

Rating Policy

Policy Author	General Manager Strategy & Corporate
Date of next review	May 2022

1. Statement of Intent

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 provided by councils. Rates are administered by each council in line with the *Local Government Act 1999* (the Act). This document sets out the Council's policy for setting and collecting rates from its community.

Council rates are not a fee for service but a system of taxation for Local Government purposes.

All land within the Council's area is rateable except land that is subject to an exemption under the Act.

Council considers a general rate, which consists of two components: one based on the value of the land and the other a fixed charge, to be the fairest and most equitable method of imposing rates. A fixed charge is a means of ensuring all ratepayers contribute equally to Council services and the development and maintenance of community infrastructure.

Council may impose differential general rates that vary based on land use. It assesses rates against each piece or section of land subject to separate occupation, except for land with a commercial or industrial land use where rates are assessed against each piece or section of such land subject to separate ownership.

Council's aim is to have a competitive rating environment for commercial properties. Its strategy is to gradually reduce the rate in the dollar for commercial properties in a staged approach that balances the demands from business for rate relief with the needs from residential rate payers to continue to provide a sustainable level of services.

Council's rates are based on the capital values of land in its area as assessed by the Valuer-General. An owner of land may in accordance with the *Valuation of Land Act 1971* object to a valuation made by the Valuer-General of their land.

Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- Rates constitute a system of taxation and 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 considered a relatively good indicator of wealth, and the capital value, which closely approximates the market value of a property, provides the best indicator of overall property value.

Council also imposes a separate rate, the Landscapes SA Levy to reimburse the Council for the funding contribution required by the *Landscapes South Australia Act 2019* for the Green Adelaide Board. This separate rate is effectively a state tax and Council does not retain the revenue collected by way of the separate rate.

Council may apply rate remissions, postponements and rebates in accordance with the Act and the Rate Rebate Policy. In addition, if a ratepayer is experiencing hardship with paying their rates, they may make an application for rate relief by way of a remission or postponement in accordance with the Act and the Council's Hardship Policy. Fines and interest apply to overdue rates and if an amount payable by way of rates is in arrears for three years or more, the Council may sell the land for non-payment of rates.

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.

Where a ratepayer believes that Council has failed to properly apply this Policy, it should raise the matter with Council.

2. Scope

This policy applies to all ratepayers within the Council's area.

3. Legislation and References

This Policy should be read in conjunction with the Rating Procedure.

- City of Playford Strategic Plan
- Annual Business Plan and Budget
- City of Playford Long Term Financial Plan
- Debt Recovery Procedure
- Hardship Policy
- Hardship Procedure
- *Local Government Act 1999* – Section, 148 151 and 152
- *Local Government (Financial Management) Regulations*
- *Local Government (General) Regulations 2013 – Regulation 14*
- *Landscapes SA Act 2019*
- *Valuation of Land Act 1971*
- Rate Rebate Policy
- Rate Rebate Procedure
- City of Playford Global Glossary

This Policy should not be considered as the only document that may relate to rating matters, other tiers of government, agencies or organisations may have legislation or policies that also apply.

4. Application

CEO	Facilitate endorsement of Rating Policy as part of the Annual Business Plan (ABP) and Long Term Financial Planning (LTFP) process.
General Manager Strategy & Corporate	To ensure an effective rating system.
Senior Manager Finance	To facilitate an effective rating system, and deliver as part of ABP and LTFP.
Manager Rates	To oversee the consistent application of the Rating Policy.
Rates Officers	To apply consistent delivery of the Rating Policy to ratepayers.

5. Relevance to Risk Appetite Statement

Regulatory Compliance

The City of Playford has **ZERO TOLERANCE** for non-compliance with applicable legislation. The Rating Policy and Procedure is updated annually to ensure compliance is maintained for each financial year, as part of the ABP and LTFP process.

Service Delivery

The City of Playford has a **MODERATE** appetite for service delivery requirements. Maintaining the Rating Policy and Procedure ensures service delivery within required timeframes.

6. Feedback

Your feedback on this Policy is invited and can be directed to the Manager Governance via email to governance@playford.sa.gov.au or by calling the Customer Contact Team on 8256 0333.

Administration use only

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Procedure link	Rating Procedure
Policy author	General Manager – Strategy & Corporate
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Resolution no.	4660
Legal requirement	<i>Local Government Act 1999</i>
Review schedule	Annually
Date of current version	June 2021
Date of next review	May 2022

Version history

Version no.	Approval date	Approval by	Change
1	02/07/2019	Council	Annual review
2	30/06/2020	Council	Annual review
3	22/06/2021	Council	Annual review
