Rating Policy (PO81)

Keywords: Rates, Debtors, Fines, Recovery

Strategic Plan:	*Accountable Leadership –* *1.3 Focus on delivering financial sustainability and responsible asset renewal.* *2.3 Foster a culture of excellence and continuous improvement across all aspects of Council.* *3.4 Position Council as a trusted and reliable service provider for the community, with decision making based on the best outcomes for the Community.*
Classification:	*Corporate and Community Services – Rates – Rating Policy*
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Responsible Officer(s):	*Rates Officer, Finance Manager, General Manager Corporate & Community Services*
Council File Reference:	*N/A*
Applicable Legislation:	*Local Government Act 1999* *Landscape South Australia Act 2019* *Valuation of Land Act 1971*
Relevant Policies:	*Rate Capping Rebate Policy* *Rate Rebate Policy* *Rate Remission Policy Debt Recovery Policy* *Fines Rates Recovery Policy*
Related Procedures:	*Subject to Annual Business Plan provisions/adoption – including Public Consultation – Section 151*
Delegations:	*Berri Barmera Council Delegations Register*

1. Introduction

This policy provides a framework for the Berri Barmera Council (Council) to determine the annual setting and collection of rates against rateable land.

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.

All land within the Council area, except for land specifically exempt (e.g., crown land, council occupied land and other land prescribed in the Act) is rateable.

2. Definitions

Capital Value	the value of the land and all improvements on the land
Rates	rates constitute a system of taxation for local government purposes - *Local Government Act 1999*-sec150 (a)
Rate Capping	place a limit or restriction on (prices, expenditure, or borrowing).
Rate Payer	means a person who appears in the assessment record as the owner or occupier of rateable property;
Rebate	a partial refund to someone who has paid too much for tax, rent, or a utility.
State Valuation Office	South Australia's Valuer-General is the State's independent authority on property valuations responsible for the delivery of fair and equitable statutory valuations for all properties in the state in accordance with the *Valuation of Land Act 1971*

3. Principles

Rates are not fees for service, but rather, they constitute a system of taxation for Local Government purposes.

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 manner by individual ratepayers.

In addition to rates, Council also raises revenue through a compulsory service charge for a Community Wastewater Management Scheme and Waste Management. If this charge is applicable, it will be collected along with general rates and will be itemised separately on the rates notice.

The Berri Barmera'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

4. Policy Statement

The objectives of this policy are to:

a) ensure Council provides equitable treatment to all members of the community
b) ensure Council is maintaining legislative compliance
c) provide the community with assistance and options to pay their rates in a timely and acceptable manner.

In determining the level of rates required each year, Council considers:

- the infrastructure needs, service delivery needs and related expenditure priorities in relation to 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
- use of 'user pays' cost recovery systems.

There will continue to be economic pressures applied 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 setting rates.

Method Used to Value Land

The Berri Barmera Council uses capital value (the value of the land and all improvements on the land) as the basis for rating land within the council area. The Council considers that this method of valuing land 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, and;

Council adopts the most recent valuations made by the State Valuation Office as at 30 June.

The rates notice includes information for any ratepayer dissatisfied with the valuation made by the State Valuation Office about how to make objection to the valuation. The lodgement of an objection does not change the due date for the payment of rates.

If an objection is upheld and a new capital value issued by the State Valuation Office, rates will be adjusted accordingly for the current financial year and an amended rate notice will be issued. Retrospective adjustments will not be made for prior financial years.

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 therefore generally results in reduced rates.

Application by the ratepayer for a notional value must be made to the State Valuation Office.

COMPONENTS OF RATES

General Rates

The Act allows Councils to differentiate rates based on the use of the land, the locality of the land, the use and locality of the land or on some other basis determined by the Council. The Berri Barmera Council endorses the differential general rates by land use based on the capital valuation of rateable properties for the following land uses:

- Residential
- Commercial
- Industrial
- Primary Production
- Vacant Land
- Other

Minimum Rate

Council has the discretion to apply either:

- a fixed charge (applying equally to all rateable properties) or
- a minimum rate (to lower-value properties)

The Berri Barmera Council apply a minimum rate to all rateable properties. The reasons for imposing a minimum rate are:

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

Generally, annual increases in the minimum rate shall align with the percentage increase in general rates collected.

Where a council imposes a minimum rate, it must not apply to more than 35% of properties in the Council area. In addition, where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum is payable by the ratepayer.

SERVICE CHARGES

Community Wastewater Management Scheme

The Berri Barmera Council maintains and manages a community wastewater management scheme (CWMS) and recovers the cost of the service through the imposition of an effluent drainage service charge per property unit and is shown as a separate charge on the rates notice.

For some properties (including business and commercial premises) the number of units is based on information received from the property/business owner and according to the Code for Establishing and Applying Property Units for the Imposition of Annual Charges for CWMS.

Retrospective adjustments to prior financial years will not be made when incorrect or no information is provided.

Waste Management

Council provides refuse, recycling and green waste collection service in its district. The service includes:

- Weekly domestic collection in a smaller 140 litre bin for all properties
- Fortnightly recycling collection in a 240 litre bin for all properties
- Fortnightly green waste collection in a 240 litre bin for town residential properties.

Council recovers the cost of this service via a service charge levied pursuant to Section 155 of the Act.

Regional Landscape Levy

The Council is required under the *Landscape South Australia Act 2019* to make specified contribution to the Murraylands and Riverland Landscape Board region. It does so by imposing a separate rate against all rateable properties.

This separate rate is effectively a State tax that Councils are required to collect and return to a State Government Agency This funds the operations of the local landscape board who have responsibility for the management of natural resources. Even though it appears on the Council's rate notice, enquiries about this component should be directed to the Murraylands and Riverland Landscape Board. Contact details are on the reverse of the rates notice.

REBATE OF RATES
Reference can be made to Council's Rate Capping Rebate Policy for further detail.

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

- health services
- religious purposes
- public cemeteries
- the Royal Zoological Society

A compulsory rebate of at least 75% must be applied to land used by:

- community service organisations; and
- schools and universities.

Discretionary Rebates
In addition, the Council is allowed a wide discretion to rebate any percentage of rates for a number of other purposes, such as:

- securing proper development of an area;
- assisting or supporting business;
- preservation of historically significant places'
- facilities or services for children or young persons; or
- accommodation for the aged or persons with disability; or
- other purposes.

Application for discretionary rebate must be made annually to the Council.

Reference must be made to Council's Rate Rebate Policy for further detail.

Rebates on Service Charges
Rebates will not apply to service charges.

Remission and Postponement of Rates
The Council has discretion to partially or wholly remit or postpone rates on the basis of hardship. Where a ratepayer is suffering hardship in paying rates it is recommended, they contact Council's Rates Officer to discuss the matter. Such enquiries are treated confidentially, and any application will be considered on a case-by-case basis.

If a ratepayer holds a State Seniors Card (unless holding a mortgage entered into before 2007 that is greater than 50% of the home's value) they are eligible to postpone, on a long-term basis, a large component of the rates on the 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 and transferred to someone else or if there is a change in circumstances that negates eligibility. However, some or all of the debt may be paid at any earlier time, at the ratepayer's discretion.

At least $500 of the annual Council rates bill must be paid as it falls due, but any amount in excess of $500 per year may be postponed. The minimum amount of $500 may be reduced further, if the ratepayer is eligible for any Council rate remissions.

Reference must be made to Council's Rate Remission Policy for further detail.

Payment of Rates
Rates are declared annually and may be paid at the ratepayer's discretion either in one lump sum or in four quarterly payments that fall due in early September, December, March and June. The exact date that rates fall due, and various options for paying rates,

is clearly indicated on the rates notice.

If a ratepayer chooses to pay in one single payment for the year's rates, this payment must be received by the first quarter due date as penalties apply to outstanding rates. Council will send out instalment notices to ratepayers advising them of their next instalment due date at least thirty days prior.

Any ratepayer who may experience difficulty with meeting the standard payment requirements are encouraged to contact Council's Rates Officer to discuss alternative payment arrangements. Such enquiries are treated confidentially.

Late Payment of Rates

The Act provides that Councils must impose a penalty of 2% on any late payment for rates. This fine may be remitted in whole or in part at the Council's discretion and only where fault for the late payment has not been attributed to by the ratepayer.

A payment that continues to be late is then charged a prescribed interest rate (at the rate prescribed in the *Local Government Act 1999*) for each month is continues to be late.

When Council receives payment in respect of overdue rates Council must apply the money received in accordance with the Act 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).

Subdivided and Amalgamated Land

Where land is subdivided or amalgamated, any rates and charges levied on the original assessment remain due and payable.

If any rates or charges remain outstanding following the subdivision or amalgamation, Council may allocate, apportion or transfer the outstanding amount (including any arrears, fines or interest) to one or more of the new assessments created as a result of the subdivision or amalgamation.

Any such allocation will be determined by Council having regard to the individual circumstances of each case.

Reference must be made to Council's Fines-Rates Recovery Policy for further detail.

Sale of Land for Non-Payment of Rates

Refer to Fines Rate Recovery Policy

Adoption of Rates

The adoption of rates will not occur until Council has adopted its Annual Business Plan and Budget for the financial year to which the rates relate – pursuant to Section 153(5) of the Act.

Although Council can defer the adoption of rates until 31 August if circumstances dictate, Council will make every effort to adopt rates at its June Ordinary Council meeting prior to the commencement of the financial year for which the rates relate.

Contact Details

Where a ratepayer believes that the Council has failed to properly apply this policy it should raise the matter firstly with Council's Rates Officer. If after initial contact a

ratepayer is still dissatisfied, they should write to:

The Chief Executive Officer
Berri Barmera Council
PO Box 229
BERRI SA 5343

Ph: 08 8582 1922
Email: bbc@bbc.sa.gov.au
Web: www.berribarmera.sa.gov.au

Availability of Policy
This policy will be available for inspection at the Council's Offices during ordinary business hours and via the Council's website www.berribarmera.sa.gov.au Copies will also be provided to the public upon request and upon payment of a fee in accordance with Council's Schedule of Fees and Charges.

5. Further Information

For further information about the procedure and options available in relation to the above policy, please contact the Rates Officer, Berri Barmera Council, PO Box 229, Berri 5343, Telephone (08) 8582 1922, or email bbc@bbc.sa.gov.au

VERSION CONTROL
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Version No	Date Issued	List of amendments
1.0	April 2026	Minor updates