District Council of Elliston
Policy

Finance
E025: Rating

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1. Introduction

This Policy provides a framework for the District Council of Elliston to determine the annual setting and collection of rates against rateable land. All land within the Local Government Area, except for land specifically exempt (eg Crown Land, Council-occupied land, and other land exempt under any relevant legislation) is rateable.

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 that are provided by Council to residents and the general public. Rates are administered by each Council and governed by legislation set out in the *Local Government Act 1999 (**the Act**)* which allows provisions for Council to administer rates in certain metrics to suit the needs and requirements of the local communities. This document sets out the policy of the District Council of Elliston (**Council**) for setting and collecting rates.

2. Scope

Council's powers to raise rates are found in Chapter 10 of the Act . The Act provides the framework within which the Council must operate but also allows Council to make a range of policy choices.

This Policy includes references to compulsory features of the rating system, as well as the policy choices that the Council has made on how it imposes and administers the collection of rates.

Council prepares an Annual Business Plan each financial year. This Plan includes particulars on the rates structure and policies for that financial year and assess the impact of rates structure on the community based on modelling that has been undertaken by the Council.

Council's Rating Policy is underpinned by:

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

3. Definitions

Chief Executive Officer means the Chief Executive Officer of the Council.

Notional Valuation means the Capital Valuation assigned by the Office of the Valuer-General after allowing for the portion of land under a current State Heritage Agreement under the *South Australian Heritage Act 1978* and *Valuation of Land Act 1971*.

4. Principles of Rates

Council rates are a system of taxation for Local Government purposes, not a fee for services provided. The purpose of which Council collects rates is broadly defined in Section 7 of the Act. This Policy represents the Council's commitment to balancing the five main principles of taxation.

- **Equity:** Reliance on this principle suggest that (all other things being equal) a taxpayer should contribute according to their ability to pay. This includes horizontal equity (taxing people in similar circumstances equally) and vertical equity (taxing those with higher capacity more)
- **Benefit:** Taxpayers should receive benefits from paying tax, but not necessarily to the extent of the tax paid.
- **Administrative Simplicity:** This principle refers to the costs involved in applying and collecting the tax and how difficult it is to avoid. Taxes should be collected in a manner that is simple, timely, and least burdensome for the taxpayer. The cost of collecting the tax should be minimal relative to the revenue raised and should not unduly hinder economic activity.
- **Economic Efficiency:** This refers to whether the tax distorts economic behaviour. Tax systems should ideally not influence economic decisions (like investment), unless specifically designed to change behaviours, such as discouraging harmful consumption.
- **Policy Consistency:** The principle that taxes should be internally consistent, and based on transparent, predictable rules that are understandable and acceptable to taxpayers. Tax rules, timing, and amounts should be clear, predictable, and not arbitrary.

5. Valuation of Land for Rating Purposes

Section 151(2) of the Act determines that Council must rate based off Capital Value (**CV**) or Annual Value (**AV**) with the exemption of Notional Value. This method provides the fairest way to distribute the rate burden across all ratepayers on the following basis:

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

Council adopts the valuations made by the Office of the Valuer-General as provided to the Council each year (Section 167 of the Act). Council has no role in the valuation process.

A ratepayer may object to a valuation of the Valuer-General in writing, setting out the reasons for the objection, and the Valuer-General must consider the objection. An objection to a valuation must be made within 60 days after the date of first service of notice containing the valuation of the property to which the objection related, explain the basis for the objection. If the property owner remains dissatisfied with the valuation, they have a right to a review.

6. Council's Revenue Raising Powers

All land within the Council area, except for land specifically exempt (eg Crown Land, Council-occupied land, and other land exempt under any relevant legislation) is rateable. The Act provides for a Council to raise revenue for the broad purposes of the Council through a general rate, which applied to all rateable properties, or through differential general rates, which apply to classes of properties or for a specific purpose. In addition, Council can raise separate rates for specific arears of the Council.

As prescribed under Section 156(1) of the Act, differential rates may vary:

a) According to the use of the land; or

b) According to the locality of the land; or
c) According to the locality of the land and its use; or
d) On some other basis determined by the Council

Council can also raise revenue for the recovery of costs associated with service delivery to the community under Section 155 of the Act. Council can recover the costs associated through a service charge on each property (including non-rateable property) unless otherwise exempt or given a rebate. Council can impose multiple service charges on any property in respect to the number of services provided to that property. Section 155(5) dictates that Council must not seek to recover in relation to a prescribed service an amount by way of service rate, annual service charge, or a combination of both exceeding the cost to the Council of establishing, operating, maintaining, improving, or replacing the service in its area.

7. Component of Rates

General Rates
Council endorses the differential general rates according to the locality of the land and its use. The following differential factors can be utilised for rating purposes under Section 14(1) of the *Local Government (General) Regulations 2013* (**Regulations**):

Land Use
- Residential
- Commercial – Shop
- Commercial – Office
- Commercial – Other
- Industrial – Light
- Industrial – Other
- Primary Production
- Vacant Land
- Other

and/or

Zoning
- According to the zone in which the land is situated

Fixed Charge
Council imposes a fixed charge (applying equally) to all rateable properties pursuant to Section 152(2) of the Act, unless an exemption has been granted.

The purpose of the fixed charge is to ensure that all residents/owners contribute towards the provision of basic services at a reasonable level.

Service Charges
Under Section 155 of the Act, Council may impose a service rate, an annual service charge, or a combination of both on rateable and non-rateable properties within the district for which we provide, or make available, a prescribed service. Council can impose service charges on properties of any land use, including vacant land, if the service has been made available to that land.

Community Wastewater Management (CWMS): Council will recover the cost of providing township- based CWMS via a service charge. The charge applied will include an appropriate provision for the future replacement of CWMS infrastructure and equipment.

Water Supply: Council will recover the cost of providing a water supply to the township of Port Kenny via a service charge. The charge applied will include an appropriate provision for any future replacement of infrastructure or equipment. Water usage charges are invoiced separately as Council's annual Fees and Charges Schedule.

Waste Management: Council will recover the cost of providing a kerbside refuse/recycling service via a service charge. The total amount recovered must not exceed the cost of providing the service.

Pursuant to Regulation 13 of the Regulations, waste collection charges are applied on properties in a tiered manner for those properties required to take their waste a distance to be collected. The following rates apply:

a)	Distance less than 500 metres	100%
b)	Distance less than 2 kilometres	75%
c)	Distance less than 5 kilometres	50%
d)	Distance over 5 kilometres	0%

Separate Rate

Regional Landscape Levy: The Eyre Peninsula Landscape levy is a separate charge required under the *Landscape South Australia Act 2019*. This levy is a state-mandated, Council collected tax on all rateable land to fund the Eyre Peninsula Landscape Board. The levy is applied as a fixed charge on each rateable property based on land use under the categories dictated in Section 14(1) of the Regulations. Properties can be exempt from this levy under the requirements of Section 152(2).

8. Mandatory and Discretionary Rebates

8.1 Mandatory Rebates

If grounds exist for a person or body to receive a rebate of rates, Council may be required to rebate (remit or discount) the rates or services payable on some land used for the following purposes pursuant to Section 159 of the Act:

8.1.1 100% Mandatory Rebates:

- Health Services;
- Religious Purposes; and
- Public Cemeteries.

8.1.2 75% Mandatory Rebates:

- Community Service Organisations; and
- Schools and Universities.

8.2 Discretionary Rebates

Council may grant, from time to time, rebate of rates or service charges at any percentage for several purposes prescribed in Section 166 of the Act, such as:

- Securing proper development of an area
- Assisting or supporting a business

- Preservation of historically significant places
- Facilities or services for children or young people
- Accommodation for the aged or persons with a disability
- Other purposes

Should ratepayers feel they meet the criteria for a discretionary rebate, applications must be made to Council annually. Upon receipt of an application, Council will consider the following:

- why there is a perceived need for financial assistance through a rebate
- the level of rebate being sought
- the extent of financial assistance, if any, being provided to the ratepayer and/or in respect of the land by Commonwealth or State agencies
- whether, and if so to what extent, they are or will be providing a service within the Council area
- whether the ratepayer is a public sector body, a private not-for-profit body or a private or profit body
- the nature and extent of Council services provided in respect of the land, in comparison to services provided elsewhere in the Council's area
- the community need, if any, that is being met by activities carried out on the land
- the extent to which activities at the land provide assistance or relief to disadvantaged persons
- the desirability of granting a rebate for more than one year
- consideration of the full financial consequences of the rebate for the Council
- the total income the applicant received for the prior financial year
- the time the application is received
- any other matters and policies of the Council, which the Council considers relevant

9. Concessions and Postponement of Rates

9.1 State Government Concessions

The State Government provides a "Cost of Living Concession'. This payment may be used for any purpose, including offsetting Council rates. This concession amount will be paid directly to the eligible concession holders and Council has no part in approving or providing these concessions.

9.2 Postponement of Rates

In accordance with Section 182A of the Act persons who hold a Seniors Card may apply to postpone payment of rates for their principal place of residence. Council treats such applications confidentially. Section 182 of the Act permits 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 Council office to discuss the matter. Further information is contained in Council's Financial Hardship Policy.

10. Late Payment and Non-Payment of Rates

10.1 Late Payment of Rates

Council will impose a penalty of (in the form of) a two (2) percent fine on any late payment of rates in accordance with Section 181 (8) of the Act. This fine may be remitted (waived) in whole or in part at the CEO's discretion.

A payment that continues to be late is then charged an interest rate (which is adjusted by legislation each year) for each month it continues to be in arrears, including the amount of any previous unpaid fine and including interest from any previous month. The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Council to recover the administrative cost of following up on unpaid rates.

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

- First – to satisfy any costs awarded to, or recoverable by the Council in connection with court proceedings undertaken by Council for the recovery or rates;
- 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).

10.2 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. A copy of this notice is to be sent to the principal ratepayer, as well as: -

- Any owner of the land who is not the principal ratepayer; and
- Any registered mortgagee of the land; and
- To the holder of any caveat over the land; and
- If the land is held from the Crown under a lease, licence or agreement to purchase – to the Minister who is responsible for the administration of the Crown Lands Act 1929

If Council cannot, after making reasonable inquiries, ascertain the name or address of the person to whom a notice is to be sent or Council considers that it is unlikely that a notice sent would come to the attention of the person to whom it is to be sent, the Council may serve effective notice by: -

- Placing a copy of the notice in a newspaper circulating throughout the State; and
- Leaving a copy of the notice in a conspicuous place on the land.

If the outstanding amount is not paid in full within the time allowed, Council may proceed to have the land sold. Except in extraordinary circumstances, the Council will enforce the sale of land for arrears of rates.

11. Changes to Assessment Records

Any changes to Council assessment records, eg changes to postal addresses or changes of ownership must be notified promptly to Council in writing. The appropriate forms can be found on Council's website and emailed to Council.

Requests for change to addresses over the phone will not be accepted.

DOCUMENT HISTORY				
Version	**Changes since last version**	**Approved by**	**Record No**	**Issue Date**
1.0	New policy			June 2012
2.0	Updated template			20 June 2017
3.0	Updated	Karen Quinn		18 May 2021
4.0	Updated formatting – added further information re process	Narelle Biddell		19 April 2026