

DISTRICT COUNCIL OF KIMBA

1.8 Rating Policy



DOCUMENT APPROVAL

This document has been endorsed and approved for use by:

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Date

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Change History

Version	Issue Date	Author	Reasons for Change
1	July 2008	D Cearns	Review
2	July 2009	D Cearns	Review
3	July 2010	D Cearns	Review
4	July 2011	D Larwood	Review
5	June 2012	D Larwood	Review
6	10 th July 2013	D Larwood	Review
7	27 th July 2016	D Larwood	Review

2016-2017 Rating Policy

Section 123(2)(c) of the Local Government Act 1999 requires Council to include a summary of Council's financial requirements for the year, proposed operating and capital expenditures and income.

In setting its rates for the 2016-2017 financial year, Council has considered the following:

- its current strategic management objectives;
- the current economic climate and relevant factors such as inflation and interest rates;
- the specific issues faced by our community, including low population and large geographical area causing high costs per capita in the provision and maintenance of infrastructure;
- the budget for the 2016-2017 financial year;
- the impact of rates on the community, including:
 - ❖ householders, businesses and primary producers;
 - ❖ the broad principle that the rate in the dollar should be the same for all properties except where there is clearly a different level of services available to ratepayers or some other circumstance which warrants variation from the broad principle
 - ❖ minimising the level of general rates required by levying fees and charges for goods and services on a user pays basis, where that is possible to recover the full cost of operating or providing the service or goods, with provision for concessions to those members of the community unable to meet the full cost.
- for the 2016-2017 financial year, Council has decided to increase rate revenue but limit the increase in total rate revenue of 4.5 per cent. This will assist in keeping the operating deficit to a minimum and cater for Council increases which frequently outstrip CPI movements.
- Community feedback

METHOD USED TO VALUE LAND

Council may adopt one of three valuation methodologies to value the properties in its area. They are:

- Capital Value – the value of the land and all of the improvements on the land.
- Site Value – 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.
- Silo – Situated at Kimba, Buckleboo and Wadikkee and the bunkers at Kimba have a differential rate under the bulk handling
- Annual Value – a valuation of the rental potential of the property.

The District Council of Kimba has decided to continue to use site value as the basis for valuing land within the Council area. Council considers that this method of valuing land provides a fair and equitable method of distributing the rate burden across all ratepayers on the following basis:

- the nature of land holdings in the district; and
- the mix of land uses in the district.

ADOPTION OF VALUATIONS

The Council has adopted the valuations made by the Valuer-General as provided to the Council and effective 1st July 2016. If a ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer 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 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:

Office of the Valuer-General
GPO Box 1354
ADELAIDE SA 5001
email: objections@saugov.sa.gov.au

and the telephone number is 1300 653 345. Please note that **Council has no role in this process**. It is also important to note that the lodgement of an objection does not change the due date for the payment of rates.

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. Application for a notional value must be made to the Office of the Valuer-General.

RATES IMPACT STATEMENT

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

- The equity of the distribution of the rate burden between classes of ratepayers. Council has declared lower rates in the dollar in different areas, such as rural land outside of the Kimba township, to more evenly share the impact of rates in relation to the cost of services provided to the different areas and classes of ratepayers. Businesses in the Kimba township pay the same rate in the dollar as all other property classes within the township;
- Current local, state and national economic conditions and expected changes during the current financial year;
- Changes in the valuation of properties from the previous financial year;
- Specific Council projects for the coming year that will solely or principally benefit business and primary producers;
- Specific infrastructure maintenance issues that will solely or principally benefit businesses and primary producers eg. rural roads.

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 – refer Section 147 of the Act), 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 apply to classes of properties. In addition, Council can raise separate rates, for specific areas of the Council or service rates or charges for specific services. 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. The list of applicable fees and charges is available at the Council office.

At a Special Council meeting on 27th July 2016, Council decided to raise differential general rates as follows:

	Rate in \$	Revenue
Kimba Township	2.56	\$449,796
Kimba Rural	0.602	\$974,135
Silo	14.71	\$53,062

Council believes that differential general rates are necessary for reasons of equity, benefit and ability to pay given the nature, mix and significant site valuation variations of land between the three different rating areas above.

MINIMUM RATE

A Council may impose a minimum amount payable by way of rates, provided that it has not imposed a fixed charge. Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer. Where a Council imposes a minimum rate it must not apply to more than 35% of properties in the Council area.

Council has decided to impose a minimum rate of \$300, which will affect 25 rateable properties, which is well below the 35% maximum. The reasons for imposing a minimum rate are:

- Council considers it appropriate that all rateable properties make a base level contribution to the cost of administering Council's activities; and
- the cost of creating and maintaining the physical infrastructure that supports each property.

SERVICE CHARGE

Council provides specific services for the benefit of specific properties for which specific service rates and/or annual charges are levied. Where a service that is subject to a service charge is available to non-rateable land, a service charge is levied against that land. Service rates and/or charges may be raised to cover the cost of establishing, operating, maintaining, improving and replacing such services. Funds raised must not be utilised for any other purpose, and surplus service rates and/or charges must be set aside for future replacement of the assets employed in the provision of the service.

Council has declared the following services rates and/or charges for the 2013-2014 financial year, applicable only to properties which directly benefit from such services:

Kimba CMWS Scheme

Vacant & Occupied Allotments \$240

Waste Management fee

Residential & Commercial \$200

Council has decided to raise the above revenue because of:

- The number of rateable and non-rateable properties receiving the service;
- The equity, benefit and ability to pay principles of taxation;
- The concept of user pays and any mitigating factors;
- The nature of the service;
- The cost to operate and maintain the service;

- The capital costs to establish the service;
- The costs to improve or replace the service;
- The level of usage of the service;
- Recognition that the value of a property is likely to be enhanced by the availability of the service, whether or not the service is actually being used.

PENSIONER CONCESSIONS

An eligible pensioner may be entitled to a rebate on effluent charges where applicable. Application forms, which include information on the concessions, are available from Council at the contact locations listed on the first page. They are also available from the SA Water Corporation and its District Offices or the Department of Human Services. An eligible pensioner must hold a Pension Card, State Concession Card or be a T.P.I. Pensioner. They must also be responsible for the payment of rates on the property for which they are claiming a concession.

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

UNEMPLOYED PERSONS CONCESSIONS

The Department of Human Services may assist with the payment of Council rates for your principal place of residence (remissions are not available on vacant land or rental premises). Please contact your nearest Department of Human Services office for details.

STATE SENIORS CARD RATEPAYER (self funded retiree)

Self-funded retirees who hold a State Seniors Card are now able to claim an annual concession of up to 60% up to a maximum of \$100 of their Council rates.

If you are a Self-funded retiree who holds a State Seniors Card and don't receive a concession, please apply by contacting the RevenueSA call centre on 1300 366 150.

PAYMENT OF RATES

Council has decided that in line with the new requirements under the Local Government Act 1999, that the payment of all rates can be made in quarterly instalments due on or before the following dates:

First Instalment	Monday 5th September 2016
Second Instalment	Monday 5th December 2016
Third Instalment	Monday 6th March 2017
Fourth Instalment	Monday 5th June 2017

Council is offering a discount of 2.5% for the payment in full of all rates and service charges for the 2016-2017 financial year by Monday 5th September 2016

Rates may be paid:

- In person, by either cash, cheque or credit card at the Council office, corner of Cross Street and West Terrace, Kimba between 9.00 am and 5.00 pm
- By post, to the District Council of Kimba, PO Box 189, Kimba SA 5641.
- Via BPay

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment arrangements is invited to contact Deb Larwood, Manager Corporate Services or Jo Schaefer Rates Officer, on 8627 2026 to discuss alternative payment arrangements. Such inquiries are treated confidentially by Council.

LATE PAYMENT OF RATES

The Local Government Act 1999 provides that Councils impose a penalty of a 2% fine on any payment for rates, whether instalment or otherwise, that is received late. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be 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 meet because it has not received the rates on time.

After the payment date has expired, any ratepayer who has had late payment penalties applied and is aggrieved by such imposition, must apply in writing to Council stating their reasons if they seek remission of the penalties.

Council issues a final 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 final notice then Council may refer the debt to a debt collection agency. The debt collection agency charges collection fees that are recoverable from the ratepayer.

When Council receives a payment in respect of overdue rates, 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).

REMISSION AND POSTPONEMENT OF RATES

Section 182 of the Local Government Act 1999 permits Council, on the written application of a 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 Jo Schaefer, Rates Officer, on 8627 2026 to discuss the matter. Such inquiries are treated confidentially by Council.

REBATE OF RATES

The Local Government Act 1999 requires Councils to rebate the rates payable on some land. Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries, the Royal Zoological Society and educational institutions. Discretionary rebates may be applied by Council under Section 166 of the Act.

Any person or body eligible for a rebate may apply in writing to Council, providing as much detail as possible to substantiate the grounds for a rebate in accordance with the Local Government Act 1999. Full information on the rates rebate section of the Act is available by contacting Deb Larwood, Manager Corporate Services.

SALE OF LAND FOR NON-PAYMENT OF RATES

The Local Government Act 1999 provides that Council may sell any property where the rates have been in arrears for three years or more. 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.

The District Council of Kimba considers such action as a last resort, if more acceptable solutions are not available.

NATURAL RESOURCES MANAGEMENT LEVY

Councils are required to collect a levy on behalf of the Eyre Peninsula Natural Resources Management Board that uses these funds to manage natural resources. The levy is placed on all rateable properties and replaces the contribution Council previously made to the Animal and Plant Control Board and EP Water Catchment Board. For specific information about how this levy is used, please contact the Board on 08-8682 5655.

APPLICATION OF THE POLICY

Where a ratepayer believes that Council has failed to properly apply this policy, they should raise the matter with Council. In the first instance, contact the Chief Executive Officer on 8627 2026 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should formally write to the District Council of Kimba, PO Box 189, Kimba SA 5641.

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.