Rating Policy

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Responsible Officer	Director – Corporate and Financial Services
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Minute Number	C07-26/022
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1. Purpose

1.1 This document sets out the policy of the Mid Murray Council for setting and collecting rates from its community.

1.2 The objectives of this policy are to:

1.2.1 Provide the community with assistance and options to pay their rates in a timely and acceptable manner;

1.2.2 Ensure Councils provides equitable treatment to all members of the community;

1.2.3 Ensure Council is maintaining legislative compliance.

2. Policy

2.1 Overview

Council's powers to raise rates are found in Chapter 10 of the Local Government Act 1999 ("the Act"). The Act provides the framework within which the Council must operate, but also leaves room for the Council to make a range of policy choices. This document includes reference 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.

2.2 Policy Principles

2.2.1 Councils are required to raise revenue for governance and administration to deliver goods and services to the community

2.2.2 Council's major source of revenue is Rates, derived as a tax on land within the Council area. All ratepayers receive benefits from paying rates, but those benefits are consumed in different quantities and types over the lives of the ratepayer

2.2.3 Mid Murray 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.

2.3 Strategic Focus

2.3.1 In setting its rates for the financial year the Council will consider the following:

- Council's Community Strategic Plan.
- Council's Long Term Financial Plan
- The Mid Murray Council Infrastructure and Asset Management Plan
- The recurrent expenditure and income expected for the financial year
- The resources required for the delivery of Council services which are documented in the Annual Business Plan and Budgets which provides direct links to the Strategic Plan and outlines financial and non-financial performance levels in the form of stated projects for delivery over the next 12 months.

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

- The infrastructure needs, service delivery needs and related expenditure priorities in relation to drafting the Annual Business Plan and community needs
- Equity issues and the relationship between the various land uses and the previous rating structure
- Extremities in valuation and how their effect can be minimised in setting rating levels
- Increased use of Separate Rates, Service Rates and Service Charges, recovering the cost of activities that benefit the land, or the occupiers of the land, or the visitors to a particular area

2.3.3 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 as a result will put pressure on rates.

2.4 Method Used to Value Land

Mid Murray Council uses Capital Value (defined as: the value of the land and all of the improvements on the land) as the basis for rating land within the Council area. It is considered that this method provides the fairest method of distributing 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.

2.5 Adoption of Valuations

2.5.1 Council adopts the most recent valuations of capital value made by the Valuer- General for rating purposes for the applicable financial year. If a ratepayer is dissatisfied with the valuation made by the Valuer-General they may object in writing to the Valuer-General 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, 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:
OVGObjections@sa.gov.au
Phone: 1300 653 346

2.5.2 The Council has no role in the valuation review process and the lodgement of an objection does not change the due date for the payment of rates.

2.6 Notional Value

2.6.1 Certain properties may be eligible for a "notional value" under the Valuation of Land Act 1971. 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 generally results in a reduced rate liability being incurred.

2.6.2 Application by the ratepayer for a notional value must be made to the Office of the Valuer-General to the address provided above.

2.7 Business Impact Statement

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

- Those elements of Council's Strategic Management Plan relating to business development
- Current local, state and national economic conditions and expected changes during the next financial year
- 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.

2.7.2 Council recognises the importance of supporting and encouraging a diverse and healthy business sector including primary production.

2.8 Council's Revenue Raising Powers

2.8.1 All land within a Council area, except for land specifically exempt (e.g. Crown land, Council occupied land and land prescribed in the Local Government Act – Section 147), is rateable.

2.8.2 The Local Government Act provides for 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.

2.9 Differential General Rates

2.9.1 The Council has decided to impose differential general rates between land use categories as described in the Local Government (Land Use) Regulations:

a) The following Land uses have a Base Rate in the Dollar at 100%

- Residential
- Commercial Shop
- Commercial Office
- Commercial Other
- Industrial Light
- Industrial Other
- Vacant
- Other
- Marina Berth

b) The following Land uses have 90% compared to the Base Rate in the Dollar

- Primary Production

2.10 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 will aim for at least 30% of properties to have the minimum rate applied in the council area. A Marina Berth by legislation is exempt from the minimum rate..

2.11 Single Farm Entity

2.11.1 A Single Farm Enterprise (SFE) is defined in Section 152 of the Act. The definitions impose an absolute requirement that all the occupiers be the same for all the assessments comprising the single farm enterprise (regardless of who may own the land).

2.11.2 The assessment of a SFE is based on occupancy – all of the farmland must be occupied by the same person/persons who, in turn, is/are part of the SFE; and the SFE does not need to be (and may not be) the ratepayer.

2.11.3 Business of primary production is identified in the Valuation of Land Act 1971.

2.12 Community Wastewater Management Systems

Council manages Community Wastewater Management Systems (CWMS) for various areas providing benefits to those connected to the schemes. A service charge is levied on the concept of user pays based on the cost to operate and maintain the service, the cost to improve or replace the service, and recognition that the value of a property is enhanced by the availability of the service.

2.13 Waste Management Service Charges

2.13.1 A separate charge per property to which the service is made available will be levied in order to cover the costs in supplying either the General Waste and Recyclable Service (2 Bin Service) or General Waste Service (1 Bin Service). Council recovers the cost of this service through the imposition of a service charge. The Service Charge being levied appropriately in accordance with provisions contained under the Local Government Act and Regulations..

2.13.2 <u>General Waste Service & Kerbside Recyclable Service (2 Bin Service)</u>

Weekly General Waste Service and a fortnightly Recycling Service. The two bin service is made available to residential properties in the Townships of Barton, Blanchetown, Cadell, Cambrai, Dutton, Greenways, Keyneton, Mannum, Morgan, Palmer, Nildottie, Purnong, Sedan, Swan Reach, Truro, Tungkillo and other identified properties.

2.13.3 <u>Transitional General Waste and Recyclables Collection Service (1 Bin Service for 6 months, 2 Bin Service for 6 months)</u>

- Weekly General Waste Service for a period of six months and then followed by a weekly General Waste Service and a fortnightly Roadside Recycling Service for a period of six months during the financial year ending 30 June 2027 to residential and primary production properties that have a residential dwelling to the following properties:-
- Mannum Waters Residential development area, Mannum, (excluding Mannum Waters Private Marina) currently with road frontage to; Marina Way, Honeyeater Drive, Rosella Rise, Spoonbill Court;
- With road frontage located on the western side of Belvedere Road, Mannum, from and including rural address number 8 to rural address number 156;
- With road frontage located on the southern side of Ramm Road, Mannum, from and including rural address number 2 to rural address number 159;
- With road frontage located on Magpie Court, Mannum;
- With road frontage located on Ibis Drive, Mannum; and

- With road frontage located on the northern side of Dollard Avenue, Mannum, from and including rural address number 13 to rural address number 137.

2.13.4 General Waste Service (1 Bin Service, Red lid)

Rural (non-Township) General Waste Collection Service on a weekly basis to Residential and Primary Production properties that have a residential dwelling.

2.14 Bowhill Water Scheme

Mid Murray Council maintains and manages the Bowhill Water Scheme. Council recovers the cost of this service through the imposition of a service charge.

2.15 Bowhill Multi Access Television Transmission Service

Mid Murray Council maintains and manages the Bowhill Multi Access Television Transmission Service. Council recovers the cost of this service through the imposition of a service charge.

2.16 Regional Landscape Levy

2.16.1 Under the Landscape South Australia Act 2019 Council is obliged to collect the Regional Landscape levy on behalf of the State Government with no gain to Council. Council is within the Murraylands and Riverland Landscape Region and is advised annually on the dollar amount it must collect.

2.16.2 The levy is based on the Capital Value of land and is shown as a separate charge on the rates notice.

2.17 Concessions

2.17.1 State Government Concessions - These concessions were formerly available to the holders of pensioner concession cards, veterans, low-income earners, unemployed, students, and self- funded retirees.

2.17.2 These concessions were all abolished by the State Government with effect from 30 June 2015. From 1 July 2015, the State Government elected to replace these concessions with a single “cost-of-living payment” provided directly to those entitled. This payment may be used for any purpose, including offsetting Council rates. Note that not all former recipients of rates concessions will be entitled to the new payment. To check eligibility, contact the Department for Communities and Social Inclusion (DCSI) Concessions Hotline 1800 307 758 or at www.sa.gov.au/concessions

2.17.3 The separate concession entitlements for Council Community Wastewater Management Systems (CWMS) remain unchanged.

2.18 Payment of Rates

2.18.1 As required by Section 181 (1) of the Local Government Act 1999 Rates may be paid by single payment or by equal or approximately equal quarterly payments. If the ratepayer chooses to pay in one single payment for the years rates, the payment must be received prior to the 1st quarter due date as penalties apply to outstanding rates. Council will send out instalment notices to ratepayers advising of their next instalment due date at least 30 days prior.

2.18.2 Rates may be paid:

- In person at any of the Council Offices: 49 Adelaide Road, Mannum; Main Street, Cambrai; or cnr Fourth & Eighth Street, Morgan between the hours of 9am and 5pm Monday to Friday
- By following the BPay directions located on the rate notice
- By post to PO Box 28, Mannum SA 5238
- In person at any Post Office (present rate notice when paying)
- By Telephone (24 hour service), direct debit and/or credit card accepted (follow instructions on rate notice); and
- Payments via Internet www.mid-murray.sa.gov.au

2.18.3 Credit card & EFTPOS facilities are available at Mannum, Morgan and Cambrai. Telephone payments to 1300 276 468 will accept Mastercard and Visa cards.

2.18.4 Any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment arrangements is invited to contact Council's Rates Assessment Officer on 08 8569 0100 to discuss alternative payment arrangements. Such inquiries are treated confidentially by Council.

2.19 Late Payment of Rates

2.19.1 The Local Government Act 1999 provides that Council will impose a penalty of a two (2) per cent fine on any late payment for rates. This fine may be remitted (waived) in whole, or in part, at the Council's discretion and only where the fault for the late payment has not been attributed by the ratepayer.

2.19.2 A payment that continues to be late is then charged an interest rate (which is set 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 unpaid rates and to cover any interest cost Council may meet because it has not received the rates on time.

2.19.3 Council issues a Notice of Overdue Rates for payment of rates when rates are overdue i.e. unpaid by the due date. Should rates remain unpaid, debt collection will be commenced. This attracts additional fees that are recoverable from the ratepayer.

2.19.4 When Council receives a partial payment of overdue rates, the Council must apply the money as follows:

- first – to satisfy any costs awarded in connection with court proceedings (if applicable)
- 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).

2.20 Remission and Postponement of Rates

2.20.1 Council has a discretion to partially or wholly waive rates on the basis of hardship under Section 182(1)(b) of the Local Government Act. If you are suffering financial hardship, you may contact Council's Rates Assessment Officer to discuss the matter, such inquiries are treated confidentially, and any application will be considered on its merits. Under Section 182 of the Local Government Act 1999; a postponement of rates may be considered 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. The ratepayer must agree to pay interest on the amount affected by the postponement in the same manner as the "Postponement of Rates – Seniors" providing the ratepayer satisfies the following criteria:

- The property is the principal residence of the ratepayer and
- The property has been owned by the ratepayer and has been their principal residence for a minimum of one(1) year and
- The rateable value of the property exceeds $150,000 or
- If a self-funded retiree can provide evidence that you are earning less than $25,000 per year or
- Any other financial hardship reason as approved by Council.

2.20.2 The amount postponed will not exceed:

- 40% of the rates payable for the assessment
- 50% of the land value of the principal place of residence.

This will be conditional:

- The owner must advise the current or potential mortgagee of such debt
- Any change in financial circumstance must be immediately advised
- A new application must be completed for each New Year postponed.

2.20.3 The amount of the postponement may be extended and is conditional on Council approval.

2.20.4 All applications for rebates, remissions or postponements must be in writing, addressed to:

The Chief Executive Officer
Mid Murray Council
PO Box 28
MANNUM SA 5238

2.21 Postponement of Rates - Seniors

2.21.1 If you hold a State Seniors Card then (unless you have a mortgage entered before 2007 that is greater than 50% of your home's value) you are eligible to postpone, on a long term basis, a large component of the rates on your principal place of residence. The postponed amount is subject to a monthly interest charge, with the accrued debt falling due for payment only when the property is sold or transferred to someone else. However, some or all of the debt may be paid at any earlier time at your discretion.

2.21.2 At least $500.00 of the annual Council rates bill must be paid as it falls due, but any amount in excess of $500.00 per year may be postponed.

2.21.3 Further information about the Postponement of Rates - Seniors is available at www.mid-murray.sa.gov.au

2.22 Mandatory Rate Rebate

2.22.1 Councils are required to rebate (discount) the general rates payable on some land. A 100% rebate must be applied to land used for:

- Section 160 – Health Services
- Section 162 – Religious purposes
- Section 163 – Public cemeteries
- Section 164 – Royal Zoological Society of SA.

2.22.2 A compulsory rebate of at least 75% (or more, at the Council's discretion) of general rates must be applied to land used by:

- Section 161 – community service organisations; and
- Section 165 – schools and universities

2.23 Discretionary Rebate of Rates

2.23.1 Under Section 166, the Council is allowed a wide discretion to rebate any percentage of general rates or service charges for a number of other purposes, 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 persons
- accommodation for the aged or persons with disability or
- other purposes.

2.23.2 If you or your organisation wishes to apply for a discretionary rate rebate, you may apply by contacting the Council's Rates Officer.

2.23.3 Each rebate that is granted either reduces the Council's revenue and hence its capacity to provide services, or else it effectively increases the amount that must be collected from other ratepayers. Therefore, decisions on these applications must be carefully considered.

2.24 Remission of Rates – Sporting Clubs and Community Organisation's

A remission of rates paid will be made to Sporting Clubs and Community Organisation's who are ratepayers of the Mid Murray Council, and where the Sporting Club or Community Organisation has less than seven (7) poker machines.

2.25 Rebate of Rates Capping.

2.25.1 To provide relief against what would otherwise amount to a substantial change in general rates payable by certain ratepayers due to rapid changes in valuation, a rebate of general rates for the current financial year will be granted to the Principal Ratepayer of an Assessment under Section 166(1)(l) of the Act, on application to the Council, to limit a 20% increase in general rates to eligible ratepayers.

2.25.2 Ratepayers are eligible for the rate capping rebate where their general rates (excluding CWMS Charges, Water Supply Charges, Multi Access TV Charge, Waste Management Service Charges and Regional Landscape Levy) have increased by more than 20% on the amount they were levied the previous year, providing that ownership of the land has not changed since the previous financial year or the increase is not a result of:

- Building improvements made to the land (as determined by the State Valuation Office) or
- Change of land use of the land or
- Rezoning of the land.

2.26 Sale of Land for Non-Payment of Rates

2.26.1 The Local Government Act provides that a Council may sell any property where the rates have been in arrears for three (3) years or more. Council is required to provide the principal ratepayer and the owner (if not the same person), or any party with a vested interest, 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.

2.26.2 The Mid Murray Council may enforce the sale of land for non-payment of rates after three (3) years.

2.27 Disclaimer

2.27.1 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.

2.27.2 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 our Rates Assessment Officer on telephone 8569 0100. If, after this initial contact, a ratepayer is still dissatisfied they may write to:

The Chief Executive Officer
Mid Murray Council
PO Box 28
Mannum SA 5238

or

email: postbox@mid-murray.sa.gov.au explaining the nature of their concern.

2.28 Contact Details for Further Information

Phone:	08 8569 0100
Fax:	08 8569 1931
Email:	postbox@mid-murray.sa.gov.au
Website:	www.mid-murray.sa.gov.au
Post:	PO Box 28, Mannum SA 5238
In person:	49 Adelaide Road, Mannum or Main Street, Cambrai; or cnr Fourth & Eighth Street, Morgan

3. Policy Responsibility

The Director – Corporate and Financial Services is responsible for ensuring the proper operation of this Policy.

4. Availability/Accessibility

4.1 This Policy and Council's Fees and Charges Register are available to be downloaded free of charge from Council's website: www.mid-murray.sa.gov.au

4.2 This Policy is available for inspection at Council's principal office during ordinary business hours. Hard copies, for a fee in accordance with Council's schedule of Fees and Charges, can be provided upon request.

5. Legislative Framework / Other References

5.1 *Local Government Act 1999*

5.2 *Local Government (Financial Management) Regulations 2011*

6. Document History

This Policy shall be reviewed at least every four (4) years or more frequently if legislation or Council requires.

Version	Adopted	Minute	Description of Change
1	14 July 2015	17192/4	Policy adopted
	9 May 2017	19362/1	Policy reviewed, no amendments
2	August 2019	20808/2	Include paragraph from previous 'remission of rates – sporting clubs and community organisations' policy. Reference to hardship policy removed
3	May 2020	20935/1	Replace NRM Levy with the Regional Landscape Levy
4	June 2021	201165/2	Updated following Rate review.
5	18 July 2023	C07-23/026	Removal Rates Review 2021, amendment of Minimum Rates and Rebate of Rates Capping, removal of phasing in rebate, increase rate capping quantum - added to new template.
	16 July 2024	C07-24/001	Policy reviewed by Council, no alterations made.
6	14 July 2026	C07-26/022	Included Transitional General Waste and Recyclables Collection Service (1 Bin Service for 6 months, 2 Bin Service for 6 months)