

# THE BAROSSA COUNCIL RATING POLICY



## 1. Purpose

- 1.1. The purpose of this Policy is to determine the annual setting and collection of rates against Rateable Land.

## 2. Scope

- 2.1. 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 allows Council to make a range of policy choices.
- 2.2. This policy includes references 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.

## 3. Policy Statement

### 3.1. Principles of Taxation

- 3.1.1. This Policy represents the Council's commitment to balancing the five main principles of taxation which are:
  - 3.1.1.1. Benefits received – services provided or resources consumed. Reliance on this principle suggests that, all other things being equal, a person who received more benefits should pay a higher share of tax.
  - 3.1.1.2. Capacity to pay – This principle suggests that a person who has less capacity to pay should pay less; and that persons of similar means should pay similar amounts.
  - 3.1.1.3. Administrative simplicity – This principle refers to the costs involved in applying and collecting the tax and how difficult it is to avoid.
  - 3.1.1.4. Economic efficiency - This refers to whether or not the tax distorts economic behaviour.
  - 3.1.1.5. Policy consistency - The principle that taxes should be internally consistent, and based on transparent, predictable rules that are understandable and acceptable to taxpayers.

### 3.2. Valuation of land for rating purposes - Section 151 of the Act

- 3.2.1. Council has adopted the Capital Value method as the basis for valuing land. Council considers that this method provided the fairest way to distribute the rate burden across all ratepayers on the following basis:
  - 3.2.1.1. The 'capacity to pay' principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers with greater means pay more tax than ratepayers of less wealth.

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- 3.2.1.2. Property value is a relatively good indicator of circumstance and wealth (when lifetime incomes, including incomes from capital gains, are taken into account). Capital Value, which closely approximates the market value for a property, provides the best indicator of overall property value.
- 3.2.1.3. Council adopts the valuations made by the State Valuation Office as provided to the Council each year (Section 167 of the Act).

### **3.3. Components of Rates**

#### **3.3.1. General Rates**

- 3.3.1.1. Council endorses the differential general rates by land-use based on the capital valuation of rateable properties. In accordance with Clause 14 (Differential factors) of the Local Government (General) Regulations 2013, the following categories of land use are utilised for rating purposes:

A – Residential  
 B – Commercial – Shop;  
 C – Commercial – Office;  
 D- Commercial – Other;  
 E- Industry – Light;  
 F- Industry Other;  
 G- Primary Production;  
 H – Vacant Land;  
 I – Other

- 3.3.1.2. The largest component of the rates is the component that is calculated by reference to the value of the land. Every year, the Council officially adopts the values provided by the Valuer General relating to all properties in the Council area. The Act allows Councils to declare rates that differ (ie higher or lower) based on the location of land, or the uses to which the land is put (residential, commercial, primary production, industrial, vacant, etc).

#### **3.3.2. Fixed Charge**

- 3.3.2.1. Council Imposes a fixed charge (applying equally) to all rateable properties pursuant to Section 152 of the Act.
- 3.3.2.2. Accordingly, to appropriately balance both the benefit and the capacity to pay principle, Council will limit the amount collected by a fixed charge to no more than 50 per cent of generated rate revenue. The amount of the fixed charge is clearly indicated on the rates notice.

#### **3.3.3. Service Rate or Charge**

##### **3.3.3.1. Community Wastewater Schemes (CWMS)**

- 3.3.3.1.1. Council will recover the cost of providing township based Community Wastewater Management Systems via:  
 A Service Charge; and  
 A Service Rate (to all rateable non-residential users).

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3.3.3.1.2. The Service Rate or Charge applied will include an appropriate provision to recover the cost of providing the CWMS service, the cost of risk, a return for the cost of capital and for the future replacement of CWMS infrastructure and equipment, pursuant to Section 155(5) of the Act.

#### **3.4. Waste Services**

- 3.4.1. Council provides waste collection services to service entitled properties. Council recovers the cost of providing a kerbside via a bin-based Service Charge levied pursuant to Section 155 of the Act. The waste collection services provided are Refuse, Recycling and Green Organics.
- 3.4.2. Mandatory Waste services - whether permanently occupied or not and regardless of whether the service is required or utilised, a Refuse and Recycling services (townships also receive Green Organic as a mandatory service) is provided to all service entitled properties excluding properties identified in the Optional Waste Services section within this policy.
- 3.4.3. Optional Waste Services - The Recycling and General Waste service is an optional service only for commercial and light industry properties. The Green Organic services is optional for Commercial and Light Industry within the townships identified in the Waste Management Services Policy.

#### **3.5. Late payment**

- 3.5.1. Council will impose a penalty of a 2 percent fine on any late payment for rates (Section 181 (8) of the Act). This fine may be remitted (waived) in whole, or in part, at the Council's discretion.
- 3.5.2. A payment that continues to be late is then charged interest at the appropriate rate (which is adjusted by legislation each year) for each month it continues to be in arrears. This includes the amount of any previous unpaid fine and 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. Ratepayers will be given every opportunity to apply for rate relief via the Council's Hardship program.
- 3.5.3. When Council receives a partial payment of overdue rates, the Council must apply the money in the following order:
  - To satisfy any costs awarded in connection with court proceedings (if applicable);
  - To satisfy any interest costs;
  - In payment of any fines imposed; and
  - In payment of rates, in chronological order (starting with the oldest account first – Section 183 of the Act).

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### **3.6. Sale of Land for Non-Payment of Rates – Section 184 of the Act**

- 3.6.1. Council may sell any property where the rates have been in arrears for three years or more. Council is required to comply with the legislative requirements (Section 184 of the Act). including but not limited to:
  - 3.6.1.1. Notify the owner of the land of its intention to sell the land;
  - 3.6.1.2. Provide the owner with details of the outstanding amounts; and
  - 3.6.1.3. Advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month

### **3.7. Adoption of Rates**

- 3.7.1. The adoption of valuations and declaration of rates will occur after Council has adopted its Annual Budget and Business Plan for the financial year to which the rates relate, (pursuant to Section 153 (5) of the Act).
- 3.7.2. The adoption and declaration should occur on or before the July Council meeting each year. If required, Council can defer the adoption and declaration until 15 August if circumstances dictate.

### **3.8. Rate Payment Methods**

- 3.8.1. The following methods are provided for the payment of rates:

Payment over the counter in Nuriootpa, Angaston, Mount Pleasant and Lyndoch (cash, EFTPOS, cheque);  
Payment by mail;  
Payment at Australia Post outlets (either over the counter/phone/internet);  
Payment BPAY;  
Direct Deposit into Councils bank account (by exception);  
Payment via Council website;  
Payment via allocated EFT

#### **4. Supporting Processes and Documents**

- 4.1. Budget & Business Plan and Review Policy – TBCPOC4400
- 4.2. Budget & Business Plan and Review Process – TBCPOC4409
- 4.3. Rating Process – 18/19833
- 4.4. Sale of land for non-payment of rates process – 17/93908
- 4.5. Debt Recovery Process – 17/93908
- 4.6. Property Process – 21/1921
- 4.7. Journal Process – 20/15971
- 4.8. Rebate Process – 19/13326

#### **5. Related Policies**

- 5.1. Hardship Policy – 17/31104
- 5.2. Debt Recovery Policy – 15/24326
- 5.3. Budget and Business Plan review Policy – 14/36056
- 5.4. Funding Policy – 15/28475
- 5.5. Records Management Policy 17/83474

#### **6. Legislation and References**

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- 6.1. Local Government Act 1999
- 6.2. Chapter 10(Rates and Charges) of the Local Government Act 1999
- 6.3. Clause 14 (differentiating factors) of Local Government (General) Regulations 2013
- 6.4. Local Government Association of SA "Financial Sustainability" Information Paper 1
- 6.5. Local Government Association of SA "Financial Policies" Information Paper 18
- 6.6. Local Government Association of SA "Rating & Other Funding Policy Options" Information Paper 20
- 6.7. Instrument of Sub-delegation under the Local Government Act 1999

## **7. Review**

This Policy will be reviewed by [the Council / Document Control Officer] in consultation with the relevant stakeholders, within four (4) years or more frequently if legislation or Council's need changes.

## **8. Further Information**

- 8.1. This Policy is available on Council's website at [www.barossa.sa.gov.au](http://www.barossa.sa.gov.au). It can also be viewed electronically at Council's principal office at 43-51 Tanunda Road, Nuriootpa and all Council branches, during ordinary business hours. A copy of this Policy can be obtained at those venues upon payment of a fixed fee.
- 8.2. Complaints regarding this Policy or its application can be made to the Customer Service team on 8563 8444 or [barossa@barossa.sa.gov.au](mailto:barossa@barossa.sa.gov.au) at first instance, who will refer you to the most appropriate officer according to Council's Customer Service Policy (see clause 8.1 above for availability).

## **9. Document Control**

<b>Corporate Plan Link:</b>		6.2 Ensure that Council's policy and process frameworks are based on principles of sound governance and meet legislative requirements.	
		6.10 Embed a culture of continuous improvement across Council, with tools, processes and systems being used to achieve business efficiencies and customer service improvements.	
		6.16 Provide contemporary internal administrative and business support services in accordance with mandated legislative standards and good practice principles.	
<b>Document Owner:</b>	Chief Executive Officer	<b>Document Control Officer:</b>	Manager Financial Services
<b>Consultation Rating:</b>	A	<b>Audience:</b> External	<b>Next Review Date:</b> 21/06/2026
<b>Version history</b>			
<b>Version No.</b>	<b>Date</b>	<b>Description of Change</b>	
2.0	21/06/2022	Policy reviewed. Formatting changes and only minor changes made	

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1.0	21/07/2015	New Policy
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<b>10.</b>	<b>Definitions</b>
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The Act	Refers to the Local Government Act 1999
Capital Value	The value of the land and all of the improvements on the land
General Rates	Rates levied by the Council are a form of property-based taxation, and are not a fee for service. General Rates are used by Council to fund the delivery of services to the community.
Rateable Land	All land within a Council area, except for land specifically exempt ie Crown Land, Council occupied land and other land prescribed in Section 147 of the Act, is rateable.
Rating System	As defined by the Local Government Act 1999
Service Entitled Properties	Properties in Designated Waste Collection Areas (Township and Rural) along the Approved Waste Collection route as identified in the Waste Management Services Policy.
Service Rate or Charge	A fee for service, with the Service Rate or Charge being levied to recover the cost of providing the related activity from users of the service.

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