

POLICY- COUNCIL

Rating Policy 2023-24

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1. Document control

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2. Preamble

Council is required to raise and collect rates to balance and achieve several guiding principles and objectives. Council adopts this policy to set the rating objectives within its area. Where Council is committed to achieving standards that are not imposed upon it by statute, its commitment is to endeavor to achieve those standards or requirements within available resources. The contents and commitments in this policy is a statement of Council's general position.

3. Policy purpose

The purpose of this policy is to outline council's approach towards rating its communities and to meet the requirements of the *Local Government Act 1999 (SA)* (the Act) with reference to Section 123. Section 123 requires council to have a rating policy that must be prepared and adopted (as part of the Annual Business Plan) each financial year in conjunction with the declaration of rates.

Council’s rating policy and policy objectives, methodologies and rating strategies have been designed to provide a balance against the principles of taxation, whilst also balancing the community needs and broader economic and development objectives.

4. Definitions

Act	refers to the <i>Local Government Act 1999 (SA)</i> .
BUA	refers to a Building Upgrade Agreement under Schedule 1B of the Act.
BUA Fees	refers permissible fees enabling administrative cost recovery under Schedule 1B of the Act.
BUF	refers to Building Upgrade Finance which is a scheme that enables owners to access finance for environmental upgrades and heritage works from a lending institution that are repaid through a council-based rating mechanism under Schedule 1B of the Act.
Capital value	refers to the valuation methodology used in determining the value of land, as defined in the Valuation of Land Act 1971
Council	(with a capitalised C) refers to the elected Council body
council	(with a non-capitalised c) refers to council as the organisation.
CWMS	refers to the Community Wastewater Management System within the Council area formerly referred to as Septic Tank Effluent Disposal Schemes (STEDS).
Different rate	refers to a rate that may be applied to a category of land that is different to the rate applied to other land categories (termed differential rates under the Act).
Fixed charges	refers to a charge that must apply equally to each separate piece of rateable land in the area under Section 152(1) of the Act.
General rate	refers to the rate in the dollar that applies to properties in the calculation of the general rate payable by way of Council Rates. Please note that the ‘General Rate’ is also referred to as the Differential General Rate under the Act and also includes the fixed charge component charged.
Postponed rates	refers to any rates postponed under Section 182 or 182A of the Act.
Primary production	for rating purposes is defined as per section 5(1) of the <i>Valuation of Land Act 1971</i> : (definition of ‘business of primary production’); ‘ <i>the business of agriculture, pasturage, horticulture, viticulture, apiculture, poultry farming, dairy farming, forestry or any other business consisting of the cultivation of soils, the gathering in of</i>

	<i>crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.'</i>
Rating	refers to the overall process of raising revenue by way of levying rates and charges.
Rebates	refers to an amount that a rate or charge may be reduced in accordance with Chapter 10, Division 5 of the Act.
Remissions	refers to any reduction in amount payable granted in accordance with Section 182 of the Act.
Residential rate cap rebate	refers to the rate cap applied to properties with a Residential land use, subject to specific criteria, which is applied under the discretionary rebate provisions of Section 166(1)(l) of the Act.
Separate rate	refers to a rate that applies in addition to other rates and charges, which is used to fund specific activities in accordance with Section 154 of the Act.
Service charge	refers to a charge imposed for the provision of a prescribed service under Section 155(1) of the Act.

5. Principles and objectives

In developing the rating policy, Council is required to make judgements based on several guiding principles and objectives. These principles and objectives are often competing and need to be balanced to achieve the desired outcome for the community.

Council's policy directions are guided by four themes that are central to achieving our vision as outlined in the Community Plan 2030: People, Place, Prosperity and Performance.

Council's role is to ensure that our communities have access to an appropriate range of facilities and services. In all things, council considers if its direction aligns with the principles that defines who it is. Council believes in:

- putting people first
- enabling equity
- promoting strengths
- seeking to understand
- being resourceful
- encouraging investment
- working strategically towards our vision.

Council is required to raise revenue for the purpose of governance, administration and the provision of appropriate goods and services required by the community. The goods and services are especially those that would not be provided by private businesses e.g. infrastructure, street lighting, regulatory and compliance activities.

Chapter 10 of the Act requires local government to levy rates and charges on land and provides some principles for consideration when developing rating policies. The key

principle in levying rates recognises that rates constitute a system of taxation on the community for local government purposes (generally based on the value of land).

In developing this policy Council has considered the following five principles:

- equity (taxpayers with the same income pay the same tax (horizontal equity), wealthier taxpayers pay more (vertical equity))
- benefit (taxpayers should receive some benefits from paying tax, but not necessarily to the extent of the tax paid)
- ability-to-pay (in levying taxes the ability of the taxpayer to pay the tax must be considered)
- efficiency (if a tax is designed to change consumers behaviour and the behaviour changes the tax is efficient (e.g. tobacco taxes), if the tax is designed to be neutral in its effect on taxpayers and it changes taxpayer's behaviour a tax is inefficient)
- simplicity (the tax must be understandable).

The principle of 'benefit' (above) supports the philosophy that rates should not be regarded as a user pays system and it should be recognised that benefits are consumed differently over the life cycle of a ratepayer.

To some extent, in practice these principles conflict with each other. Council must therefore strike a balance between:

- the application of the principles
- the policy objectives of taxation
- the need to raise revenue
- the effects of the tax on the community.

Council has identified and developed the following key objectives in response to the outcomes of our community engagement activities and on-going annual reviews:

Equity for our communities

To achieve this objective our policy is designed to:

- improve equity in rate distribution across our communities
- prevent inequitable shifts in rate responsibility
- collect a base contribution from all rateable properties
- equally distribute the responsibility of rates across the community (unless some compelling application of the other taxation principles should be applied)
- raise an equitable level of contribution from each land use sector.

Benefit to our communities

To achieve this objective our policy is designed to:

- minimise the impact of property valuation movements
- move away from valuation-based rating by breaking the direct link between valuation and rates
- maintain the relativity within differing communities and between communities

Economic and property development

Our rating policy seeks to balance Council's economic and property development focus and to achieve this objective our policy is designed to:

- facilitate a strong and vibrant economic environment
- support the growth of business within the area
- balance the issue of consumption of resources with economic development objectives
- encourage development on vacant land
- recognise the importance of arable land suitable for viable primary production

Taxation principles

Council is faced with balancing its service levels, the needs and expectations of the community and setting appropriate tax levels that can sustainably resource its roles and responsibilities. In setting its rates for the financial year, Council provides primary consideration to strategic directions, budget considerations, the current economic environment and likely impacts on our communities. Feedback from our communities generally indicates a desire to lower the rate in the dollar to reduce rapid rate increases from valuation movements.

Council achieves a reduction in the above risk by setting an appropriate fixed charge. Applying a fixed charge at the required level ensures an equitable base contribution is achieved from all rateable properties, reducing the reliance on the rate in the dollar component and equitably distributing the rates burden.

Council determines the total annual rate revenue as part of the financial planning and budgeting process and the amount raised from the fixed charge is a component of the total revenue. Increasing the total raised from the fixed charge does not increase the overall rate revenue, but simply reduces the revenue raised against the property valuation. This has the effect of lowering the rate in the dollar and assists in managing large valuation movements.

The current rating objectives and strategies meet the direction and goals expressed in the Community Plan 2030 and Long Term Financial Plan, with each component of our rating strategy rating highly against the principles of taxation.

In developing the Rating Policy for 2023–24 Council will undertake a community engagement process including information provision and community education as a key focus.

5.1 STRATEGIC AND BUDGET CONSIDERATIONS

Council has determined that the application of an annual Rating Policy should be developed within a framework which integrates strategic planning through to service delivery. The strategic directions for the city and the organisation are outlined in the Community Plan 2030.

The Community Plan 2030 represents our shared vision for the next ten years and is reviewed every four years. It sets the focus for Council, clearly outlining the key outcomes we want to achieve, which together form our vision of strong, vibrant communities.

The Rating Policy for 2023–24 has been reviewed to reflect the strategic directions set in the Community Plan 2030.

Our financial planning framework provides a long-term financial plan to resource our strategic directions. As part of the financial planning and budget processes, the rate revenue required to meet expenditure needs is calculated considering other sources of revenue. The structure of the rating system is then determined having consideration for how the rates are levied between, and within, various categories of ratepayers.

5.2 RATING STRATEGIES AND METHODOLOGIES

The following key strategies and methodologies have been developed consistent with our policy principles to meet the rating objectives:

- valuation methodology based on capital value
- different rates for different land use categories
- rating applied in accordance with ownership or occupation (where the ratepayer is listed in the Assessment Record)
- recognition of contiguous land
- application of single farm entity
- contribution methodology to determine the different rates is based on a percentage of total rate revenue required from each category (adjusted for growth)
- incorporating a fixed charge as a component of the general rate
- rate rebates (including rate capping for residential properties and discretionary rebates)
- rate remissions.

5.2.1 VALUATION METHODOLOGY

Councils may adopt one of the following three valuation methodologies to value the properties in its area (Section 151 of the Act):

- capital value: the value of land, buildings and other improvements
- site value: the value of land and any improvements which permanently affect the amenity or use of the land, such as drainage works, but excluding the value of buildings and other improvements
- annual value: the value of the rental potential of the property.

Council adopts the use of capital value as the basis for valuing land within the council area. Council considers that this method of valuing land provides the most equitable distribution of the rates burden as it identifies the land and improvements and is consistent with the taxation principle indicating a person's capacity to pay

Council does not determine property valuations but chooses to exercise the right under Section 151 of the Act to adopt the capital valuations as assessed by the Valuer-General (VG). If a ratepayer is dissatisfied with a property valuation, an objection may be made as detailed in Section 5.6.5.

5.2.2 DIFFERENTIAL RATING

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 City of Onkaparinga applies **different rates based on land use**. The Act further allows council the option to use a combination of factors (land use and locality) to apply different rates. Land use is recognised by other taxing agencies and is easily identified and understood by our communities. It is therefore considered the most appropriate method for applying different rates by most councils.

Differential rates better reflect consumption of council services but can also be tailored to support other key objectives eg., economic development, encourage capital development or recognise the value of a specific land use sector. The differential rating strategy assists in addressing all of council's rating objectives. Definitions of the use of the land are prescribed by regulation and are categorised as follows for rating purposes:

- Residential
- Commercial – Shops
- Commercial – Office
- Commercial – Other
- Industrial – Light
- Industrial – Other
- Primary Production
- Vacant Land
- Other
- Marina Berths

As part of the valuation assessment process the VG recommends a land use to each assessment, identifying the predominant use of the land. This land use is applied by various taxing authorities. Council generally applies this land use for general rating purposes, however under the Act, council is the relevant authority that determines land use for rating purposes. The rating land use applied by council must meet the definitions under Development Regulations. As such the local government land use may vary from that used by other taxing authorities.

If a ratepayer believes that a property has been wrongly classified as to its land use, then an objection may be made as detailed in Section 5.6.6.

5.2.3 RATING IN ACCORDANCE WITH OWNERSHIP OR OCCUPATION

Rates are assessed against any piece of land subject to separate ownership or occupation.

If the owner is not the ratepayer in respect of the land—the name and address of the principal ratepayer being an occupier of land may, with the consent of the owner, apply to the chief executive officer of a council to have the occupier's name entered in the assessment record as the principal ratepayer in respect of the land.

5.2.4 CONTIGUOUS LAND

For the purposes of this Part, land will be regarded as being contiguous to other land if the land—

- (a) abuts on the other land at any point; or
- (b) is separated from the other land only by—
 - (i) a road, street, lane, footway, court, alley, railway or thoroughfare; or
 - (ii) a watercourse or channel; or
 - (iii) a reserve or other similar open space.

5.2.5 SINGLE FARM ENTITY (SFE)

Council offers the ability to group rating assessments to genuine farmers who meet the eligibility criteria listed under the Act. SFE's that are used primarily for the business of grazing (including agistment), dairying, pig-farming, poultry-farming, fish-farming, tree-farming, beekeeping, viticulture, horticulture, fruit-growing or the growing of crops of any kind or for any combination of those activities qualify for a single fixed charge to apply over the group.

5.2.6 CONTRIBUTION METHODOLOGY

Council's underlying philosophy is that the responsibility of rates should be equitably distributed across the community unless some compelling application of the other taxation principles is applied to ensure the equity of the tax.

To minimise the impact of valuation movements, prevent inequitable shifts in rate responsibility and improve equity in rate distribution across the community, Council has determined that the proportion of total rate revenue contribution payable by each of the land use sectors should be maintained at a similar level as that paid in the previous year (adjusted for growth and other movements).

The contribution methodology is an integral component of our overall rating strategy that assists in achieving a number of our rating objectives, by:

- improving equity in rate distribution across the community
- preventing inequitable shifts in rate responsibility
- minimising the impact of property valuation movements
- raising an equitable level of contribution from each land use sector
- maintaining the relativity within differing communities and between communities
- recognising communities where there is a greater consumption of services and resources
- ranking highly against the principles of taxation.

We have undertaken comparative analysis of differential rates across the metropolitan councils in the state. The analysis indicates our average rates paid in all land use categories sit around mid-scale.

5.2.7 DIFFERENT RATES

Council adopts differential general rates primarily based upon land use and the assessed capital value of the land, including any improvements thereon. The differentiating factors are the permitted land use categories.

Council has determined that a different rate will be applied for 2023–24 to all assessments attributed with the following land use:

Residential - different rate of 0.193379 cents in the dollar

Commercial and Industrial - different rate of 0.351735 cents in the dollar

Primary Production - different rate of 0.239780 cents in the dollar

Vacant Land - different rate of 0.284056 cents in the dollar

Other - different rate of 0.210668 cents in the dollar

5.2.8 FIXED CHARGE

Council has determined that a fixed charge of \$715.00 will be applied to rateable assessments for 2023–24.

The Act allows councils to impose a fixed charge on each rateable property in its area, providing that it has not also imposed a minimum rate (Section 152 of the Act).

The primary reason for imposing a fixed charge is to ensure that all rateable properties make a base contribution to the cost of administering council activities and maintaining services and physical infrastructure.

A fixed charge has the effect of reducing the rate in the dollar that will be applied to the property valuations, which in turn assists in addressing policy objectives developed in response to the outcomes of community engagement activities

In applying a fixed charge only one charge can be imposed on two or more adjoining assessments with the same owner and occupier (contiguous).

Where a ratepayer believes that they may be eligible for a reduction in the fixed charge applied to contiguous assessments an objection may be made as detailed in Section 5.6.5.

5.2.9 RATE REBATES

Council will grant a mandatory rebate **upon the applicant satisfying the requirements under Sections 159 to 165 of the Act.**

Applications for **discretionary rebates lodged under Section 166 of the Act will be considered under Council's *Rate Rebate Policy*.**

The Act acknowledges that there are particular land uses that are economically disadvantaged and provide local community benefit and therefore must be offered rate relief in order to be sustainable. On this basis some rebates under the Act are applied as a mandatory requirement however further discretionary provisions allow Council to determine whether other desirable land uses may be offered rate relief.

Council reviews the Rate Rebate Policy every three years which provides the full details regarding rate rebates permissible under the Act. This policy document supports our main Rating Policy.

The rate rebate strategy addresses the following objectives:

- improves equity in rate distribution across the community
- ranks highly against the principles of taxation

5.2.9.1 RATE CAP REBATES

For the 2023–24 financial year Council has determined that **a rebate be applied to properties with a Residential land use to cap any increase in the total rates (valuation component and fixed charge) at 10%, subject to specific criteria.**

A rebate cap will not be applied where the rate increase is as a result of an increase in valuation from significant capital improvements on the property (regardless of when the development was undertaken) or where there has been a change in the land use since the commencement of the previous financial year or a change in ownership or licence to occupy during the two prior financial years.

Rate capping (subject to certain criteria) recognises that in some circumstances residents have no control over increases in property valuations. Where a significant valuation increase is as a result of market forces and not as a result of purchasing the property, the rates levied as a result of that valuation increase should be capped at a level that minimises the impact to a reasonable level.

The rate capping strategy addresses the following objectives:

- improves equity in rate distribution across the community
- prevents inequitable shifts in rate responsibility
- minimises the impact of property valuation movements
- ranks highly against the principles of taxation.

The rate cap will be applied automatically to properties that can be readily identified as being eligible. Where this rebate is not applied automatically, ratepayers who consider they could be eligible for the Rate Cap Rebate may lodge an application. Council rebates or remissions are not included in the capping calculation process. The application must be lodged prior to 31 August 2023. This rebate is applied under the discretionary rebate provisions of Section 166(1)(l) of the Act. The Rate Capping Application Form appears as an attachment to the Rate Rebate Policy.

5.2.10 CWMS REBATES

For the 2023–24 year, Council has determined that a rebate be applied to properties subject to Community Wastewater Management Systems (CWMS) Service charges. This rebate is to assist mitigate increases to ratepayers arising from the transition to the Essential Services Commission of SA (ESCOSA) full cost recovery pricing requirements.

CWMS service charge rebates will be applied where funds available within council's CWMS Reserve are more than funds forecast to be required in order to manage CWMS in a financially sustainable manner. The level of service charge rebate applicable (if any)

for a financial year will be approved by Council as part of the budget process for that year.

5.2.11 REMISSION AND POSTPONED RATES

Application for remission of rates and charges, fines and interest or postponement of rates will be considered under the discretionary provisions of Sections 181 and 182 of the Act.

Council will accept requests for remission of fines and interest in certain extenuating circumstances. A request for waiver of fines and/or interest should provide detailed reasons why a remission has been requested.

Council will accept requests for postponement of rates from ratepayers suffering on-going or extreme financial hardship through a qualified financial counsellor and will consider the recommendation on a case by case basis.

Council will consider a request for remission of rates when the property is being sold due to a ratepayer experiencing financial hardship. Financial hardship must be confirmed in writing by a qualified financial counsellor at the time of application for remission of rates or postponement for hardship.

Monthly interest at the prescribed rate will be applied to rates postponed under Section 182 of the Act.

Application for postponement of rates and charges for holders of a State Seniors Card will be considered under the provisions of Section 182A of the Act – ‘Postponement of rates – Seniors’.

To assist seniors, council promotes and supports ratepayers to consider options such as postponement of rates for seniors. Under this scheme eligible ratepayers can annually postpone or defer any rate amount above \$500. In addition, should a ratepayer elect to pay more than the \$500 in any given year, the amount paid in excess is applied to the balance outstanding.

Applications must be lodged in writing and must provide evidence of eligibility plus other evidence as required. Requests must be lodged on the Application Form for Postponement of Rates Seniors. Monthly interest at the prescribed rate will be applied to rates postponed under Section 182A of the Act.

Where an application for postponement under Section 182A is granted, a presumption of on-going annual postponement will be assumed.

The remission of fines and interest and postponement strategy addresses the following objectives and taxation principles:

- improves equity in rate distribution across the community
- ranks highly against the principles of taxation.

5.3 STATE GOVERNMENT REGIONAL LANDSCAPE LEVY – SEPARATE RATE

The South Australian Government has introduced a major legislative reform program with the introduction of the Landscape South Australia Act 2019 (the Act) which replaces the *Natural Resources Management Act 2004*.

The legislation provides the framework for how the state's natural resources will be managed with a stronger emphasis on effective water management, pest plant and animal control, soil and land management and decentralised decision-making. These changes aim to provide communities a greater voice in natural resources management.

The Regional Landscape Act has implications for local government, particularly in relation to the land-based levy collection process and the realignment of boundaries. The Act creates nine landscape management regions with NRM boards being replaced by eight new regional landscape boards and a metropolitan landscape board, being Green Adelaide. The levies raised for 2023–24 will be based on the Regional Landscape Boundaries.

The landscape levy collection process for 2023–24 remains largely the same as previous arrangements under the Natural Resources Management Act 2004. There are no proposed changes to the basis of the regional landscape levy. The Regional Landscape Act imposes a cap on levies across the state and limits future increases in the levy to CPI

Councils will continue to recover ongoing collection costs from regional landscape boards.

All council contributions and the basis of the regional landscape levy will be set out in the landscape board (and Green Adelaide) business plans. The landscape boards will have responsibility for notifying councils of their share and Council will continue to set a levy rate under the Local Government Act 1999 in accordance with the advice provided by the Department of Environment and Water. Council are unable to influence the amount set for each Board and is the body utilised by the State Government to collect the levy.

Money raised through the imposition of the levy is paid to the central Landscape Administration Fund for later distribution to the landscape boards.

Council is required to collect this mandatory state government levy as a separate rate for Natural Resources Management. This levy for 2023–24 is applicable to land previously within the area of the Adelaide and Mt Lofty Ranges Natural Resources Management Board and the SA Murray-Darling Basin Natural Resources Management Board.

For 2023–24 the regional landscape levy for the properties previously located in the previous Natural Resources Management Board regions will now be known as either Green Adelaide or as Hills and Fleurieu.

Regional Landscape Levy for 2023-24:

Green Adelaide – 0.007111 cents in the dollar

Hills & Fleurieu - 0.010567 cents in the dollar

Council is required to forward the revenue raised to the state government and does not determine how the revenue is to be spent.

5.4 SERVICE RATES AND CHARGES

Council provides a Community Wastewater Management System (CWMS) to seven districts within the city. To fund the provision of this service council imposes a service charge to recover the cost to the council of establishing, operating, maintaining, improving and replacing infrastructure (taking into account depreciation of any assets and including future capital works).

5.4.1 WASTE AND MINOR TRADE WASTE

Council will recover the cost of this service through the imposition of a uniform service charge on each of the relevant assessments (including non-rateable land) for the disposal and treatment of residential waste and minor trade waste.

The CWMS service charges will be as follows for 2023–24:

- **occupied allotments - \$1237.52 per property unit**
- **vacant allotments - \$1237.52 per property unit**

In the case of a single residential household a 'Property Unit' will equal one. In the case of higher use properties (such as schools, hospitals and other multiple tenancy properties etc) an equivalent unit charge is calculated. In calculating property units council adheres to the LGA Community Wastewater Management Systems (CWMS) Code issued in April 2006.

CWMS Service Charges where Aerobic or Sand Filter systems are in use:

- Owners of aerobic or sand filters systems shall be entitled to a 50% remission on the annual charge provided they show evidence of an annual maintenance contract and have been issued with an exemption by an Environmental Health Officer. No new exemptions will be issue
- Owners of aerobic systems who do not show evidence of an annual maintenance contract and any property owners with a conventional subsurface disposal system who discharges effluent above ground or into stormwater systems intentionally or otherwise will be required to connect to the CWMS system immediately
- Connection to the system and/or the payment of the full connection fee shall be compulsory on the sale of an occupied property or the development of a vacant block.

For 2023–24 council will provide a rebate of **\$342.92** to assist with the transition to full cost recovery pricing requirements (Refer 5.3.7 above).

5.4.2 MAJOR TRADE WASTE

Council imposes a service charge or rate to recover the costs incurred by the council. This charge is for the disposal and treatment of major trade waste based on the nature and the level of usage of the service.

This service charge shall be set in compliance with our obligations under the Water Industry Act 2012 and related Price Determinations for Minor and Intermediate Retailers as determined by the Essential Services Commission of South Australia. Council will impose an annual service charge to recover the costs incurred by council for the disposal and treatment of major trade waste. This service charge to be calculated on either a per kilolitre basis or an annual amount (as negotiated with the customer). The service charge will be inclusive of the cost of service provision (based on the nature and the level of usage of the service), depreciation, return on assets plus other regulatory requirements.

5.5 BUILDING UPGRADE FINANCE

5.5.1 BUILDING UPGRADE FINANCE MECHANISM

Schedule 1B of the Act the Building Upgrade Finance (BUF) came into operation from August 2017. This legislation enables owners of existing commercial, industrial and agricultural buildings to access finance for environmental upgrades and heritage works from a lending institution that are repaid through a council-based rating mechanism. Under the BUF mechanism a council issues payment notices, collects repayments from building owners and passes the repayments onto financiers. The mechanism allows these owners to approach a financial institution to be the financier for the loan and participate in a BUF Agreement (BUA) through council which enables the loan to become a charge on the land under Schedule 1B of the Act.

Council approved participation in this optional scheme at its meeting of 30 January 2018.

5.5.2 BUILDING UPGRADE CHARGE

For each BUA accepted by Council the amount of the Quarterly Loan Repayment must be individually declared as a BUF Charge. Under Schedule 1B it also permits Council to delegate certain powers to the CEO.

At its meeting of 30 January 2018 Council resolved (in part): In exercise of the power contained in Section 44 of the Local Government Act 1999, hereby delegates Section 44(3a) of the Local Government Act 1999 to the person occupying the office of Chief Executive Officer, being the power to:

- enter into, or vary or terminate, a Building Upgrade Agreement
- declare and levy a Building Upgrade Charge under a Building Upgrade Agreement

As such, declaration of BUA Charges does not form part of the annual rates declaration process.

5.5.3 BUILDING UPGRADE AGREEMENT FEES

In resourcing and administering a BUA council will incur the costs of assessing and processing the application fee, initial setup costs, costs associated with quarterly administration, late payment administration and costs associated with any variation to the agreement.

Under Schedule 1B, Councils are able to set appropriate fees and charges to recover these costs from building owners. The BUA Fees were approved by Council on 20 March 2018 and now form part of the Fees and Charges Schedule and reviewed annually.

5.5.4 DEFAULT ON BUILDING UPGRADE AGREEMENT CHARGE

Under Section 11(1) of Schedule 1B it requires that council must use its best endeavours to recover a building upgrade charge in accordance with the terms of the BUA under which the charge is authorised. Where a building owner is in default of the agreement and charges fall into arrears they will be subject to recovery action as outlined in council's Building Upgrade Finance Enforcement Procedure.

Section 11(2) of Schedule 1B it also provides that a council is not liable for any failure by a building owner to pay a building upgrade charge and any such failure does not make the council liable to pay any outstanding amount to the finance provider.

5.6 PAYMENT OF RATES

Rates are payable by quarterly instalments which will be due on 1 September 2023, 1 December 2023, 1 March 2024 and 1 June 2024. The total outstanding balance of rates may be paid in full at any time.

5.6.1 PAYMENT METHODS

Council has determined that rates may be paid by the following methods (detailed on the back of the rate notice):

- Australia Post
- BPay
- Centrepay (Centrelink direct debit system)
- Council's 'Online Payments' system on www.onkapingacity.com
- Onkapinga Pay by Phone - 1300 276 468
- in person at Council offices during business hours

5.6.2 LATE PAYMENT OF RATES

Council is required to impose **penalties for late payments** in accordance with the provisions of Section 181(8) of the Act and relevant council procedures.

Fines and interest for late payment are levied in accordance with the provisions of Section 181(8) of the Act. These provisions are the only provisions available to council to ensure that all ratepayers pay promptly.

The Act provides that:

If an instalment of rates is not paid on or before the date on which it falls due:

(a) the instalment will be regarded as being in arrears

(b) a fine of two percent of the amount of the instalment is payable

(c) on the expiration of each full month from that date, interest of the prescribed percentage of the amount in arrears (including the amount of any previous unpaid fine and including interest from any previous month) accrues.

Any ratepayer who may, or is likely to, have trouble with meeting the standard instalments and due dates can contact council to discuss alternative payment arrangements. It should be noted that fines and interest are still levied in accordance with the Act under any payment arrangement.

Council will consider applications for remission 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.

5.6.3 APPLICATION OF PAYMENTS

Council is required to apply **rate payments in accordance with the provisions of Section 183 of the Act.**

Section 183 of the Act provides that when the council receives a payment in respect of rates, the council applies the money received as follows:

- first – to satisfy any costs awarded in connection with court proceedings
- second – to satisfy any interest imposed
- third – in payment of any fines imposed
- fourth – in payment of rates, in chronological order (starting with the oldest amount first).

5.6.4 RECOVERY OF OUTSTANDING RATES

In accordance with sound financial management principles, the Revenue Section will apply prudent debt management practices to Rate Debtors. This includes an on-going review of rates in arrears and following a systematic debt recovery approach.

Rates that remain in arrears for a period exceeding 30 days will be subject to recovery action in accordance with council's normal debt recovery procedures.

Section 184 of the Act provides that council may sell any property where any 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 if payment of the outstanding amount (by cash or bank cheque) is not received within one month. Except in extraordinary circumstances, council will enforce the sale of land for arrears of rates.

5.6.5 VALUATION OBJECTIONS

If a ratepayer is dissatisfied with a property valuation then an objection may be made to the State Valuation Office in writing, within 60 days of receiving notice of the valuation, explaining the basis for the objection – provided they have not:

- 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
- previously had an objection to the valuation considered by the State Valuation Office in the current financial year.

It should be noted that under the Valuation of Land Act 1971 the VG has the discretion to extend the allowable objection period where it can be shown there is reasonable cause.

Objections to valuations should be addressed to:

Valuation General

GPO Box 1354

Adelaide SA 5001

Email: OVGObjections@sa.gov.au

Telephone 1300 653 345

The City of Onkaparinga has no role in this process and it is important to note that the lodgement of an objection does not change the due date for payment of rates. Rates must be paid in accordance with the rate notice until otherwise notified by council.

5.6.6 LAND USE OBJECTIONS

If a ratepayer believes that a particular property has been wrongly 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. Council may exercise its discretion to extend the allowable objection period where it can be shown there is reasonable cause.

It is important to note that the lodgement of an objection does not change the due date for payment of rates. Rates must be paid in accordance with the rate notice until otherwise notified by council.

5.6.7 FIXED CHARGE OBJECTIONS

Where a ratepayer believes that they may be eligible for a reduction in the fixed charge applied to contiguous assessments, they must lodge their objection in writing to:

Chief Executive Officer
City of Onkaparinga
PO Box 1
Noarlunga Centre SA 5168

The objection must contain full details of the ownership, occupants (tenants), dates of any lease agreements and date of purchase for each assessment subject to objection. Rates must be paid in accordance with the Rate Notice until otherwise notified by council.

5.7 DISCLAIMER

In accordance with Section 171(5) of the Act, **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 they should raise the matter with council.

5.8 COMMUNITY ENGAGEMENT

In accordance with Council's desire to inform and involve the community, and in keeping with good practice, **a community engagement process will be undertaken annually** on the development of budget and rating processes and policy.

Community engagement is undertaken when developing the annual budget and rating policies as part of the draft annual business plan to ensure that transparency of the process is maintained and to provide an avenue for the community to contribute their opinion.

6. Attachments

Attachment 1 – Application for Postponement of rates for seniors

Attachment 2 – Application for Rate Capping

7. Relevant legislation and references

Printed documents

Council policy, Rate Rebate Policy,

Council policy, Financial Hardship Policy (Rates)

City of Onkaparinga, Community Plan 2030

City of Onkaparinga, Long Term Financial Plan 2021-22 to 2030-31

LGA Annual Service charges for Community Wastewater Management Systems

City of Onkaparinga, Building Upgrade Finance Enforcement Procedure

Legislation

Local Government Act 1999

Landscape South Australia Act 2019

Valuation of Land Act 1971

Water Industry Act 2012

8. Further information

It is also available for inspection, downloading or printing from our website

www.onkaparingacity.com.au.