

Rating Policy

Policy Author	General Manager Corporate Services
Date of next review	June 2025

1. Statement of Intent

In South Australia, council rates are a form of property tax levied by Local Government, as the primary source of funding for the many mandatory and discretionary services provided by councils. Rates are administered by each council in line with the *Local Government Act 1999* (the Act). This document sets out the Council’s policy for setting and collecting rates from its community.

Council rates are not a fee for service but a system of taxation for local government purposes.

All land within the Council’s area is rateable except land that is subject to an exemption under the Act.

Council considers a general rate, which consists of two components – one based on the value of the land and the other a fixed charge – to be the fairest and most equitable method of imposing rates. A fixed charge is a means of ensuring all ratepayers contribute equally to Council services and the development and maintenance of community infrastructure.

Council may impose differential general rates that vary based on land use. It assesses rates against each piece or section of land subject to separate occupation, except for land with a commercial or industrial land use where rates are assessed against each piece or section of such land subject to separate ownership.

Council’s aim is to have a competitive rating environment for commercial properties. Its strategy is to gradually reduce the rate in the dollar for commercial properties in a staged approach that balances the demands from business for rate relief with the needs from residential rate payers to continue to provide a sustainable level of services.

Council’s rates are based on the capital values of land in its area as assessed by the Valuer-General. An owner of land may, in accordance with the *Valuation of Land Act 1971*, object to a valuation made by the Valuer-General of their land.

Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- Rates constitute a system of taxation, and 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 considered a relatively good indicator of wealth, and the capital value, which closely approximates the market value of a property, provides the best indicator of overall property value.

Council is required to collect a separate rate, the Regional Landscape Levy to reimburse the Council for the funding contribution required by the *Landscape South Australia Act 2019* for the Green Adelaide Board. This separate rate is effectively a state tax and Council does not retain the revenue collected by way of the separate rate.

Council may apply rate remissions, postponements and rebates in accordance with the Act and the Rate Rebate Policy. In addition, if a ratepayer is experiencing hardship with paying their rates, they may make an application for rate relief by way of a remission or postponement in accordance with the Act and the Council's Hardship Policy. Fines and interest apply to overdue rates and if an amount payable by way of rates is in arrears for three years or more, the Council may sell the land for non-payment of rates.

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 Council has failed to properly apply this Policy, they should raise the matter with Council.

2. Scope

This Policy applies to all ratepayers within the Council's area.

3. Legislation and References

This Policy should be read in conjunction with the Rating Procedure.

Related documents include:

- *Landscapes SA Act 2019*
- *Local Government (Financial Management) Regulations*
- *Local Government (General) Regulations 2013 – Regulation 14*
- *Local Government Act 1999 – Sections 148, 151 and 152*
- *Valuation of Land Act 1971*
- City of Playford Annual Business Plan and Budget
- City of Playford Global Glossary.
- City of Playford Long Term Financial Plan
- City of Playford Strategic Plan
- Debt Recovery Procedure
- Hardship Policy and Procedure
- Rate Rebate Policy and Procedure

This Policy should not be considered as the only document that may relate to rating matters; other tiers of government, agencies or organisations may have legislation or policies that also apply.

4. Application

CEO	Facilitate endorsement of Rating Policy as part of the Annual Business Plan (ABP) and Long Term Financial Planning (LTFP) process.
General Manager Corporate Services	To ensure an effective rating system.
Senior Manager Financial Services	To facilitate an effective rating system, and deliver as part of ABP and LTFP.
Manager Rates	To oversee the consistent application of the Rating Policy.
Rates Officers	To apply consistent delivery of the Rating Policy to ratepayers.

5. Relevance to Risk Appetite Statement

Regulatory Compliance

The City of Playford has **ZERO TOLERANCE** for non-compliance with applicable legislation. The Rating Policy and Procedure is updated annually to ensure compliance is maintained for each financial year, as part of the ABP and LTFP process.

Service Delivery

The City of Playford has a **MODERATE** appetite for service delivery requirements. Maintaining the Rating Policy and Procedure ensures service delivery within required timeframes.

6. Feedback

Your feedback on this Policy is invited and can be directed to the Manager Governance via email to governance@playford.sa.gov.au or by calling the Customer Contact Team on 8256 0333

Administration use only

ECM document set no.	3994059
Version no.	6
Procedure link	Rating Procedure
Policy author	General Manager Corporate Services
Endorsed by	Council
Resolution no.	
Legal requirement	<i>Section 123 (2) (d) Local Government Act 1999</i>
Review schedule	Annually
Date of current version	June 2024
Date of next review	June 2025

Version history

Version no.	Approval date	Approval by	Change
1	02/07/2019	Council	Annual review
2	30/06/2020	Council	Annual review
3	22/06/2021	Council	Annual review
4	28/06/2022	Council	Annual review
5	27/06/2023	Council	Name change of Regional Landscape Levy
6	Xx	Council	Annual review, author position title change.

Rating Procedure

Procedure Author	General Manager Corporate Services
Date of next review	June 2025

1. Purpose

In South Australia, council rates are a form of property tax levied by local government, as the primary source of funding for the many mandatory and discretionary services provided by councils. Rates are administered by each council in line with the *Local Government Act 1999* (the Act) which allows some flexibility for each council to make decisions to suit its local community. This Procedure outlines Council's process for setting and collecting rates from its community.

This Procedure applies to all ratepayers within the Council's area.

2. References and Supporting Documentation

This Procedure should be read in conjunction with the Rating Policy.

3. Application

Senior Manager Financial Services	Annual review as part of Annual Business Plan (ABP) and Long Term Financial Plan (LTFP).
Manager Rates	To oversee the consistent application of the Rating Policy.
Rates Officer	To apply consistent delivery of the Rating Policy to ratepayers.

4. Procedure

4.1 General Rates

Each year, Council plans the services and programs it will deliver to the community in its Annual Business Plan and Budget, Long Term Financial Plan and Asset Management Plans. The Annual Business Plan and Budget are developed in line with the decision-making filters and community themes outlined in the Strategic Plan.

The Council declares rates every year for the following financial year, taking into consideration the Annual Business Plan and Budget.

To meet its rating objectives Council adopts the following:

- Valuations are based on capital value assessed by the Valuer-General.
- A general rate is declared each year that consists of two components: one based on the capital value of the land and the other a fixed charge, pursuant to Sections 151(1)(c), and 152(1)(c) of the Act.

The first quarterly rates notices are issued in July each year, with 30-day terms of payment. Ratepayers can elect to pay their annual rates in full; however, where ratepayers choose not to pay in full, three further rates notices are issued – in October, January and April of each year – to facilitate quarterly payments.

4.2 Fixed Charge

The Act allows Councils to impose a fixed charge on each rateable property in its area, providing that it has not also imposed a minimum rate (Section 152 of the Act). A fixed charge ensures that all rateable properties make a base contribution to the cost of administering Council activities and maintaining the services and physical infrastructure that supports each property. A fixed charge has the effect of reducing the rate in the dollar that will be applied to the property valuations.

Each year Council declares a fixed charge as part of its rating strategy.

The Council is unable to raise more than 50% of total general rate revenue through the imposition of a fixed charge as a component of general rates.

In applying a fixed charge, only one charge can be imposed on two or more adjoining assessments with the same owner and occupier (contiguous).

4.3 Differential Rates

A general rate can include, in addition to a fixed charge, a component that is based on the value of the land. Further, the Council can impose differential rates that vary according to the location of land or the use of land (residential, commercial, industrial etc.), or according to the locality of the land and its use. The Council has declared differential general rates that vary according to the use of the land prescribed by Regulation 14 of the *Local Government (General) Regulations 2013*. The Council attributes a land use for rating purposes to each piece of land in its area. The percentage of total rate revenue required from each land use category will be used to determine the rate in the dollar (differential rate) for each category.

4.4 Commercial Rating Strategy

Council's Commercial Rating Strategy will be applied for the year following a year in which a surplus occurs. The impact of the Commercial Rating Strategy on individual business rates remains subject to changes in property valuations.

4.5 Method Used to Value Land

In accordance with the principles in Section 148 of the Act, the Council assesses rates against each piece or section of land subject to separate occupation, except for land with a commercial or industrial land use for which rates are assessed against each separate piece or section of land subject to separate ownership.

For rating purposes, the Council adopts the valuations made by the Valuer-General available to it at the time it adopts its budget for the following financial year.

If a ratepayer is dissatisfied with the valuation made by the Valuer-General, the rates notice issued by the Council 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.

4.6 Objections to Land Use classification

If a ratepayer believes that a particular land use has been wrongly attributed by the Council to their land, then the ratepayer may object to that land use by writing to Council within 60 days of receiving the first notices of the current financial year or such longer period as the Council may allow. The objection must set out the basis for the objection and details of the land use that the ratepayer considers should be attributed to the land.

Council may decide on an objection as it sees fit, and may request the Valuer-General to reassess the land use classification and, upon receiving the Valuer-General's recommendation, make a decision regarding the objection.

A ratepayer, if not satisfied with the Council's decision, may appeal to the South Australian Civil and Administrative Tribunal (SACAT) against Council's decision within 21 days after the ratepayer receives notice of the Council's decision (or within such longer period as SACAT may allow).

4.7 Landscapes SA Levy

The Council is required under the *Landscapes SA Act 2019* to make a specified contribution to the Green Adelaide Board. It recovers the contribution it makes to the Green Adelaide Board by imposing a separate rate on land within the area of the Green Adelaide Board and the Council.

Council does not retain any of the revenue, calculate the amount of its contribution or determine how the revenue is spent.

The Regional Landscape Levy appears separately on rate notices.

If a ratepayer has any questions in relation to the Regional Landscape Levy they are directed to the Green Adelaide Board at website www.landscape.sa.gov.au or phone number 08 8463 3733.

4.8 Rates Cap

The Act requires the Council to decide each year whether to apply a maximum rate increase (or a rates cap) to a ratepayer's principal place of residence.

A cap can be applied to provide relief against a substantial change in rates payable incurred due to rapid changes in valuations.

The Council has determined that it will not apply a maximum increase (rates cap) for the general rate to be charged on rateable land constituting the principal place of residence of a ratepayer.

4.9 Pensioner Concessions and State Beneficiaries of Concessions

From 1 July 2015, Council concessions were replaced with the State Government cost of living concession for pensioners.

If a ratepayer seeks further information, they are directed to Concessions SA Hotline on 1800 307 758 or the concessions section of the SA.GOV.AU website.

4.10 Rate Relief

An application form for rate relief is available from Council's Customer Service Centres and Council website.

Remission of Rates – Hardship

Section 182 of the Act permits a council to postpone or give remission on rates due to hardship and other defined reasons. If a ratepayer seeks further information, they are directed to the Hardship Policy.

A ratepayer who will, or is likely to, experience difficulty with meeting the standard arrangements is invited to contact a Council rates officer to discuss alternative payment arrangements. Such enquiries are treated with the strictest confidence.

Seniors Postponement

Section 182A of the Act provides for postponement of rates for seniors.

The system is designed to assist senior card holders who may find themselves in the situation of being asset rich and cash poor by allowing them to postpone annual rates amounts greater than \$500. At least \$500 of the annual Council rates payable must be paid as it falls due, but any amount in excess of \$500 per year may be postponed for an indefinite period (up until the property is sold or eligibility ceases).

If a ratepayer seeks further information, they will be directed to the information about the Seniors Rate Postponement Scheme available on Council's website.

Discretionary Rebates

Council may consider an application and approve a rebate at its discretion in accordance with Section 166 of the Act. Further information is detailed in the Rate Rebate Policy.

4.11 Payment of Rates

Council will collect rates quarterly on the dates set by Council as detailed below:

- 2 September 2024
- 2 December 2024
- 3 March 2025
- 2 June 2025

Rates may be paid in person at Council's Customer Service Centres or by any method detailed on the rates notice.

4.12 Late Payment of Rates

The Act provides that the Council may impose a penalty of 2% on any instalment of rates that is not paid on or before the due date. A payment that is late is also charged a prescribed interest rate for each month it continues to be late.

When Council receives a payment in respect of overdue rates, Council applies the money received in accordance with Section 183 of the Act 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).

4.13 Non-Payment of Rates

Section 184 of the Act provides that a council may sell any land to recover outstanding rates where an amount payable by way of rates has been in arrears for three years or more.

5. Feedback

Your feedback on this Procedure is invited and can be directed to the Manager Governance via email to governance@playford.sa.gov.au or by calling the Customer Contact Team on 8256 0333.

Administration use only

ECM document set no.	3994060
Version no.	4
Policy link	Rating Policy
Procedure author	General Manager Corporate Services
Endorsed by	Council
Resolution no.	TBC
Legal requirement	<i>Local Government Act 1999</i>
Review schedule	Annually
Date of current version	June 2024
Date of next review	June 2025

Version history

Version no.	Approval date	Approval by	Change
1	22/06/2021	Council	New procedure to support Rating Policy
2	28 June 2022	Council	Annual Review
3	27/06/2023	Council	Name change of Regional Landscape Levy and due dates
4	Xx	Council	Annual review, author title change, due dates updated.
