



DISTRICT COUNCIL OF

Streaky Bay

Policy Document

RATING POLICY

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Strategic Plan link: Strategy 1.1.7 Ensure compliance of relevant Council policies and procedures with legislative requirements		
References and related Policies & Procedures: Local Government Act 1999 Local Government (Financial Management) Regulations 2011		

1. Purpose

This document sets out the Policy of the District Council of Streaky Bay for the setting and collection of rates from its community.

The policy covers:

- method used to value land
- adoption of valuations
- business impact statement
- differential general rates
- fixed charge
- annual service charge
- Eyre Peninsula Natural Resource Management Levy (EPNRM) (the Council's collection role)
- Concessions
- low income earners
- self-funded retirees
- payment of rates
- rebate of rates
- remission and postponement of rates - seniors
- late payment of rates
- debt recovery
- sale of land for non-payment of rates
- changes to assessment record
- disclaimer

2. Strategic Focus

In setting its rates for the 2018-2019 financial year the Council has considered the following:

- The District Council of Streaky Bay – Strategic Management Plan 2016-2026;
- the current economic climate;
- requirements to maintain and improve infrastructure assets to acceptable standards including roads, footpaths, lighting, stormwater drainage, street trees and plantings, open space and Council properties;
- maintaining essential services such as waste and community wastewater management and discretionary services such as community events, youth services, tourism and community development;
- commitments to continuing projects and partnership initiatives over more than one year;
- new fees/charges imposed by other levels of government (e.g. EPA landfill licensing and levies, rubble royalties and housing rebates);
- Community aspirations as identified during the development of the Streaky Bay Township Masterplan and the Streaky Bay District Management Plan including improved streetscapes and signage, camping sites and district recreational and open space areas;
- increasing regulatory standards;
- the maintenance, upgrade and replacement of equipment including Information & Communication Technology.

3. Policy Statement

Communication of the Policy

Section 123 of the *Local Government Act 1999 (the Act)* requires Council to prepare an Annual Business Plan and Budget. As per Section 123(2)(d) the annual plan must set out the rates structure and policies for the financial year. A summary of the Annual Business Plan must be included with the first rates notice.

Method Used to Value Land

The provisions of the *Local Government Act 1999* allow Council to adopt one of three valuation methodologies to value the properties in its area. They are:

<i>Capital Value</i>	The value of the land and all of the improvements on the land
<i>Site Value</i>	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
<i>Annual Value</i>	A valuation of the rental potential of the property

The District Council of Streaky Bay will continue to use Site Value as the basis for valuing land within the Council area. 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 fairness principle of taxation which suggests that individuals should make similar contributions to the cost of providing local government services as they in turn receive similar benefits, in terms of those services provided, and
- The efficiency principle, which generally assumes large swings in the value of property, is less likely under the site valuation method.

Adoption of Valuation

The District Council of Streaky Bay has adopted the most recent valuations made by the Valuer-General. If a ratepayer is dissatisfied with the valuation made by the Valuer-General then a ratepayer may object to the Valuer-General in writing within 60 days of receiving the notice of valuation, explaining the basis for objection;

- if a ratepayer has previously received a notice or notices under the *Local Government Act 1999* referring to the valuation and informing them of a 60 day objection period, the objection period is 60 days after service of the first such notice;
- this 60 day objection period may be extended by the Valuer-General where it can be shown there is reasonable cause;
- a ratepayer may not object to the valuation if the Valuer-General has already considered an objection made by that ratepayer to that valuation.

Objections to be lodged at or forwarded to:

State Valuation Office
101 Grenfell Street, Adelaide, South Australia
Mail: GPO Box 1354, Adelaide, 5001
Phone: 1300 653 346
Email: LSGobjections@sa.gov.au
Fax: 08 8226 1428

Notional Values

Certain properties may be eligible for a notional value, where the property is the principal place of residence for a ratepayer, under the *Valuation of Land Act 1971*. This relates to some primary production land or where there is State heritage recognition.

Any owner that believes that they are entitled to a 'notional value' must apply in writing to the State Valuation Office.

Business Impact Statement

Council has considered the impact of rates on all businesses in the district, including primary production. In considering the impact, Council assessed the following matters:

- those elements of Council's Strategic Management Plan relating to business development;
- Council's strategies for facilitating local economic development;
- the current and forecasted economic climate;
- operating and capital projects for the coming year that will principally benefit industry, primary production and business development;
- movement in Consumer Price Index;
- movement in Local Government Pricing Index;
- valuation changes in commercial, industrial and primary production properties.

Differential General Rates

All land within a Council Area, except land which is exempt pursuant to Section 147(2) of the Act, is rateable. The Act provides for a Council to raise revenue through a general rate, that is applied to all rateable properties.

At its Meeting of 19 July 2018 the Council decided to raise revenue of \$3.12 million by the imposition of differential general rates.

In order to raise the amount as indicated above, that is required to be raised from rates, the Council declares differential rates varying on the basis of locality and land use as follows:

- a. In the Residential zone (1)-
 - (0.7503) cents in the dollar of the Site Value of rateable land of categories 1, 8 and 9 use;
 - (1.4500) cents in the dollar of the Site Value of rateable land of categories 2, 3, 4, 5 and 6 use;
 - (0.5893) cents in the dollar of the Site Value of rateable land of category 7 use;
- b. In the Town Centre zone (2)
 - (0.7503) cents in the dollar of the Site Value of rateable land of category 1 use;
 - (1.4500) cents in the dollar of the Site Value of rateable land of categories 2, 3, 4, 5, 6, 8 and 9 use;
- c. In the Industry zones (3)-
 - (0.7503) cents in the dollar of the Site Value of rateable land of category 1 use;
 - (1.0700) cents in the dollar of the Site Value of rateable land of categories 2, 3, 4, 5, 6, 8 and 9 use;
 - (0.5893) cents in the dollar of the Site Value of rateable land of category 7 use;
- d. In the Light Industry (Aquaculture) zone (4)-
 - (0.5893) cents in the dollar of the Site Value of rateable land of category 7 use;
- e. In the Primary Production zone (18)-
 - (0.6643) cents in the dollar of the Site Value of rateable land of categories 1, 2, 3, 6 and 9 use;
 - (28.5000) cents in the dollar of the Site Value of rateable land of category 4 use;
 - (0.5893) cents in the dollar of the Site Value of rateable land of categories 5, 7 and 8 use;
- f. In the Commercial (Bulk Handling) zone (13)-
 - (28.5000) cents in the dollar of the Site Value of rateable land of all category uses;
- g. In the Rural Deferred Urban zone (8)-
 - (0.5893) cents in the dollar of the Site Value of rateable land of categories 1, 2, 3, 4, 5, 6, & 7 use;
 - (0.6643) cents in the dollar of the Site Value of rateable land of categories 8 & 9 use;
- h. In the Robinson Groundwater Basin Protection zone (14)-
 - (0.5893) cents in the dollar of the Site Value of rateable land of category 7 use;
- i. In the Country Township and Settlement zones (10 & 11)-
 - (0.6643) cents in the dollar of the Site Value of rateable land of all categories;
- j. In the Coastal zone, (9)-
 - (0.6643) cents in the dollar of the Site Value of rateable land of categories 1, 2, 3, 5, 6, 8 and 9 use;

- (1.4500) cents in the dollar of the Site Value of rateable land of category 4 use;
 - (0.5893) cents in the dollar of the Site Value of rateable land of category 7 use;
- k. In the Rural Living, Rural Landscape Protection, & Recreation zones (6, 7, & 15)-
- (0.6643) cents in the dollar of the Site Value of rateable land of categories 1, 2, 3, 4, 5, 6, 8 and 9 use;
 - (0.5893) cents in the dollar of the Site Value of rateable land of category 7 use;

Differential General Rates imposed by the Council are based on various land use categories (as above). Should you have any reason to believe that the land use category applied to your assessment is incorrect, you may lodge a written objection to Council outlining the grounds upon which your objection is based, and should be addressed as follows:

Chief Executive Officer
 District Council of Streaky Bay
 PO Box 179
 Streaky Bay SA 5680

Objections must be submitted to Council within 60 days of receiving your Rates Notice.

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

Fixed Charge

The Council has imposed a fixed charge of \$555.00. 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. 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;
- 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.

Annual Service Charge

Pursuant to Section 155 of the *Local Government Act 1999* and in accordance with Regulation 12(4)(b) of the *Local Government (General) Regulations 2013*, the Council imposes annual service charges as set out below:

\$477.00 on all applicable land; to which it provides or makes available the Community Wastewater Management Systems.

\$200.00 on all applicable land; to all properties within the Waste Management Collection service area that have an occupiable dwelling, outbuilding or other class of structure and those en-route that are outside of collection areas that have access to a Waste Management Collection service.

Eyre Peninsula Natural Resource Management Levy (NRM Levy)

Pursuant to Section 95 of the *Natural Resources Management Act 2004* and Section 154 of the Act, the Council declares variable separate rates, in respect of all rateable land in the area of the Eyre Peninsula Natural Resource Management Board and within the area of the Council in order to recoup the amount of \$158,781 being Council's contribution to the Board for the period ending 30 June 2019. The rates are as below:-

Residential	\$ 75.99
Commercial	\$113.98
Industrial	\$113.98
Primary Producers	\$151.98
Other & Vacant Land	\$ 75.99

Concessions - Cost of Living Concession for Rates and Community Wastewater Management Systems Concessions.

Ratepayers may be eligible for a State Government funded Cost of Living Payment that is provided directly to those entitled. This payment may be used for any purpose, including offsetting Council rates.

To check eligibility for either the Cost of Living or CWMS Concession contact The Department for Communities and Social Inclusion (DCSI) Concessions Hotline 1800 307 758 or at www.sa.gov.au/concessions

You must also be responsible for the payment of rates on the property for which you are claiming a concession.

Applications are administered by the State Government. Payment of rates should not be withheld pending assessment of your application by the State Government as penalties will apply to unpaid rates.

Low Income Earners

The Department for Communities and Social Inclusion (DCSI) may assist with the payment of Council rates for your principal place of residence (*remissions are not available on vacant land or rental premises*) when your income meets the DCSI low income threshold. Apply through DCSI Concessions Hotline 1800 307 758, for more information visit www.sa.gov.au/concessions.

Payment of Rates

Pursuant to Section 181 of the Act rates will be payable in four equal or approximately equal instalments and that the due date for those instalments will be 11 September 2018, 11 December 2018, 14 March 2019 and 11 June 2019.

Payment of rates can be made in full by 11 September 2018.

Rates may be paid by using the options listed on the rate notices and listed below:

- by post (*PO Box 179, Streaky Bay, SA, 5680*);
- at Council's office (*29 Alfred Terrace, Streaky Bay, SA 5680*);
- *by telephone on (08) 8626 1001 (Visa/Mastercard); or*
- *BPay*

Rebate of Rates

Rebates will be considered in accordance with Council's Rate Rebate Policy (DCSB-FM-7.02).

Remission and Postponement of Rates

Section 182 of the *Act* permits the Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates he/she is invited to contact the Chief Executive Officer on (08) 8626 1001 to discuss the matter. Such enquiries are treated confidentially by the Council.

Postponement of Rates - Seniors

Under Section 182A of the Act a postponement of rates may be granted to persons meeting the requirements of Section 182A (1). 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 imposed on their principle place of residence. Postponed rates remain as a charge on the land and are not required to be repaid until title to the relevant land is transferred, or in the event of a failure to comply with a condition imposed on the postponement.

The Seniors Postponement Scheme is designed for, and is intended to assist those who are of modest income yet living in higher value homes. Any person who has an entitlement to a concession under the *Rates and Land Tax Remission Act 1986* is entitled to apply that concession towards the proportion of rates that cannot be postponed.

Interest accruing on postponed balances is to be calculated with a premium of 1% over the cash advance debenture rate. Council may reject an application from an eligible person to postpone rates, if it appears to Council that the eligible ratepayer has a registered mortgage that secures an amount greater than 50% of the capital value of the land.

Persons who have postponed rates in the past, and are no longer eligible to do so (*e.g. no longer use the land as principal place of residence, or no longer own the land*) must notify the Council within six months after eligibility ceases. Failing to notify the council is an offence.

Persons who have previously postponed rates will be notified, with each quarterly rates notice, about:

- the amount of rates outstanding under the postponement;
- the amount of interest that has accrued under the postponement, as at the end of the immediately preceding quarter;
- their entitlement to postpone a proportion of rates, again, without the need to make a further application;
- that if any amount (*other than the minimum required amount*) is not paid, it will be treated as postponed under this scheme, and will therefore attract interest; and
- the duty to notify the Council, within six months, if the entitlement to participate in the scheme ceases to exist.

Late Payment of Rates

If an instalment of rates is not paid on or before the date on which it falls due, the instalment will be regarded as being in arrears, and a fine of 2% of the amount of the instalment is payable.

At the end of each month thereafter, interest (at the rate prescribed in the Local Government Act 1999) will be added on any balance not then paid.

Debt Recovery

Council acknowledges that personal circumstances can change, and in its dealings for recovery of rates owed to Council, it must be flexible, fair, reasonable and considerate, but if such circumstances occur, the debtor should initiate discussions with Council to make alternative payment arrangements.

Should the ratepayer incurring the debt fail to meet the payment terms without having made contact with Council, the following process shall occur:

- A reminder of the rates becoming due in 7 days will be sent to all ratepayers that have an outstanding amount for the quarter that is due, incorporating payment options and payment plan options;
- Fines will be added on the morning of the second day after due date;
- An outstanding letter, including fine amounts will be sent, noting various payment options, payment plan options and further debt collection actions, on the day the fines are raised.

Annually, Council may refer any unpaid debts to a Debt Collection Agency for collection of amounts in arrears, after the quarterly debt collection process has been completed, if the debt:

- Is greater than \$500.00 and
- Has been outstanding for two or more quarters

All Debt Collection fees and court costs incurred are recoverable from the ratepayer.

When Council receives a payment in respect of overdue rates the Council applies the money received as set out in Section 183 of the Act. These funds will be applied as follows:-

- Costs awarded to or recoverable by Council in any court proceedings undertaken to recover rates;
- Interest Costs;
- Fines;
- Rates, in the order the liability arose.

Sale of Land for Non-Payment of Rates

Section 184 of the Act provides that a Council may sell land where the rates have been in arrears for three 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 month.

Change to Assessment Record

All changes to postal address of the ratepayer/owner and changes of ownership of a property must be notified promptly to Council in writing.

Disclaimer

A rate cannot be challenged on the basis of non-compliance with this policy and must be paid in accordance with the required payment provisions.

Where a ratepayer believes that the Council has failed to properly apply this policy it should raise the matter with the Council. In the first instance contact the Manager, Corporate Services, on 8626 1001 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should write to the Chief Executive Officer, District Council of Streaky Bay, PO Box 179, Streaky Bay, SA, 5680 (e: ceo@streakybay.sa.gov.au) explaining the nature of their concern.

A summary version of the Rating Policy will be included with the 1st Quarter Rates Notice.