Raising Powers**

All land within a Council area, except for land specifically exempt (eg. Crown Land, Council occupied land and other land prescribed in the Local Government Act 1999), is rateable. The Local Government Act provides for a Council to raise revenue for the broad purposes of the Council through a general rate, which applies to all rateable properties or through differential general rates which, applies to the use of properties. The Council also raises revenue through fees and charges, which are set, giving consideration to the cost of the service provided and any equity issues.

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

The Council will continue to use *capital value* as the basis for valuing land within the council area. The Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- the 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. Capital value, which closely approximates the market value of a property, provides the best indicator of overall property value.

### **Adoption of Valuations**

Council will adopt the valuations made by the Valuer-General as provided to the Council effective July 6<sup>th</sup>, 2016.

If a person is dissatisfied with the valuation made by the Valuer-General then they may object to the Valuer-General in writing, within 60 days of receiving the notice of the valuation, explaining the basis for the objection - provided the person has not:

- (a) previously received a notice of this valuation under the Local Government Act, in which case the objection period is 60 days from the receipt of the first notice; or
- (b) previously had an objection to the valuation considered by the Valuer-General. The Council has no role in this process. It is important to note that the lodgement of an objection does not change the due date for payment of rates.

The 60 day objection period may be extended by the Valuer-General where it can be shown there is reasonable cause.

### **Differential General Rates**

The Council will continue to apply the differential general rates on properties within the council area. Land use is used as the factor to levy differential rates.

- For all rateable land within the area of the Council which has a land use designated as Category (a) - Residential, a rate of 0.2505 cents in the dollar. Anticipated revenue \$10.39M;
- For all rateable land within the area of the Council which has a land use designated as Category (b) - Commercial—Shop, Category (c) - Commercial—Office or Category (d) – Commercial-Other, a rate of 0.5489 cents in the dollar. Anticipated revenue \$1.45M;
- For all rateable land within the area of the Council which has a land use designated as Category (e) – Industry-Light, a rate of 0.5693 cents in the dollar. Anticipated revenue \$163k.
- For all rateable land within the area of the Council which has a land use designated as Category (g) - Primary Production, a rate of 0.2334 cents in the dollar. Anticipated revenue \$1.23M;
- For all rateable land within the area of the Council which has a land use designated as Category (h) - Vacant Land, a rate of 0.4227 cents in the dollar. Anticipated revenue \$1.915M; and
- For all rateable land within the area of the Council which has a land use designated as Category (i) - Other (any other land use not referred to in a previous category including marina berths), a rate of 0.2815 cents in the dollar. Anticipated revenue \$113k
- For all rateable land within the area of the Council which has a land use designated as Marina Berths, a rate of 0.5489 cents in the dollar. Anticipated revenue \$20k

Council believes that differential general rates are appropriate for reasons of equity and relative benefit between classes of ratepayers given the nature, mix and significant capital values in a coastal community like the Copper Coast.

### **Fixed Charge**

The Council will impose a fixed charge system, rather than a minimum rate, which tends to distort the equity principals of taxation. Council will set a fixed charge of \$528 in the total of rates generated, (was \$503 in 2015/16).

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 the same owner occupies and owns them.

The reasons for imposing a fixed charge are:

- The Council considers it appropriate that all rateable properties make a contribution to the cost of administering the Council's activities and the creation and maintenance of the physical infrastructure that supports each property
- The fixed charge system has a lesser proportionate impact on lower income earners than a minimum rate system
- The fixed charge system is more readily understandable than a minimum rate system

### **Separate Rates**

Pursuant to Section 154 of the Act, a 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.

The Council is undertaking the construction of a *Community Waste Management Scheme* which will provide benefits for the majority of residents in Moonta, Moonta Bay & Port Hughes. The Council will continue with a separate rate of \$484 for this project for 2016/17. The revenue raised from this rate can only be applied to this project.



The Council is working with the Kadina Business District to undertake a project to redevelop the Commercial precinct of Kadina. The Council will continue with a differential separate rate of 0.0275 cents in the dollar to partly fund this project this financial year and the expected revenue of \$20,000 raised from this rate can only be applied to this project. The area concerned is as per the diagram below.



The Council introduced in the 2013/14 financial year a new Separate Rate to partly fund the maintenance of the Port Hughes Golf Course (Dunes). This will replace 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 and is indexed by CPI each year.

Based on previous years the separate rate will be \$682 per property in 2016/17 (\$677 in 2015/16 subject to annual CPI increase which was 0.7%). The CPI index used for this calculation will be the Consumer Price Index (All Groups) for Adelaide between the March Quarter to March Quarter of the year immediately preceding the financial year in which the Separate Rate is charged.



If the additional 9 holes are established the Separate Rate would increase by 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.

The Council initially adopted in the 2014/15 financial year a Separate Rate of \$195 per lineal metre of shop front (commercial properties) within the Wallaroo Owen Terrace main street (see map) to be applied for five years to fund the replacement of the verandahs. With the progression of the redevelopment of Owen Terrace, the poor condition of the current verandahs was highlighted. As these are on a road reserve and can be a public risk, it is an appropriate time to ensure they all meet the required Australian Standards. The project is to replace all of the verandahs as a single project under one tender (Council organised and controlled) to the same design and standard.

The map outlines the properties that will benefit from the project and where Council is to charge the Separate Rate in 2016/17 which will be the third year of the application of the rate.



This area includes the properties from 3 to 45 Owen Terrace and 49 Owen Terrace, Wallaroo.

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 one hundred (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 of \$265 to apply 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 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.



### **Service Charge**

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 2017. This includes the areas covered by the Kadina Community Wastewater Management Systems and the Wallaroo Community Wastewater Management Systems. The annual service charge for the 2016-17 financial year is \$484 on each property unit for occupied allotment and \$484 on each vacant allotment.

### **NRM Levy**

The Council area falls within the Northern and Yorke Natural Resources Management Board area and as such the Council is required pursuant to the Natural Resources Management Act 2004, to raise funds by way of a separate levy to assist in funding the operations of the Board. The levy is imposed as a differential separate rate upon all properties within the area of the Board.

The Council is required to collect this revenue and pay the amount collected to the Board. It does not retain this revenue or determine how the revenue is spent, nor does it determine the amount of the levy to be collected. The amount of the levy per property is set by the total amount of funds Council are required to raise for the Northern and Yorke Natural Resources Management Board. Council has been advised that the levy will increase by 25.9% to be \$584,883 for 2016/17. (2015/16 was \$464,440).

A separate rate of 0.0175 cents in the dollar will be proposed to declare in 2016/2017 on all rateable land within the Council area within the area of the Northern and Yorke Natural Resources Management Board.

Any queries regarding the NRM Levy should be raised with the Northern and Yorke Natural Resources Management Board.

### **Head Office**

Unit 2/17 Lennon Street  
Clare SA 5453  
Phone: (08) 8841 3400

Website: <http://www.naturalresources.sa.gov.au/northernandyorke/home>

### **Pensioner Concessions**

If you are an eligible pensioner you may be entitled to a rebate on your water/sewerage charges where applicable. An eligible pensioner must hold a Pension Card, State Concession Card or Department of Veterans' Affairs (DVA) Gold Card (TPI, EDA, WW). You must also be responsible for the payment of rates on the property for which you are claiming a concession.

The State Government administers applications. Payment should not be withheld pending assessment of an application by the State Government, as penalties apply to unpaid rates. A refund of charges will be paid to an eligible pensioner if Council is advised that a concession applies and the charges have already been paid.

For further information, contact the Concessions Hotline on 1800 307 758.

### **Unemployed Persons Concessions**

Department of Families and Communities (DFC) may assist with the payment of Council rates for your principal place of residence (remissions are not available on vacant land or rental premises). Ratepayers need to contact the Department for Families and Communities office for details.

For further information, contact the Concessions Hotline on 1800 307 758.

### **Self Funded Retirees Concessions**

The State Government administers concessions. If a person is a self-funded retiree and currently holds a State Seniors Card they may be eligible for the cost of living concession.

For further information, contact the Concessions Hotline on 1800 307 758.

### **Remission and Postponement of Rates**

Section 182 of the Local Government Act and the Essential Services Commission of South Australia permit the Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates and to partially or wholly remit or to postpone the service charge for CWMS services, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates he/she is invited to contact the Council office to discuss the matter. The Council treats such inquiries confidentially.

### **Postponement of Rates for Seniors**

Ratepayers who hold a State Seniors Card are now able to apply to Council to postpone payment of Council rates on their principal place of residence.

To be eligible for postponement of rates the applicants need to satisfy the following criteria:

- a State Seniors Card holder (or have applied for the card); and
- the property is the principal place of residence (where you live most of the time); and
- no other person, other than the applicant's spouse, has an interest as an owner of the property.



A minimum amount of \$500 of the annual rates must be paid.

The interest rate which will apply to the amount of rates postponed is prescribed in the Local Government Act (SA) 1999, Section 182A(12). Interest will be charged and compounded monthly on the total amount postponed, until the debt is paid.

The accrued debt including interest is payable at the time of disposal or sale of the property. However, there is an option for the payment of all or any part of the debt at an earlier time.

### **Payment of Rates**

Council rates will be payable by quarterly instalments falling due on 1 September 2016, 1 December 2016, 1 March 2017 and 1 June 2017. The total outstanding balance of rates may be paid in full at any time.

Council rates may be paid:

- In person at any Post Office
- In person at the principal office of Council in Kadina
- By telephone at the ratepayers participating bank, credit union or building society using B-Pay
- By Post Billpay service
- By mail (by cheque or by credit card details advised on the Rate Account remittance advice).

(Methods of payment details are outlined on the reverse of the rates notice)

In addition, regular pre payments of Council Rates are allowed at any time and can be made at the principal Council office, via Bpay and via Australia Post.

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard arrangements should contact the Rates Officer on 8828 1200 to discuss alternative payment arrangements. Such enquiries are treated confidentially by the Council.

### **Late Payment of Rates**

The Council has determined that penalties for late payments will be imposed in accordance with the provisions of Section 181(8) of the Local Government Act 1999 and relevant Council procedures.

Late payment fines are levied in accordance with the provisions of Section 181(8) of the Act. These provisions are the only provisions available to the Council to ensure that all ratepayers pay promptly.

The Act provides that:

“If an instalment of rates is not paid on or before the date on which it falls due:

- a) the instalment will be regarded as being in arrears, and
- b) a fine of two (2) percent of the amount of the instalment is payable, and
- c) on the expiration of each full month from that date, interest of the prescribed percentage of the amount in arrears (including the amount of any previous unpaid fine but excluding interest from any previous month) accrues.”

Any ratepayer who may or is likely to, experience difficulty with meeting the standard instalments and due dates can contact the Council to discuss alternative payment

arrangements. It should be noted that fines and interest are still levied in accordance with the Act under any payment arrangement.

Council will consider applications for remissions of fines in certain extenuating circumstances. A request for waiver of fines should be made in writing, setting out detailed reasons why a fine remission has been requested.

When the Council receives a payment in respect of overdue rates, the Council applies the money received as follows:

- First – to satisfy any costs awarded in connection with court proceedings;
- 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).

### **Recovery of Rates**

In accordance with sound financial management principles, the Rates Officer will apply prudent debt management practices to Rate Debtors. This includes an ongoing review of rates in arrears and following a systematic debt recovery approach.

Rates, which remain in arrears for a period exceeding 30 days, will be subject to recovery action in accordance with the Councils normal debt recovery procedures.

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

Section 184 of the Act provides that a Council may sell any property where the rates have been in arrears for three (3) years or more. The 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.