

COUNCIL POLICY

 <p>Adelaide Hills COUNCIL</p>	<h3 style="margin: 0;">RATING</h3>
--	------------------------------------

Policy Number:	FIN-02
Responsible Department(s):	Financial Services
Other Relevant Policies:	None
Relevant Procedure(s):	None
Relevant Legislation:	<i>Local Government Act 1999</i> <i>Valuation of Land Act 1971</i> <i>Landscape South Australia Act 2019</i> <i>Aged Care Act 1997 (Commonwealth)</i> <i>Community Housing Providers (National Law) (South Australia) Act 2013</i> <i>Community Titles Act 1996</i> <i>Education and Childrens Act 2019</i> <i>Health Care Act 2008</i>
Policies and Procedures Superseded by this policy on its Adoption:	Version 7.0 Rating Policy 28 June 2022, Item 12.2 1.11, 152/22
Adoption Authority:	Council
Date of Adoption:	27 June 2023
Effective From:	1 July 2023
Minute Reference for Adoption:	Council Resolution 173/23, Item 12.3, 1.11
Next Review:	June 2024

Version Control

Version No.	Date of Effect	Description of Change(s)	Approval
1.0	01/07/16	Update to Rating Policy, minor changes only	Council Res 122/16 28 June 2016 Item 14.9, 1.11
2.0	01/07/17	Update to Rating Policy, minor changes only	Council Res 130/17 27 June 2017 Item 14.3, 1.11
3.0	01/07/18	Update to Rating Policy, minor changes only	Council Res 138/18 26 June 2018 Item 12.3, 1.11
4.0	01/07/19	Update to Rating Policy Section 4.5 Rebates of Rates Update of Discretionary Rate Rebate Position	Council Res 156/19 25 June 2019 Item 12.2, 1.11
4.1	25/02/2020	Amendments to clause 3.10 to provide consistency with changes to Council Petitions Policy	Council - Res 47/20 25 Feb 2020
5.0	01/07/2020	Update to Rating Policy Section 4.3 Components of Rates Update to reflect change from NRM Levy to Regional Landscape Levy Section 4.6 Rate Relief Updated to highlight Council options available to address financial hardship	Council Res 124/20 30 June 2020 Item 7.1, 1.11
6.0	01/07/2021	Update to Rating Policy Section 4.4 Rates Capping Not apply a rates cap under Section 153(3) principal place of residence and replace with discretionary rate rebate under Section 166 (1) (l) for all land uses Section 4.5 Rebate of Rates Implement a Revaluation Relief Rebate Special Discretionary Rebate under Section 166 (1) (l) Section 6 Delegations Updated for discretionary rate rebate delegations	Council Res 123/21 22 June 2021 Item 12.6, 1.11
7.0	01/07/2022	Update to Rating Policy, minor changes Included renumbering of Sections	Council Res 152/22 28 June 2022 Item 12.2, 1.11
8.0	01/07/2023	Update to Rating Policy including: Section 9 Components of Rates Change in Rating Structure for Differential Rating Section 11 Rate Rebates Special Discretionary Rebate Section 166 (1)(l) changed to residential and primary production only Changes to Rate Rebates CWMS for Community Halls offering public toilet facilities Section 12 Rate Relief Minor changes to Senior Postponement Postponement of Rates on a long term basis section added	Council Res 173/23 27 June 2023 Item 12.3, 1.11

RATING POLICY

1. INTRODUCTION

Delivering services and facilities relies on the rates collected from ratepayers within a council's boundaries. Council rates are a form of property taxation, and as the main source of funding for councils, rates are essential in enabling council to deliver all the services and facilities that the community relies on.

Rates are administered by each council in line with the *Local Government Act 1999* (the Act) which allows council some flexibility to make decisions that suit its local community.

2. PURPOSE

The purpose of this policy is to outline Council's approach towards rating its community in line with the requirements of the *Local Government Act 1999* (SA) (the Act).

Section 123 of the Act 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.

3. DEFINITIONS

Act refers to the *Local Government Act 1999* (SA).

CADR refers to the cash advance debenture rate for that financial year.

Capital value refers to the value of the land including improvements.

Community need refers to those services and activities that are aligned to the achievement of one or more of Council's strategies resulting in a direct benefit to the residents of Adelaide Hills Council and a significant proportion of users are Adelaide Hills residents.

Council refers to the elected Council body.

CWMS refers to the Community Wastewater Management System within the Council area.

Disadvantaged persons refers to persons who are disadvantaged by reason of poverty, illness, frailty, or mental, intellectual or physical disability.

Differential 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.

Disadvantaged persons refers to persons who are disadvantaged by reason of poverty, illness, frailty, or mental, intellectual or physical disability.

Exemption refers to free from an obligation or liability to which others are subject to.

Fixed charge 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 a rate that applies to rateable land.

Prescribed percentage (P) is calculated as $P = \frac{\text{CADR} + 3\%}{12}$

Rebate refers to an amount paid by way of reduction, return or refund on what has already been paid or contributed.

Separate rate refers to a charge levied on ratepayers in addition to general rates and used to fund specific activities.

4. **POLICY STATEMENT**

Council's powers to raise rates are found in Chapter 10 of the Act which provides the framework within which the Council must operate, but also leaves room for the Council to make a range of policy choices.

At all times, the rating policy should be fair and equitable, recognising that all ratepayers have access to core goods and services and should contribute towards the costs.

This Council's policy directions are guided by the theme "A brighter future" and is central to achieving our vision for:

- A prosperous economy
- A functional built environment
- A valued natural environment
- Community wellbeing
- A progressive organisation

5. **PRINCIPLES OF TAXATION**

Rates are not fees for services. They constitute a system of taxation on the community for Local Government purposes.

This Policy represents the Council's commitment to balancing the five main principles of taxation with the need to raise revenue for the purpose of providing the goods and services the community requires.

Benefits received – ratepayers who receive more benefits (services provided, or resources consumed) should pay a higher share of tax.

Capacity to Pay – a ratepayer who has less capacity to pay should pay less, and ratepayers of similar means should pay similar amounts.

Administrative simplicity – minimal costs are involved in applying and collecting the tax and the tax is difficult to avoid.

Economic efficiency – whether or not the tax distorts economic behaviour.

Policy consistency – the tax should be internally consistent, and based on transparent, predictable rules that are easily understood and accepted by ratepayers.

In applying these principles, any decision with respect to rating should consider:

- the financial effects of the decisions made today on the future generations of tomorrow.
- the achievement of Council's policy outcomes as referenced in Council's adopted policies.

A Council's operating deficit implies that today's ratepayers are paying less than the cost of the services they are consuming, and this is inequitable to the ratepayers of the future.

6. VALUATION OF LAND

Council is permitted to adopt one of 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 the land excluding structural improvements.
- **Annual Value** – the value of the rental potential of the property.

The Council has adopted the use of capital value as the basis for valuing land. Council considers that this method provides the fairest way to distribute the rates burden across all ratepayers on the following basis:

- the 'capacity to pay' 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;
- the 'property value' is a relatively good indicator of wealth (when lifetime incomes, including incomes from capital gains, are taken into account). Capital value approximates the market value of a property and provides the best indicator of overall property value.

Council does not determine property valuations but chooses to exercise the right under Section 167 of the Act to adopt the capital valuations as assessed by the Valuer-General through the State Valuation Office.

7. OBJECTIONS TO VALUATION

Ratepayers who wish to dispute the valuation of their property may lodge an objection in writing to the Valuer-General within 60 days after the date of service of the first rates notice.

The Valuer-General may extend the 60 day objection period where it can be shown there is reasonable cause to do so by the person making the objection.

Council plays no role in the objection process. It is important to note that the lodgement of an objection to the valuation does not change the due date for the payment of rates.

8. EXEMPTIONS

Council's practice is to identify and value all land in the council area. Once identified, each separate piece of land is assessed for rateability. Section 147 of the Act specifies those types of property which will be exempt from council rates.

- Crown Land – public properties used or held by the Crown for a public purpose,
- University Land – properties occupied by a University,
- Recreation Grounds – properties satisfying the criteria set out in the *Recreation Grounds Rates and Taxes Exemption Act 1981*,
- Council Land – public properties occupied or held by the Council,
- Emergency Services – properties satisfying the criteria set out in the *Fire and Emergency Services Act 2005*,
- Another Act – properties specifically exempt from council rates by virtue of another Act (either Commonwealth or State).

Council is mindful that wherever properties become exempt from paying council rates, or where a rebate is applied, those rates foregone must be contributed by the rest of the ratepayer community.

The principles of equity dictate that Council remains diligent in only awarding exemptions where they are warranted.

It is Council's practice to adopt valuations for all exempt properties. Where an exempt property becomes rateable part way through the financial year, rates will be calculated and recovered.

9. COMPONENTS OF RATES

Fixed Charge or Minimum Rate

Council has discretion to apply either (but not both):

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

Adelaide Hills Council will apply a fixed charge this financial year as in previous years.

Council considers a fixed charge to be the most fair and equitable means of ensuring that all ratepayers contribute equally to the administration of council's services and the development and maintenance of the community's infrastructure.

In addition, the fixed charge provides a mechanism to adjust the rates contributions across high and low valued properties. This redresses the balance and equity of the rates system.

Council is unable to raise more than 50% of total rate revenue by the imposition of a fixed charge component of general rates as per Section 151(10) of the Act.

Differential Rating

The largest component of rates levied is calculated by reference to the value of property. Property values reflect, among other things, the relative availability of, and access to council services. This applies to all types of land use, and to land in all locations.

The Act allows Council to 'differentiate' rates based on the use of the land, locality of the land, the use and locality of the land or on some other basis determined by Council.

The Council is proposing that differential rates be applied to all rateable properties based on their predominant land use. This is a change in rating structure from previous years where Council had a separate higher differential rate for Commercial and Industrial that was based on the differential rate for Residential, Primary Production, Vacant Land and Other land uses. This change to differentially rate each land use separately will allow Council to ensure that the proposed average rate increase for existing ratepayers is consistent across all land uses before other factors relating to the cost of services for individual land uses are considered.

In formulating the rating structure, Council has considered issues of consistency and comparability of other Councils and across council areas in the imposition of rates on various sectors of the business and wider community. Currently Council's average residential rate is high by comparison to other Councils whereas the average commercial, industrial and vacant rate is low. As a result Council proposes phasing in higher differential rates in relation to Commercial, Industrial and Vacant Land land use categories across a three year period.

The percentage of total rate revenue required from each land use category will be used to determine the rate in the dollar (differential rate) for each category.

Definitions of the use of the land are prescribed by regulation and are categorised as:

- Residential
- Commercial – Shop
- Commercial – Office
- Commercial - Other
- Industrial – Light
- Industrial - Other
- Primary Production
- Vacant Land
- Other

In accordance with Section 148 of the Act, Council assesses any piece or section of land subject to separate ownership or separate occupation.

If a ratepayer believes that a particular property has been wrongly classified as to its land use, then an objection may be made with Council.

Commercial and Industrial Light Differential Rate

It is proposed that those properties categorised as commercial or industrial light will pay a higher differential rate in the dollar than residential with the increase of 35% relative to the current differential rate to be phased in over three years.

Council has considered the higher amount payable by the commercial and industrial light sectors with reference to the commercial and industrial light differential rates of other councils, costs of the economic development function as well as the services and activities that the sector does not regularly use.

Industrial Other Differential Rate

It is proposed that those properties categorised as Industrial Other will pay a higher differential rate in the dollar than residential with an increase of 60% relative to the current differential rate to be phased in equally over three years.

Council has considered the higher amount payable by the Industrial Other land use with reference to the industrial differential rates of other councils, costs of the economic development function, increased environmental impact as well as the higher impact on Council infrastructure.

Vacant Land (within townships) Differential Rate

It is proposed that those properties categorised as Vacant Land within township zones as defined by Council will pay a higher differential rate in the dollar than residential with an increase of 30% relative to the current differential rate to be phased in equally over three years.

Council has considered the higher amount payable by Vacant Land within township zones with reference to the vacant land differential rates of other councils and discouraging ratepayers from long-term speculating (seeking future commercial gains) rather than developing the land for the benefit of the whole community.

Separate Rate

Under Section 154 of the Act, a Council may declare a separate rate on rateable land within a part of the area of the council for the purpose of planning, carrying out, making available, supporting, maintaining or improving an activity that is, or is intended to be, of particular benefit to the land, or the occupiers of the land, within that part of the area, or to visitors to that part of the area.

Council has determined that the use of the separate rate provisions of the Act will be limited to the use of a separate rate for:

- Marketing and promoting the Stirling Business Area
- Sealing of Verrall Road, Upper Hermitage
- Recovery of the funding requirements of the Hills Fleurieu Regional Landscape Board

Stirling Business Separate Rate

A separate rate for businesses in Stirling will be applied to carry out the activity of promoting and enhancing business viability, profitability, trade and commerce within the zone.

This rate is levied on all properties within the precinct known as the Stirling Suburban Mainstreet Zone, as defined, excluding land attributed a land use category (residential) and government owned land.

Council also sets a maximum amount ('top') and a minimum amount ('tail') per property each financial year for this separate rate with the top and tail adjusted each year with reference to the Consumer Price Index.

The amount raised is distributed to the Stirling Business Association to promote Stirling as a destination, the 'Gateway to the Hills'.

Verrall Road Separate Rate

A separate rate for Verrall Road, Upper Hermitage at a value of \$858 will be applied for a period of 10 years to 2023-24. As such, this is the last year that the Verrall Separate Rate will be levied.

This rate provides for the sealing of the northern end of the road in 2014-15 and is levied on all properties that use that section of road.

Regional Landscape Levy

On 1 July 2020, the *Landscape South Australia Act 2019* came into effect replacing the former *Natural Resources Management Act 2004*. Natural Resource Management (NRM) levies have been replaced with Regional Landscape (RL) levies.

The levy helps to fund the operations of regional landscape boards that have responsibility for the management of the State's natural resources. These responsibilities include regional landscape planning, water allocation planning, community capacity building, education and compliance activities.

The Regional Landscape (RL) Levy is a state tax paid by all ratepayers and is collected on behalf of the Hills and Fleurieu Regional Landscape Board by the Department for Environment and Water who will invoice council quarterly for the respective share of the levy.

The levy applies to all rateable land in the council area and is fixed and calculated to raise exactly the same amount as the council's share to be contributed.

Community Wastewater Management System

Council provides Community Wastewater Management Systems (CWMS) to some areas within the council district. Under Section 155 of the Act, the treatment or provision of water, is a prescribed service.

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 the infrastructure in its area (including future capital works and depreciation of any assets).

Annually, an independent consultant is engaged to provide a review of:

- Council's compliance with the Essential Services Commission' (ESCOSA) Minor to Intermediate Retailers Price Determination and the National Water Initiative (NWI) Pricing Principles,
- The pricing model for future CWMS price setting.

This review includes the annual service charge for both occupied and vacant properties.

10. MAXIMUM INCREASE IN GENERAL RATES CHARGES

Council's valuations used for rating purposes are undertaken by the Office of the Valuer-General.

In terms of legislation, Section 153(3) of the Act requires a council to decide each year whether to apply a maximum rate increase to a ratepayer's principal place of residence.

As Council considers that rate relief is required across some land uses and therefore more than a ratepayer's principal place of residence, Council will not apply a maximum under Section 153(3) but rather maintain a discretionary rate rebate under Section 166 (1) (l) as referenced below.

11. RATE REBATES

The Act provides for ratepayers to apply for a mandatory and/or discretionary rebate on council rates as follows:

Mandatory rebates

A rebate of rates will be granted to ratepayers who satisfy the eligibility criteria for a mandatory rebate under Section 159 to Section 165 of the Act.

A 100% rebate must be applied to land used for:

- Health services
- Religious purposes
- Public cemeteries
- The Royal Zoological Society.

A 75% rebate must be applied to land used by:

- Community services
- Educational purposes.

Where a "community services organisation" is eligible for the mandatory rebate, and Council has declared a distinct residential rate, then the residential rate must be applied to the land to which the rebate applies in accordance with Section 161(2) of the Act.

Where the Council is satisfied from its own records, or from other sources, that a person or body meets the necessary criteria for a mandatory rate rebate, the Council will grant the rebate accordingly.

Where the Council is not satisfied based upon the information in its possession or otherwise does not hold relevant information it will require the person or body to lodge an application form with such information as stipulated and any other information that the Council may reasonably require.

Applicants who satisfy the criteria for a mandatory rebate will be granted the rebate at any time provided the application is lodged prior to 30 June of the rating year and entitlement to the rebate existed at 1 July of the rating year.

Council will confirm the continuation of a person or body's eligibility for a mandatory rebate on a regular basis (at least biennially) to ensure that rebates are only granted where they are warranted.

This will require the relevant person or body to lodge another application form with such information as stipulated and any other information that the Council may reasonably require to confirm the continuation of eligibility.

Where applications do not meet the eligibility criteria for a mandatory rebate, an applicant may apply for a rebate of rates under the discretionary rebate criteria.

Discretionary rebates

As identified in Section 166 of the Act, Council may grant a discretionary rebate of rates up to and including 100% of the relevant rates under a number of criteria and for a period not exceeding the timeframes.

Having considered this, Council is of the view that except in very specific circumstances outlined below, the maximum discretionary rebate should be 75% to ensure ratepayers contribute an amount towards basic service provision.

Section 166 covers a large number of different rebate categories, referred to as cases in the Act. Council in determining its rates structure has considered the following cases are relevant in setting its policy position.

Assisting or supporting a business in its area.

Council has determined pursuant to Section 166(1)(b) that those primary production properties genuinely in the business of primary production but not benefitting from a notional capital value for their property can apply for a 10% rebate on the differential rate.

Council considers this primary production rebate as part of its Annual Business Plan and Budget process.

As this rebate was implemented in 2008-09 to address the removal of a primary production differential rate, it is considered that this rebate should continue to be made to those ratepayers in the business of primary production who do not have a notional capital value assessment of their property and who have applied for and been granted this rebate in the previous year.

Community Service or Need or Disadvantaged Persons

Section 166(1) identifies a number of discretionary rebates of rates made under Section 166(1)(d) to (j) covering activities linked to community services, need or assistance or relief to disadvantaged persons.

Council has determined that applications in relation to those rebates identified under Section 166(1) should be brought to Council for decision and also that Council would receive a listing of these discretionary rate rebates for the next rating period annually.

Council in accordance with Section 166(1) will take the following matters into account in deciding whether to grant a discretionary rebate for land uses covered by Section 166 (1) (d to j):

- (a) the nature and extent of Council services provided in respect of the land for which the rebate is sought in comparison to similar services provided elsewhere in the Council's area; and
- (b) the community need that is being met by activities carried out on the land for which the rebate is sought; and
- (c) the extent to which activities carried out on the land for which the rebate is sought provides assistance or relief to disadvantaged persons and
- (d) specific policy positions considered relevant by Council.

Council's specific policy positions to meet discretionary rate rebates eligibility are as follows:

- An organisation needs to meet one of the criteria listed under Section 166 d) to j).
- An organisation needs to be not-for-profit.
- A rebate of 100% will only be granted where a community organisation seeking a rebate provides a service that would be required to be provided by Council if not undertaken by the organisation.
- A rebate of 75% will be granted if the organisation provides a community service that supports the disadvantaged or sections of the community that require assistance, as defined,
- Where an organisation does not meet the above criteria, it is still eligible for a 75% rebate where it meets all of the following criteria:
 - limited capacity to raise funds;
 - meets a "community need", as defined; and
 - undertakes services and activities that are not primarily the responsibility of Federal or State Government.

Special Discretionary Rebate

Council can use a discretionary rate rebate to address properties with substantial valuation increases under Section 166 (1)(l) of the Act where the rebate is considered by the Council to be appropriate to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to:

- (i) a redistribution of the rates burden within the community arising from a change to the basis or structure of the council's rates; or
- (ii) a change to the basis on which land is valued for the purpose of rating, rapid changes in valuations, or anomalies in valuations.

Council has determined that a rebate will be applied to cap any increase in the general rates payable at 15% subject to specific criteria:

- The rebate applies to only residential and primary production land use categories.
- The rebate will be automatically applied to eligible assessments in order to minimise the administrative effort required.
- Adjusting the exclusion of change of ownership properties (excluding family transfers) to those properties sold after 30 June 2022.

The rebate will not apply where the increase in rates payable is the result of:

- An increase in valuation relating to new development, alteration or improvement made to the property since the 2022-23 valuation being those properties with a valuation change as a result of a Revisit Growth, Creation or Cancellation as defined by the Valuer-General (regardless of when the development was undertaken), unless the ratepayer is located within the Cudlee Creek bushfire scar or the January 2021 Cherry Gardens Bushfire scar as determined by Council or,
- Where there has been a change in land use of the property or,
- A change in ownership or licence to occupy during the previous financial year.

A capital improvement includes any addition, alteration or new development on the property.

As per the Act, a rebate may be granted for a period exceeding one year, but not exceeding three years. After three years, the rebate will be removed and the rates payable will reset to levels that would ordinarily apply in the absence of the rebate.

All Discretionary Rate Rebates

Persons who, or bodies which, seek a discretionary rebate will be required to submit an application form to the Council and provide the necessary supporting documentation.

All persons who or bodies which wish to apply to the council for a discretionary rebate of rates must do so on or before 30 April prior to the rating year unless the application is a result of a change in eligibility for a mandatory rebate or rate exemption.

In those circumstances where an application relates to a change in rebate/rate exemption in a relevant rating year, then the application will be applied for the full rating year if received within 2 months of the change in rebate/exemption being advised. The Council reserves the right to refuse to consider applications received after the specified date.

Persons or bodies who previously received a discretionary rebate greater than 75% may apply for a phasing in period (up to 2 years) in circumstances where the above change impacts significantly on the persons or bodies' financial capacity. In these circumstances, an application will be considered if received within 2 months of the change in rebate being advised. The Council reserves the right to refuse to consider applications received after the specified date.

Where there is no maximum timeframe specified for a rebate provided under Section 166, Council will grant a discretionary rebate to the last rating period commencing within a Council term to allow for a regular review of discretionary rate rebates.

A summary of all discretionary rebates applied for under Section 166 (1) (d) to (j), including whether they have been successful or not and the associated reasons will be reported to Council on an annual basis.

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. The principles of equity dictate that Council remains diligent in only awarding rebates and exemptions where they are warranted.

If a ratepayer wishes to apply for a discretionary rate rebate, they may apply by contacting the Council's Rate Administrator.

CWMS Service Charges

Council's CWMS service charges are set 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). As such, no rebates are provided by Council except for the very limited circumstances where the CWMS service charge relates to toilets used by the general public for Community Halls. In these circumstances a 100% rebate will be granted upon application.

All rebates

If an entitlement to a rebate ceases or no longer applies during the course of a financial year, council will recover rates proportionate to the remaining part of the financial year.

If a person or body has the benefit of a rebate of rates and the grounds on which the rebate has been granted cease to exist, the person or body must immediately inform the Council of that fact and (whether or not the Council is so informed) the entitlement to a rebate ceases. If a person or body fails to do so that person or body is guilty of an offence.

The Council will, in writing, advise an applicant for the rebate of its determination of that application. The advice will state:

- if the application has been granted, the amount of the rebate; or
- if the application has not been granted, the reasons why.

Any person or body who is aggrieved by a determination of the delegated officer in respect of an application for a rebate may seek a review of that decision in accordance with Council's Internal Review of Council Decisions Policy.

Single Farming Enterprise

The Local Government Act 1999 provides that "if two or more pieces of rateable land within the area of the Council constitute a single farm enterprise, only one fixed charge may be imposed against the whole of the land".

A Single Farm Enterprise is defined in the Local Government Act -

"A reference to a single farm enterprise is a reference to two or more pieces of rateable land

(a) which –

*(i) are farm land; and
(ii) are farmed as a single enterprise; and
(iii) are occupied by the same person or persons,
whether or not the pieces of land are contiguous; or*

(b) which –

*(i) as to all the pieces except one, are farm land farmed as a single enterprise occupied by the same person or persons; and
(ii) as to one piece contiguous with at least one of the other pieces, is the principal place of residence of that person or one of those persons."*

In effect, this means that land can be recognised as a "single farming enterprise" and not attract a fixed charge to each of the assessments, provided:

- that if the occupier of all the land concerned is the same person, (this means that if there is a house being occupied that is not the principal place of residence, it cannot be part of the single farm enterprise)
- all of the land is used to carry on the business of primary production, and
- managed as a single unit for that purpose,

Primary producers can apply to the Council for the 'single farming enterprise' provisions of the Local Government Act.

Ratepayers should also be aware that if the grounds on which they have applied for a single farm enterprise cease to exist, the person or body who have the benefit of the provisions must immediately inform the Council of the fact.

12. RATE RELIEF

Council applies rate remissions and postponement in accordance with the Act.

Senior Postponement

In accordance with Section 182A of the Act, eligible Seniors Card holders can apply to postpone any part or all of their annual council rates in excess of \$500 on a long-term basis. The deferred amount is subject to a monthly interest charge, with the accrued debt being payable on the transfer or sale of the property. In addition, and pursuant to Section 182A(3)(b) of the Act, Council may consider—where financial hardship provisions apply—an applicant's request to include a postponement of the payment of arrears rates if they are eligible for Seniors Postponement.

Postponement is similar to a reverse mortgage by relying on the equity in the property. A ratepayer who has a Seniors Card may apply for a postponement on the property they own if it is their principal place of residence and if no other person, other than their spouse/partner has an interest as owner of the property and there is sufficient equity available.

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

However, some, or all of the debt outstanding may be paid at any time at owner's discretion.

Financial Hardship

Ratepayers who are suffering financial hardship should contact Council's Rates Administrator to discuss the matter. All enquiries are treated confidentially and any application will be considered on its merits. Options to address financial hardship can include:

Flexible payment options

In addition to quarterly instalments, ratepayers can arrange with Council to pay their rates weekly, fortnightly or monthly to provide for a smaller, more regular payment option via BPAY, phone or internet.

Waiving of Fines and Interest

When a ratepayer has committed to a payment plan and adheres to a regular payment, Council may consider the waiving of fines and interest.

Discretionary Postponement of Rates for a Period

A ratepayer may apply to council to postpone the payment of rates in whole, or in part for a period of time. Any such application must be made in writing and outline the reasons why postponement is requested.

Postponement enables ratepayers to defer payment of rates until such time as the property is sold or their circumstances change. Discretionary postponements are only intended to provide temporary, flexible support to those experiencing hardship.

If a postponement is granted, council may consider the waiving of fines and interest for the same period.

As postponement may only delay financial hardship for a period of time, options involving a regular payment plan are more likely to be beneficial for ratepayers to assist in reducing rates balances outstanding over time.

Postponement of Rates on a long term basis

Under Section 182 of the Local Government Act a council may also consider the postponement of rates on a long-term basis with the accrued debt being payable on the transfer or sale of the property or any other conditions as determined by the council. Such a postponement may, if the council thinks fit, be granted on condition that the ratepayer pay interest on the amount affected by the postponement at a rate fixed by the council (but not exceeding the cash advance debenture rate).

As such Council will consider postponement of rates on a long term basis in the rare circumstances where a ratepayer has demonstrated serious and long term hardship and where there is no chance of improvement in the ratepayers' financial circumstances. Any such application must be made in writing and will require the ratepayer to undertake financial counselling as part of the application process. If granted, Council may require regular financial counselling to confirm that the ratepayers' financial circumstances has not changed.

Remission of rates

Council has the discretion to partially or wholly remit (i.e. waive) rates on the basis of hardship.

Council has a charge over the land under Section 177 of the Act and therefore is likely to be able to recover rates outstanding upon sale. The granting of a remission forgoes this right and therefore is only considered as an option in circumstances where the ratepayer has demonstrated serious and long term hardship and where there is no chance of improvement in the ratepayers' financial circumstances.

Consideration must also be given to the tax burden redistribution effect on other rate payers of any remission.

For these reasons, and given the importance of ensuring fairness to other ratepayers, remission will only be considered as a last resort and only where there is no chance of improvement in the ratepayer's financial circumstances. As such, it is likely that postponement of payment of rates due to hardship has been occurred for some period to confirm the permanency of the ratepayer's situation.

13. PAYMENT OF RATES

Rates are declared annually, and may be paid, at your discretion, either in one lump sum, or in quarterly instalments that fall due in September, December, March and June.

14. LATE PAYMENT OF RATES

Council has determined that penalties for late payments will be imposed in accordance with the provisions of S181(8) of the Act.

Fines and interest for late payment are levied in accordance with the provisions of S181(8) and S181(17) of the Act.

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

- the instalment will be regarded as being in arrears
- a fine of 2% of the amount of the instalment is payable
- 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 interest from any previous month) accrues.

Council may take legal action to recover any overdue amounts, fines and interest.

If an amount payable by way of rates in respect of land has been in arrears for three or more years, Council may sell the land in accordance with Section 184 of the Act.

When Council receives a payment in respect of overdue rates Council applies 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).

15. NON- PAYMENT OF RATES

A separate Debt Recovery Policy has been adopted by Council and is available for review on the Adelaide Hills Council website.

It should be noted that under Section 184(1) of the Act, if an amount payable by way of rates has been in arrears for three years or more the council may sell the property.

16. CONTACTING COUNCIL'S RATES ADMINISTRATOR

If you believe that Council has failed to properly apply this policy, you should contact the Council's Rates Administrator to discuss the matter.

If you are still dissatisfied then you should write to the Council's Chief Executive Officer at PO Box 44, Woodside SA 5244.

For further information, queries, or to lodge an application for a rate rebate, rate postponement or remission please contact the Council's Rates Administrator on:

Phone: 8408 0400
E-mail: mail@ahc.sa.gov.au
Post: PO Box 44, Woodside SA 5244

17. DELEGATIONS

As highlighted in this policy, Council has determined a policy position in relation to discretionary rates pursuant to Section 166(1) (b) relating to a primary production rebate and a revaluation relief special discretionary rate rebate under Section 166 (1)(l) of the Act to reduce the impact of significant valuation changes for 2023-24.

These policy positions and the application of the relevant rebates will be actioned accordingly by the Administration under delegation as part of the rates generation process where Council considers that the ratepayer meets the eligibility criteria or upon receipt of an application from the ratepayer.

The delegation for discretionary rate rebates as identified in Section 166 (1a) covering a number of discretionary rebates of rates made under Section 166(1)(d) to (j) relating to activities linked to community services or community need or assistance or relief to disadvantaged persons has not been delegated by Council and as such these applications will be brought to Council for decision.

The Chief Executive Officer has the delegation to:

- Approve, amend and review any procedures that shall be consistent with this Policy; and
- Make any formatting, nomenclature or other minor changes to the Policy during the period of its currency.

18. AVAILABILITY OF THE POLICY

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

Appendix 1

Fixed Charge

Under the *Local Government Act 1999* (the Act), Council has some mechanisms available to enable all ratepayers to contribute more equitably to the administration of Council's services and the development and maintenance of the community's infrastructure. Council considers a fixed charge (applying equally to all rateable properties) to be the most fair and equitable means of achieving this.

The Council is unable to raise more than 50% of total rate revenue by the imposition of a fixed charge component of general rates as per Section 151(10) of the Act.

Council has applied the following fixed charges across recent years as part of the total rate levied against an assessment:

Financial Year	Fixed Charge	Increase from Previous Year	% of General Rate Revenue
2023-24	\$784	6.90%	31.3%
2022-23	\$733	4.90%	31.5%
2021-22	\$699	2.50%	31.5%
2020-21	\$682	2.95%	31.9%
2019-20	\$662	2.8% + \$10	32.0%
2018-19	\$634	3.3%	31.8%
2017-18	\$613.50	2.25%	31.8%
2016-17	\$600		31.8%