

POLICY	ROBY COUNCIL	Responsible Department	Executive
		Original Adoption Date	08.08.2003
		Current Adoption Date	31.05.2023
		Audit Committee Review Date	18.05.2023
		Date of Next Review	30.05.2024

MUNICIPAL RATING POLICY	
Latest Review Changes	Reference to <i>Local Government Act 1999</i> for fixed charge
Previous Council Reviews	08.08.03, 30.05.13, 27.05.15, 26.07.17, 27.06.18, 27.05.19, 26.05.21,27.07.22
Previous Audit Committee Reviews	04.06.18, 15.05.19, 21.05.21,19.08.22

Applicable Legislation

<p><i>Local Government Act 1999</i></p> <p><i>Landscape South Australia Act 2019</i></p>
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Related Policies

Rates Hardship Policy

Related Procedures

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Reference Documents

Reference to Strategic Plan: L1.5

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1. INTRODUCTION

This document represents the policy of the Municipal Council of Roxby Downs (Roxby Council), relating to its setting and collecting of rates in accordance with the provisions in Chapter 10 of the *Local Government Act 1999 (the Act)*. Additional rates related information is also presented to explain the broader aspects of rates, including different rating method options, considerations underlying Council's rating policy, penalties for late or non-payment of rates and provisions relating to hardship and valuation appeals.

NOTE: This policy does not cover fees and charges set for the provision of electricity, water and sewerage services. These are separately set under the provisions of the Roxby Downs (Indenture Ratification) Act 1982.

2. GENERAL

Council must raise revenue to fund its operations which include activities related to governance and the delivery of municipal services to the community. Council's major source of municipal revenue is rates, derived as a tax on land within the Council area. All ratepayers derive benefits from paying rates through the services that are delivered by Council.

The following considerations influence Council's rating policy:

- Accountability and professional ethics
- Community consultation
- Transparency and simplicity
- Efficiency
- Equitable distribution of the rate
- Consistency with the strategic directions of Council
- Compliance with relevant legislation

3. STRATEGIC FOCUS

In setting the rates for forthcoming year Council will consider the following:

3.1. General

- a) The Strategic Plan.
- b) The Long-Term Financial Plan.
- c) The current economic climate and relevant factors such as inflation and interest rates.
- d) The impact of the level of rates on the community.
- e) The Infrastructure and Asset Management Plan.
- f) The level of recurrent expenditure and income expected for the year.
- g) The level of funding required for the delivery of Council services which are documented in the Annual Business Plan and Budget.
- h) The impact of the remote location on operating costs associated with maintenance of the town's facilities. As part of Council's Service Level Benchmarking Review process an average cost factor increase of around 30% above Adelaide costs is considered to apply across the spectrum of Council's activities, especially in relation to contract works.
- i) The need to comply with the provisions of the *Roxby Downs (Indenture Ratification) Act 1982* and the provisions of the *Local Government Act 1999* as amended.
- j) The need to meet realistic community expectations consistent with Council's reason for being.
- k) Planned activities and investments related to Olympic Dam operations.

3.2. Other

Prior to determining the level of rates required each year, Council also considers:

- a) The infrastructure needs, service delivery needs and related expenditure priorities in relation to the Strategic Plan 2021-31 and community needs.
- b) Equity issues and the relationship between the various land uses and the previous rating structure.
- c) Extremities in valuation and how their effect can be minimised in setting rating levels.
- d) Increased use of “user pays” cost recovery systems.

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:

- a) The waste levy paid by Council to the State Government.
- b) The cessation of some community grants previously received from other tiers of government.
- c) The need to fund long-term maintenance on road, drainage and essential infrastructure.

4. RATING PRINCIPLES

4.1. Taxation Principles

Local government rating is a complex issue. There are a number of taxation principles involved and a significant degree of subjectivity. These include the equity or fairness principle, which implies that the tax will be fair to the ratepayer and that each ratepayer will be taxed relative to other ratepayers; the benefit principle, in that the person who pays benefits; the ratepayer’s ability to pay; the efficiency of the tax; and the system’s simplicity.

4.2. Method Used to Value Land

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 of valuing land provides the fairest method of distributing the rates 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, and Capital Value, (which closely approximates the market value of a property) provides the best indicator of overall property value; and;
- The distribution of property values throughout the Council area is such that few residential ratepayers will pay significantly more than the average rate per property.

5. METHOD OF RATING

Council continues to adopt a rating system where rates are levied by way of a combination of a fixed charge and differential rating for all rateable properties according to a designated use of land as defined in Section 10 of the *Local Government (General) Regulations 2013*. For occupied residential properties a fixed service rate for the collection, treatment and disposal of domestic household refuse, recyclables and green waste collected is also levied.

5.1. Minimum Rate

Roxby Council does not apply a minimum rate.

5.2. Fixed Charge

Council applies a fixed charge for each rate account.

A fixed charge is a set amount levied against all properties irrespective of their value. This reflects the shared benefit that all ratepayers receive generally from council services.

Council applies a fixed charge to its rates and considers that inclusion of a fixed charge ensures that all ratepayers make a contribution towards funding Council services and that this is undertaken in an equitable manner in that all ratepayers pay the same component of their rates.

Council, consistent with S151(10) of the Act, will not set a fixed charge that will raise an amount that exceeds 50% of all general rate revenue.

5.3. Service Charge

Council provides a residential waste collection service which includes general waste, recycling and green waste to all residential premises in Roxby Downs. Council recovers the cost of the service through the imposition of a standard charge to all residential properties.

5.4. Differential Rating

The *Local Government Act 1999* allows Councils to differentiate rates based on the use of the land, the locality of the land or on the use and locality of the land. Current categories of land use defined by the *Local Government (General) Regulations 2013* are:

- i. Residential
- ii. Commercial-Shops
- iii. Commercial-Office
- iv. Commercial-Other
- v. Industrial-Light
- vi. Industrial-Other
- vii. Primary Production
- viii. Vacant Land
- ix. Other

Council maintains differential rates in all of the above categories, although the differential rates may be the same for more than one category and reviews the respective levels to ensure equity on an annual basis. Rates in the dollar are higher for commercial and industrial land uses than for residential land uses.

Land use categories for individual properties may be reviewed by the ratepayer. To do this, a written objection to Council's rates office outlining the basis for the objection will be required. Objections must be submitted within 60 days of receipt of the first notice of the current year.

6. ADOPTION OF VALUATIONS

Council will adopt the most recent valuations available from the Valuer-General. If a ratepayer is dissatisfied with the valuation made by the Valuer-General they may object to the Valuer-General in writing, within 60 days of receiving the first notice of the valuation, explaining the basis for the objection - provided they have not:

- a) Previously received a notice of this valuation under the *Local Government Act 1999*, 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 address of the Office of the Valuer-General is:

Address: *Office of the Valuer-General*
GPO Box 1354
ADELAIDE SA 5001

Email: *OVGObjections@sa.gov.au*

Phone: *1300 653 346*

Council has no role in the valuation review process.

It is important to note that the lodgement of an objection does not change the due date for payment of rates.

7. NOTIONAL VALUES

Certain properties may be eligible for a notional value under the *Valuation of Land Act 1971* where the property is the principal place of residence of a ratepayer. This can relate to certain primary production land or where there is State heritage recognition. A notional value is generally less than the capital value and this will result in reduced rates unless the minimum rate already applies. Application by the ratepayer for a notional value must be made to the Office of the Valuer- General.

8. BUSINESS IMPACT STATEMENT

Council will consider the impact of rates on all businesses in the Council area, including primary production. In considering the impact, Council will assess the following matters:

- Those elements of Council's Strategic Plan relating to business development.
- The current and forecast economic climate identified in Access Economics' Business Outlook Publication
- Council's recent development approval trends.
- The operating and capital projects and new programs for the coming year that will principally benefit industry and business development.
- Valuation changes.

9. COUNCIL'S REVENUE RAISING POWERS

All land within a council area, except for land specifically exempt (e.g. crown land, council occupied land and other land prescribed in the *Local Government Act 1999*) is rateable. The *Local Government Act 1999* 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 apply to categories of land use and/or locality. In addition, Council can raise separate rates for specific areas of the Council or service rates or charges for specific services.

Council also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and equity issues. The list of applicable fees and charges are available via Councils website <https://www.roxbydowns.sa.gov.au> or by contacting Customer Service on 8671 0010.

10. LANDSCAPE LEVY

The Landscape Levy, set by the SA Arid Lands Landscape Board, is a State Government tax imposed under the *Landscape South Australia Act 2019*. As such, Council is obliged to collect the levy on behalf of the State Government. The levy is based on the Council's aggregated Capital Value of land and is shown as a separate charge on the rates notice.

Any enquiries regarding the levy should be directed to the SA Arid Lands Landscape Board on 08 8648 5307.

11. PAYMENT OF RATES

Rates can be paid by a single payment prior to the 1st Quarter due date or by quarterly instalments which are due in the months of September, December, March and June as prescribed each year by Council resolution. The total outstanding balance of rates may be paid in full at any time. Council will send out instalment notices to ratepayers advising them of their next instalment due date at least 30 days prior to the due date.

Rates may be paid:

- By using the BPAY service through participating banks;
- By mail by posting a cheque to PO Box 124, Roxby Downs 5725; or

- In person, at the Council office, 6 Richardson Place, Roxby Downs 5725 South Australia, during business hours of 9am to 5pm Monday to Friday.
- EFTPOS facilities are available for over the counter payments
- By Credit Card in person or by Phone 08 8671 0010

Penalties do apply to outstanding rates; therefore, any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment requirements, or is planning an extended absence at the time rates are due is invited to contact our Rates Officer on 08 8671 0010 to discuss alternative payment arrangements. The Council treats such enquiries confidentially.

12. LATE PAYMENT OF RATES

The Local Government Act requires that Councils impose a penalty of 2% on any payment for rates, whether instalment or otherwise, that is received late. 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 Councils to recover the administrative cost of following up unpaid rates and to cover any interest cost the Council may incur because it has not received the rates on time. Rates remaining unpaid will be charged interest each month, set each year in accordance with Section 181(8)(c) of the Act. Council may at its discretion remit penalties for late payment of rates where ratepayers can demonstrate hardship.

Council issues an overdue notice for payment of rates when rates are overdue i.e. unpaid by the due date. Should rates remain unpaid more than 21 days after the issue of the overdue notice then the Council may refer the debt to a debt collection agency for collection. The debt collection agency charges collection fees that are recoverable from the ratepayer.

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 amount owing)

13. POSTPONEMENT OF RATES

13.1. General

Under Section 182 of the Local Government Act 1999; a postponement of rates may be granted if Council is satisfied that the payment of these rates would cause hardship. Council may, on application and subject to the ratepayer substantiating hardship, consider granting a postponement of payment of rates for a maximum period of one year in respect to an assessment on the condition that the ratepayer agree to pay interest on the amount affected by the postponement at the cash advance debenture rate and if the ratepayer satisfies the following criteria:

- a) The property is the principal residence of the ratepayer and is the only property owned by the ratepayer, and
- b) The property has been owned by the ratepayer and has been their principal residence for a minimum of 1 year, and
- c) The rateable value of the property exceeds \$150,000, and
- d) The ratepayer is able to produce one of the following identification cards:
 - Pensioner Concession Card – Centrelink
 - Pensioner Concession Card – Veteran Affairs
 - T.P.I. Card – Veteran Affairs

or can demonstrate to Council they are a self-funded retiree, earning less than \$25,000 per year,

or any other financial hardship reason as approved by Council.

- e) The amount postponed will not exceed:
 - 40% of the rates payable for the assessment (prior to deducting pensioner concessions) and shall accrue interest at the cash advance debenture rate published by the Local Government Finance Authority (LGFA) for 1st July each year.
 - 50% of the land value of the principal place of residence, which will be conditional:
- f) The owner must advise the current or future mortgagee of such debt
- g) Any change in financial circumstance must be immediately advised
- h) A new application must be completed for each new year postponed

The amount of the postponement may be extended only on special Council approval. All applications for rebates, remissions or postponements must be in writing, addressed to:

The Chief Executive, Roxby Council, PO Box 124 Richardson Place Roxby Downs SA 5725.

13.2. Long-Term Rates Postponement for State Seniors

State Seniors Card holders, upon application, have the right to postpone (on a long-term basis), council rates otherwise payable. The postponement scheme is restricted to rates on the ratepayer's principal place of residence and, at the discretion of the Council, could cover part or all of annual rates payable.

The long-term postponement scheme for State Seniors Card holders is non-concessional (i.e.

compound interest would be payable on the accumulating postponed balance). Those ratepayers choosing to participate in the scheme are still able to avail themselves of existing rebates and remissions.

State Government concessions provided on Council rates for pensioners and self-funded retirees. Council's financial position will need to be protected by ensuring that the postponed amount is a senior ranking charge against the property. In this way, Council has the power to claim the postponed amount at the time of a voluntary transfer of the property or from an estate.

14. REBATE OF RATES

The *Local Government Act 1999* requires Councils to make mandatory rebates on rates payable on some land. Specific provisions are made for the land used for health services, community services, religious purposes, public cemeteries and educational institutions. The Council under Section 166 of the Act may apply discretionary rebates. Council also rebates rates to community organisations that encourage, enhance and foster the wellbeing of our community, especially the youth and aged.

All properties subject to either a mandatory or discretionary rebate under Sections 160 to 166 of the *Local Government Act 1999* will be reported to, and subject to resolution by Council.

15. MAXIMUM INCREASE

The Council may fix a maximum increase in the general rate charged on any rateable land within its area that constitutes the principal place of residence of a principal ratepayer under Section 153 (3) of the *Local Government Act 1999*. If the Council fixes a maximum increase, it will do so on the application of the property owner for the relevant year ending 30 June provided that:

- a) the property has been the principal place of residence of the principal ratepayer since at least 1 July of the previous financial year;
- b) the property has not been subject to a change in land use since 1 July of the previous financial year; and
- c) the property has not been subject to improvements with a value of more than \$20,000 since 1 July of the previous financial year.

16. SALE OF LAND FOR NON-PAYMENT OF RATES

The *Local Government Act 1999* provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to notify the owner of its intention to sell the land if payment of the outstanding amount is not received within one month and must provide the owner with details of the outstanding amounts.

17. DISCLAIMER

A rate cannot be challenged solely 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 Rates Officer on 8671 0010 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should write to the Chief Executive, Roxby Council, PO Box 124, Roxby Downs, SA 5725.

18. CONTACT DETAILS FOR FURTHER INFORMATION

Rates Officer

Phone: 08 8671 0010

Email: roxby@roxbycouncil.com.au

A copy of the Council's policy is available from the Rates Officer on 08 8671 0010, on Council's website or by writing to Roxby Council, PO Box 124, Roxby Downs SA 5725.

19. REVIEW & EVALUATION

This policy will be reviewed every 3 (three) years to ensure compliance with Legislation.

This Policy is available for inspection at the Council Office, 6 Richardson Place during ordinary business hours and is also available from Council's website <https://www.roxbydowns.sa.gov.au/council/about-roxby-council/policies>



6 Richardson Place
 PO Box 124
 Downs SA 5725
 Phone 08 8671 0010
roxby@roxbycouncil.com.au
www.roxbydowns.sa.gov.au
 ABN: 68 284 130 046

Office Use:

Document ID:

Assessment Number:

Rate Capping Rebate Application Form

**Required Fields*

Maximum Increase – Section 153(3) and (4) of the Local Government Act 1999

A rebate of differential general rates for the 2023/24 financial year may be granted to the Principal Ratepayer of an assessment under Section 153(3) and (4) of the *Local Government Act 1999*, on application to the Council, conditions apply. The amount of the rebate will be the positive difference (if any) between:

- a) the amount of general rates imposed for the 2023/24 financial year in respect of that assessment; and
- b) the amount of general rates imposed for the 2022/23 financial year in respect of that assessment plus 12%.

The following criteria apply:

- the property has been the principal place of residence of the principal ratepayer since at least 1 July 2022;
- the property has not been subject to a change in land use since 1 July 2022;
- the property has not been subject to improvements with a value of more than \$20,000 since 1 July 2022; and
- an owner of the property makes an application in writing addressed to Municipal Council of Roxby Downs, PO Box 124, Roxby Downs SA 5725, on or before 15 September 2023 claiming the benefit of the maximum increase.

Name* _____

Property Address* _____

State* _____ Postcode* _____

Postal Address _____

(If different from above)

State _____ Postcode _____

Email Address* _____ Contact Number* _____

I understand and acknowledge that:

- The information provided in this application is true and complete to the best of my knowledge
- I meet all the relevant criteria as per the Municipal Rating Policy
- Roxby Council may refuse this application if it becomes evident that information or any supporting documentation provided is incomplete or not correct

Applicant Name _____ Signature _____

LOGMENT OF AN APPLICATION FOR A CAPPING REBATE DOES NOT CHANGE THE DUE DATE FOR THE PAYMENT OF RATES. PENALTIES APPLY TO UNPAID RATES.