Rating Policy

As required by section 123 of the *Local Government Act 1999*

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[1] Must be reviewed annually along with adoption of the Annual Business Plan & Budget, see section 123 of the Act.

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1. Purpose

1.1. The purpose of this policy is to outline Council's approach to determining and collecting rates from the community.[2] The policy aims to balance the strategic objectives of rating equity (share of rate burden), rating fairness (annual adjustments) and external influences including capital valuation changes and the economic environment.

1.2. This policy represents Council's commitment to balancing the 5 main principles of taxation:

(a) **Benefits received** (i.e. services provided, or resources consumed)–suggests that (all other things being equal) a person who received more benefits should pay a higher share of tax. Ratepayers should receive some benefit from the tax paid, but not necessarily to the extent of tax paid as rates are not a fee-for-service.

(b) **Capacity to pay**–suggests that a person who has less capacity to pay should pay less; and those persons of similar means should pay similar amounts.

(c) **Administrative simplicity**–refers to the costs involved in applying and collecting the tax and how difficult it is to avoid. The tax must also be understandable and easy to collect.

(d) **Economic efficiency**–refers to whether or not the tax distorts economic behaviour. For example, a tax, which is designed to change behaviour, and the behaviour changes, then the tax, is considered efficient.

(e) **Policy consistency**–that taxes should be internally consistent, and based on transparent, and predictable rules.

1.3. Recognising that these principles may sometimes conflict, Council is dedicated to finding an appropriate balance between their application, the objectives of rate levying, the necessity of revenue generation, and the overall impact on the community. Each principle has been carefully considered in the development of this policy.

2. Scope

2.1. This policy applies to all Council Members and employees responsible for making and implementing decisions related to rates.

2.2. When setting rates each year, Council will consider, in conjunction with this policy, its strategic management plans, the economic climate and relevant issues faced by the community.

3. Definitions

3.1. ***Act*** means the *Local Government Act 1999*;

3.2. ***Council*** means Adelaide Plains Council;

3.3. ***contiguous land*** (adjoining land) are parcels of land which abut (touch) one another or are separated only by certain types of public land and only one fixed charge may be imposed against the whole of that land;

3.4. ***principal ratepayer*** means owner of the land in accordance with the Act;

[2] Chapter 10 of the Act.

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3.5. ***rates*** is a local government tax on a property, calculated on the value of a property, in accordance with the Act; [3]

3.6. ***The Regional Landscape Levy*** is a State Government tax, which Council is required to collect under the *Landscape South Australia Act 2019*, in order to make a specified contribution to the funding of the operations of the Green Adelaide Board.

3.7. ***remissions*** *means any reduction in rates payable granted by Council*[4]

3.8. ***strategic management plans*** – refers to Council's Strategic Plan, Infrastructure and Assets Management Plan and Long-Term Financial Plan;

3.9. ***Single Farm Enterprise*** – A single farm enterprise must be comprised of two or more pieces of ratable land, which are farmland and are occupied by the same person or persons and only one fixed charge may be imposed against the whole of the land.

4. Our core values

Our approach to applying rates is underpinned by Council's core values:

Honesty and Integrity	Innovative and Open-minded	Leadership and Diplomacy	Professionalism	Respect	Teamwork
Building trust and loyalty with the community and within Council.	Being proactive in continually improving our services.	By acting strategically and effectively managing our relationships.	Through commitment, quality and timeliness of work delivered.	For others, acting with humility and empathy.	Through unity, cooperation and support.

5. Rating structure

5.1. Council raises revenue for the broad purposes of Council through a general or differential rate, which applies to all rateable land.

5.2. All land within Council area is rateable, except land specifically exempt.[5]

5.3. Rates are assessed against land subject to separate ownership or occupation and requires that the division of land for the purposes of establishing separate ownership and occupation be made fairly and in accordance with principles and practices that apply on a uniform basis across the area of the council.

6. Method used to value land

6.1. Council may adopt 1 of 2 valuation methodologies to value the land in its area[6]:

(a) **Capital Value** – the value of the land and all of the improvements on the land; and

(b) **Annual Value** – the valuation of the rental potential of the land.

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[3] Section 150 of the Act

[4] Under Section 182 of the Act.

[5] Section 147 of the Act

[6] Section 151 of the Act.

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7. Adoption of valuations

7.1. Council adopts the capital valuations as assessed by the Valuer-General[7], effective at 1 July as the Capital Value of each property.

7.2. If a ratepayer is dissatisfied with the valuation made by the Valuer- General then 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 Act, 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.

7.3. The 60 day objection period may be extended by the Valuer- General where it can be shown there is reasonable cause. Contact details to lodge an objection are included on the Rates Notice sent by Council.

7.4. Council has no role in this process. It is also important to note that the lodgment of an objection does not alter the due date for payment of rates. Rates must be paid in accordance with the Rate Notice unless otherwise notified by Council.

7.5. If an objection is upheld, and a new value issued by the Office of the Valuer General, rates will be adjusted accordingly for the current financial year and an amended rate notice will be issued.

7.6. Retrospective adjustments will not be made for prior financial years.

8. Differential general rates

8.1. Every resident will benefit from the general amenity of the Council area in some way, whether that is now or in the future. The amenity includes the local economy, general Council operations and the option to use Council facilities.

8.2. However, Council has assessed that the level of differential rating imposed is governed in part by the:

(a) ability to pay;

(b) the potential for income tax deductions; and

(c) the perception of accessibility or usability of council services by the residents and consumers.

8.3. To this end, Council has determined the following.

(a) <u>Commercial properties</u> generally have available to them, their employees and customers the same services as other ratepayers. However, in most cases commercial users have a greater impact on the main services such as road maintenance and generally derive a greater benefit from the services provided. In addition, commercial properties have potential taxation benefits.

(b) <u>Industrial properties</u> generally have available to them, their employees and customers the same services as other ratepayers. However, in most cases industrial users have a greater impact on the main services such as road maintenance and generally derive a greater benefit from the services provided, particularly where, for example, large amounts of raw or unrefined product is delivered to site for processing utilising Council's

[7] Section 167(2)(1) of the Act.

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infrastructure. Similar to commercial properties, industrial properties have potential taxation benefits.

(c) Primary Production properties tend to be more remote from some of the services provided by Council. In terms of infrastructure adjacent to their properties, they may not have sealed or formed roads, footpaths or street lighting. However, they do have capacity to enjoy the formed roads, footpaths or street lighting and enjoy the same level of amenity as other residents of the Council area. Primary production properties also have potential taxation benefits.

8.4. Council can impose a general rate on all rateable land/or a differential rate based on location of land and/or the use to which the land is put.[8] In applying the equity and benefit principles, Council will apply a differential rate based on the use of the land.

8.5. Land use categories as provided in the *Local Government (General) Regulations 1999* (regulation) are used as the basis of Council's general rate calculation.

8.6. Definitions of land use are prescribed by regulation and are categorised as follows for rating purposes:

(a) Residential;
(b) Commercial – Shop;
(c) Commercial – Office;
(d) Commercial – Other;
(e) Industrial – Light;
(f) Industrial – Other;
(g) Primary Production;
(h) Vacant Land; and,
(i) Other

8.7. If a ratepayer believes a particular property has been incorrectly classified as to its land use, then an objection may be made to Council **within 60-days** of being notified of the land use classification.

8.8. It is important to note that the lodgment of an objection does not alter the due date for the payment of rates. Rates must be paid in accordance with the Rate Notice unless otherwise notified by Council.

8.9. For the 2026/2027 Financial Year, Council determined that the following differential rates will be applied to all of its rateable assessments:

Land Use	Differential Rate in-the-Dollar
Residential	0.00323622
Commercial – Shop	0.00430740
Commercial - Office or Other	0.00507762
Industry - Light	0.00459543
Industry - Other	0.00574428
Primary Production	0.00307117

[8] Section 153 of the Act.

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Vacant Land	0.00331065
Other	0.00324269

9. Fixed charge

9.1. Council's rates are made up of both a fixed charge component and a variable (differential general rates) charge.[9]

9.2. Council considers it appropriate that all rateable properties make a base level contribution (Fixed Charge) to the cost of providing Council services and to the cost of creating and maintaining the physical infrastructure, that supports each property.

9.3. If two or more pieces of rateable land are contiguous, ratepayers may be eligible for a reduction in the fixed charge component of annual rates, meaning you only pay one fixed charge across all applicable properties.[10]

9.4. If two or more pieces of rateable land within the area of the council constitute a single farm enterprise, only one fixed charge may be imposed against the whole of the land.

9.5. In the 2026/2027 Financial Year, Council adopted a fixed charge of $584. This equates to approximately 18% of general rate revenue which is below the limit of 50% allowed in the Act.[11]

10. Service charges

10.1. Council provides specific services for the benefit of specific properties for which service charges are applied. Services charges may be raised to cover the cost of establishing, operating, maintaining, improving, and replacing such services.

10.2. Funds raised may not be immediately required until future capital expenditure is necessary for renewing or replacing assets used in the provision of the service. Council imposed the following service charges for the 2026/2027 Financial Year.

(a) <u>Community Wastewater Management Scheme (CWMS)</u>

i. Council operates 2 CWMS, located in Mallala and Middle Beach, under a license from The Essential Services Commission of South Australia (ESCOSA).

ii. ESCOSA has determined that the common effluent drainage schemes (i.e. CWMS) that the council provides are a regulated service and as such charges applied by councils are effectively oversighted by ESCOSA.

iii. ESCOSA's responsibility is to ensure that councils charge a fair price (that complies with sound economic and equity principles) on an ongoing basis.

iv. Councils set their own charges but ESCOSA can provide directions and seeks to be satisfied that prices determined are reasonable and appropriate.

v. In accordance with South Australian and other states commitments, ESCOSA requires that council's pricing methodology is not in conflict with the National Water Initiative (NWI) principles/objectives.

[9] Section 152 of the Act

[10] Ratepayers will still have to pay the variable charge for each piece of rateable land.

[11] Section 151 (10) of the Act.

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vi. All revenue raised from the CWMS service charge must be used to cover the cost to Council of establishing, operating, maintaining, improving, and replacing (including by future capital works) the CWMS service.
vii. The service charge for CWMS is calculated using the Code for Establishing and Applying Property Units for the Imposition of Annual Services Charges for CWMS.
viii. In the 2026/2027 financial year, the CMWS service charge for Mallala and Middle Beach is $906 and $597 per property unit respectively on all land to which Council provides or makes available the service.

(b) Kerbside Waste Collection and Recycling Charge

i. Council provides a three-bin refuse collection service (Domestic Waste, Recycling and Organic) within the townships of Mallala, Two Wells and Dublin and a two-bin refuse collection service (Domestic Waste and Recycling) in rural and coastal settlement areas.
ii. The annual service charge is $227 per standard service.
iii. The service is provided to those ratepayers in Council's area that are able to access the service along the designated collection routes.
iv. Where the service is provided to rebated land, a service charge is still levied against the land.
v. Some residents may have to utilise one of the collection points to have their bin emptied as the waste collection truck does not traverse all roads in the district.
vi. Those residents are entitled to the following waste levy reductions if the resident's collection point is greater than 500 meters from the access point to their land: -
i. If greater than 500 meters but no more than 2 kilometers from the resident's access point to their land, 75% of the annual levy is charged;
ii. If greater than 2 kilometers but less than 5 kilometers, 50% of the annual levy is charged; and
iii. If 5 kilometers or more from the resident's access point to their land, no annual levy is charged.
vii. The waste levy is mandatory for properties located within the townships of Mallala, Two Wells and Dublin.

11. Regional Landscape Levy

11.1. Revenue collected from this levy is not retained by Council and does not determine how the State Government allocates the revenue raised.
11.2. Council's contribution to the Green Adelaide Board is collected from property owners through a separate rate, the Regional Landscape Levy, based on Capital Value. The rate is fixed and calculated to raise the equivalent amount as Council's share to be contributed to the Green Adelaide Board, taking into account any rebates/remissions under section 159-166 of the Act.
11.3. The Regional Landscape Levy is separate to the general rates levied by Council.
11.4. For the 2026/2027 financial year, Council will collect $0.389m for the payment of the State Government Regional Landscape Levy. The Regional Landscape Levy has been set at 0.00008214 rate in-the-dollar against all rateable properties.

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12. Payment of rates

12.1. Rate notices are issued to the principal ratepayer either by post or email to an address nominated by the principal ratepayer 30 days prior to the due date of each instalment (unless paid in full by the due date of the first instalment).

12.2. Council rates will be due in 4 instalments in the months of September, December, March and June. The exact date that rates fall due are detailed on the rates notice. Alternatively, the total outstanding balance of rates may be paid in full at any time.

12.3. Any ratepayer who may, or is likely to, experience difficulty with meeting the standard instalment due dates may contact Council's Rates Officer to discuss alternative payment arrangements. Council treats such enquiries confidentially.

12.4. Where it appears to Council that non-payment of rates is due to ratepayer experiencing financial hardship, Council will take proactive steps to advise the ratepayer they may apply for financial hardship under Council's ***Financial Hardship Policy and Procedure***.[12]

12.5. Fines and interest are still levied in accordance with the Act while there is an arrears balance.

12.6. Council provides various methods to enable the payment of rates, which are detailed on the rates notice.

<u>Late Payment of Rates</u>

12.7. If the Council does not receive quarterly rates instalment in full on or before the due date of the instalment, fines (and interest) will apply.[13]

12.8. When paying online (via Council website, Payble, Bpay or Australia Post), ratepayers need to be mindful that it can take up to 72 hours for funds to be transferred to Council.

12.9. It is the ratepayer's responsibility to ensure Council receives payment on or before the due date of each instalment. If an instalment of rates is not paid on or before the date on which it falls due, the instalment:

(a) will be regarded as being in arrears;

(b) will incur a fine of 2% of the amount of the instalment, applied immediately after the due date of the instalment;[14] and

(c) on the expiration of each full month from that date, will incur interest at the prescribed percentage as per the Act of the amount in arrears (including the amount of any previous unpaid fine and including interest from any previous month).

12.10. Council will consider applications for remissions of fines in certain extenuating circumstances. A request for waiver of fines should be made in writing, setting out detailed reasons why a fine remission has been requested.

12.11. Council allows a further two working days after the due date for payment as a grace period. Thereafter late payment fines are applied in accordance with the Act.

13. Collection of overdue rates

13.1. Steps will be taken to recover overdue rates including fines and interest as per Council's ***Rates Arrears and Debtor Management Policy***.

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[12] Section 182 of the Act.

[13] In accordance with section 181(8) of the Act.

[14] Section 181(8)(b) of the Act.

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13.2. When Council receives a payment in respect of overdue rates, Council applies the money received as follows:
   (a) First – in payment of any costs awarded to, or recoverable by, Council in any court proceedings undertaken by Council for the recovery of the rates;
   (b) Second – in satisfaction for any liability for interest;
   (c) Third – in payment of any fine;
   (d) Fourth – in satisfaction of liabilities for rates in the order in which those liabilities arose in payment of rates, in date order of their imposition (starting with the oldest account first).

14. Financial hardship

If a ratepayer is experiencing difficulties meeting rates payments on time and are experiencing financial hardship, an assistance may be available[15]

15. Rebate of rates

15.1. Councils must rebate the rates payable for certain land uses.[16] This includes a 100% rate rebate granted on places of worship, public cemeteries, hospitals and land occupied by universities, and 75% rate rebates have been granted on educational facilities (subject to some qualifications).

15.2. Discretionary rebates may be applied by Council.[17] Council annually considers rate rebates and for the 2026/2027 Financial Year has rebated rates charged to various district community and sporting organisations.

16. Rate capping rebate

16.1. Pursuant to sections 153(3) and (4) of the Act, Council will grant a rebate of general rates to the principal ratepayer where there is a significant increase in the rates payable as a result of a rapid change in the property value.

16.2. For the 2026/2027 Financial Year, the rebate will be automatically applied where the increase in rates payable is greater than 2.80%.

16.3. Where this rebate is not automatically applied, ratepayers who consider they are eligible for the Rate Capping Rebate may lodge an application form, which will be assessed against the eligibility criteria.

16.4. The application must be lodged within 60 days of receiving their first rates notice, noting the 60-day period may be extended if the ratepayer has lodged a valuation objection with the Valuer-General.

16.5. The rebate will not apply where since 1 July 2025 the property has been subject to:
   (a) change of land use; or
   (b) change of ownership due to sale or other property ownership transfer for valuable consideration; or
   (c) change of contiguous/single farm enterprise status; or

[15] As specified in Council's *Financial Hardship Policy* and P*rocedure*
[16] Section 159 and 160 to 165 of the Act.
[17] Section 166 of the Act.

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(d) a valuation increase of more than $100,000 due to development (as advised by the Valuer-General); or

(e) The land must not have a change of ownership due to sale or other property ownership transfer for valuable consideration on or before 30 June 2027 (and, to avoid doubt, if this occurs, the rebate is taken never to have applied and the new and/or former owner(s) may accordingly be required to pay outstanding rates).

17. Sale of land for non-payment of rates

17.1. Council may sell any property where the rates have been in arrears for 3 years or more, and Council has unsuccessfully pursued all reasonable attempts to secure payment.[18]

17.2. Before a Council sells land, it must send a notice to the principal ratepayer at the address appearing in the assessment record stating:

(a) the period for which the rates have been in arrears; and

(b) the amount of rates presently outstanding in relation to the land; and

(c) that if that amount is not paid in full within 1 month of service of the notice (or such longer time as Council may allow) Council intends to sell the land for non-payment of rates.

17.3. Except in extraordinary circumstances, Council enforces the sale of land for arrears of rates, in accordance with the Act.

18. References

Local Government Act 1999
Local Government (Financial Management) Regulations 2011
Local Government (General) Regulations 1999
Landscape South Australia Act 2019
Financial Hardship Policy & Procedure
Rates Arrears and Debtor Management Policy

19. Records management

All documents relating to this policy will be registered in Council's Record Management System and remain confidential where identified.[19]

20. Document review

This policy will be reviewed in accordance with Council's *Policy Review Schedule* to ensure legislative compliance and its continued relevance to Council's needs, activities and programs.

21. Further information

Public Access:	Members of the community may inspect this policy (and any other related documents) free of charge at: Council's website: **www.apc.sa.gov.au;** or Council's Principal Office: **2a Wasleys Rd, Mallala SA 5502**. *A copy of this policy may be obtained on payment of a fee.*[20]

[18] Section 184 of the Act.

[19] Refer to Council's ***Information Management Policy***.

[20] As outlined in Council's Fees & Charges Schedule.

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Queries:	Any queries in relation to this policy must be in writing to info@apc.sa.gov.au, marked: *Attention: Manager Governance*

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