

Policy Name:	Strategic Rating Policy
Classification:	Council Policy
Adopted:	23 June 2025
Frequency of Review:	Annual
Last Review:	May 2025
Next Review Due:	May 2026
Responsible Officer(s):	Executive Manager Finance & Corporate Governance
Policy and Code of Practice Manual File Ref:	CC10/2601
Council File Reference:	CR24/30241
Legislation Authority:	Local Government Act 1999
Related Policies and Codes:	N/A
Related Procedures:	N/A

1 PURPOSE

- 1.1 The purpose of this policy is to provide policy direction relating to the formulation and composition of annual Rates and Service Charges applied pursuant to Chapter 10 (Rates and Charges) of the *Local Government Act 1999*.
- 1.2 An explicit set of policies and procedures is a necessary tool for sound financial management providing the following benefits:
- (a) **Public accountability and transparency** – Policies and procedures publicly document the Council's position on which it will base its decisions. They demonstrate the Council's commitment to sound financial management and establish transparency for audit purposes.
 - (b) **Ensuring a considered approach** – The formal adoption of carefully documented policies and procedures helps ensure that the Council's position on each issue has been properly considered, having regard to alternative approaches and the wider policy and statutory context.
 - (c) **Consistency of decision making** – By adopting clear Council policies and procedures a consistent basis for decision-making over time is established. While the Council can make a decision contrary to its adopted policy, it needs a deliberate decision to do so which helps to ensure that proper consideration has been applied.
 - (d) **Clear guidance for staff** – Explicit policies and procedures set out the required approach responsibilities and processes for staff to properly administer the financial business of the Council in accordance with its wishes and consistent with statutory requirements and sound financial management practices. This in turn protects staff from allegations of financial mismanagement as long as the policies and procedures are followed.

2 DEFINITIONS

- 2.1 **Rateable Land** is all land within a Council area, except for land specifically exempt (e.g. crown land, Council occupied land and other land prescribed in Section 147 of the *Local Government Act 1999*).
- 2.2 **General Rates** levied by the Council are a form of property-based taxation and not a fee for service. General Rates are used by Council to fund the delivery of services to the community.
- 2.3 **Service Rates and Charges** are rates or charges levied to recover the cost of Council providing a specific related activity or service.

3 POLICY

3.1 Property Valuations

3.1.1 The Council uses capital value as the basis for valuing land within the Council area. The Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- (a) The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth.
- (b) Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property, provides the best indicator of overall property value.

3.1.2 The Council will adopt the valuations made by the Office of the Valuer-General on an annual basis.

3.2 General Rates

3.2.1 General Rates

Council endorses differential general rates by land-use, based on the capital valuation of rateable properties. In accordance with the Regulation 14 (Differentiating factors) of the *Local Government (General) Regulations 2013*, the following land use codes 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

- 3.2.1.1 Council will determine a base general rate. Percentage loadings (on the base general rate) will then apply on commercial and industrial land use categories and vacant land use category.

The percentage loadings are applied in recognition of the following factors:

- (a) A differential rate above the base General Rate will apply on all vacant land properties as a disincentive towards land banking.
 - (b) A differential rate above the base General Rate will apply on all Commercial and Industrial properties in consideration of the following factors:
 - i. Valuation methods involved within capital compared to site value
 - ii. Overall service levels related to infrastructure maintenance and Council services
 - iii. Tax deductibility
 - iv. Relative rates in neighboring Councils
 - v. Other relevant factors.
 - (c) Pursuant to Section 158 of the Act, in recognition of enhanced economies of scale and capacity to pay for large high-valued businesses and to act as an economic stimulus in support of small low valued businesses, the differential rate loadings for Commercial and Industrial properties will be applied on a progressive taxation basis, based on various valuation ranges determined by Council.
- 3.2.1.2 Differential rate loadings applied will be reviewed annually by the Council prior to adoption of annual General Rates.
- 3.2.1.3 Additionally, Council may specifically determine to amend the distribution of general rate revenue due to the following factors:
- (a) where the Council may elect to increase the revenue collected from a specific land use sector in recognition of the disproportionate impact such sector has on Council's expenditure; or
 - (b) where the Council may elect to provide rate relief to a certain land use sector in recognition of specific economic and financial hardship being experienced within the sector.
- 3.2.1.4 Should Council elect to redistribute general rate revenue due to either of the above two factors, Council will invite and consider public submissions (in accordance with its *Public Consultation Policy*) prior to adoption.
- 3.2.1.5 Instances where either of the above occur will result in an adjustment of the proportion of general rate revenue collected from other land use sectors.

3.2.2 Minimum Rate

- 3.2.2.1 In accordance with Section 158 of the Act, Council will apply a minimum rate on rateable property. The minimum rate represents the base level contribution towards the day-to-day operations of the Council.

- 3.2.2.2 The minimum rate set by Council will be reviewed on an annual basis.
- 3.2.2.3 The ratio of minimum rate over the total number of properties will be within the legislated maximum of 35%.

3.3 Separate Rates

- 3.3.1 The Council, pursuant to Section 154 of the *Local Government Act 1999*, may levy a separate rate.
- 3.3.2 Section 154(1) of the Act states that 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.
- 3.3.3 Should Council wish to consider the introduction of a separate rate it will invite and consider public submissions (in accordance with its *Public Consultation Policy*) prior to adoption.

3.3.4 Business Development Separate Rate (Town Centre and Non-Town Centre)

This separate rate is levied against commercial and industrial properties for the purpose of developing and promoting business. The funds generated may be applied to the Gawler Business Development Group and to fund economic development initiatives.

A higher proportion of the funds generated from the Separate Rate are sourced from properties within the Town Centre (refer Appendix 1), in recognition of additional services provided to such properties from the Gawler Business Development Group.

The funding split between Town Centre and Non-Town Centre properties will be reviewed on an annual basis.

3.3.5 Gawler East Separate Rates (Transport, Community, and Traffic Interventions infrastructure)

These proportional separate rates are levied for the purpose of securing developer contributions towards construction of the Gawler East Link Road, community infrastructure, and traffic interventions infrastructure which will be of direct benefit to the land and occupiers of the land within the Gawler East Development Area.

The application of the separate rates is done pursuant to Council's *Gawler East Development – Infrastructure Funding Policy*.

The properties levied these separate rates are outlined in Appendix 2.

3.3.6 Regional Landscape Levy

The Regional Landscape Levy is a State Government tax. Under the *Landscape South Australia Act 2019*, councils are required to collect this levy on all rateable properties on behalf of the State Government

The amount to be collected is via a separate rate levied as the Regional Landscape Levy. The Council is acting as a revenue collector and as such does not retain this revenue. Revenue collected is forwarded through to the Northern & Yorke Peninsula Landscape Board.

3.4 Rate Rebates

- 3.4.1 Discretionary rate rebates provided will be reviewed by Council on an annual basis (for application from the following financial year) and mandatory rebates will be provided in accordance with the relevant provisions of the *Local Government Act 1999*.
- 3.4.2 Requests for additional discretionary rate rebates (ie over and above those approved by Council each year) shall be referred to Council for consideration.
- 3.4.3 Consideration of rate rebate applications will be done pursuant to Council's *Rate Rebates Policy*.

3.5 Rate Incentives – Discount

The Council will not provide a rate discount incentive for early payment in full.

3.6 Rate Capping

- 3.6.1 Pursuant to Section 153(3) of the Act and upon application from the principal ratepayer, Council may apply a cap on the maximum increase in the general rates to be charged on any rateable property that is the principal place of residence of the applicant.
- 3.6.2 This capping provision is intended to provide relief where the increase in rates is due to a significant movement in the capital value of the property. However, the rate capping will not apply in the following circumstances:
 - i. significant capital improvements have been made to the property;
 - ii. the basis for rating or rebates has changed from the previous year;
 - iii. new building work and/or development activity has occurred on the land;
 - iv. changes in land use, wholly or partially have occurred;
 - v. changes in zoning have occurred;
 - vi. the ownership of the rateable property has changed from the previous year;
 - vii. the property is no longer the principal place of residence for the principal ratepayer;
 - viii. a correction has been made to a previously undervalued property by the Valuer General;
 - ix. the property is owned by a company or incorporated body.
- 3.6.3 Council will consider annually whether to apply a maximum increase in the general rate for eligible properties that constitute the principal place of residence for a ratepayer.
- 3.6.4 The maximum increase to be applied under this rate capping provision will be determined by Council and reviewed each year. Where Council resolves to provide a rate cap in accordance with Clause 3.6.1 above, it will only apply upon application by the principal ratepayer, and only where all eligibility criteria is satisfied.

3.7 Service Rates and Charges

- 3.7.1 Council will recover the cost of providing the standard kerbside refuse and recycling service (1 x 140Ltr Refuse Bin and 1 x 240Ltr Recycling Bin) via a bin-based service charge levied pursuant to Section 155 of the Act.
- 3.7.2 The kerbside refuse and recycling service is levied against all properties to which the service is available (excluding Vacant Land and Primary Production properties with no, or minimal built form).
- 3.7.3 Should Council wish to consider the introduction of a new service rate or charge, it will invite and consider public submissions (in accordance with its

Public Consultation Policy) prior to adoption.

3.8 Adoption of Rates

- 3.8.1 Pursuant to Section 153(5) of the *Local Government Act 1999*, the adoption of Rates will not occur until Council has adopted its Annual Business Plan and Budget for the financial year to which the Rates relate.
- 3.8.2 Adoption of the Annual Business Plan, Budget and Rates will ideally occur on or before the normal July Council meeting each year.

3.9 Rate Payment Methods

The following methods will be provided for the payment of rates:

- (a) In person at the Gawler Administration Centre (Cash/Cheque/EFTPOS)
- (b) Mail (Cheque/Money Order)
- (c) Australia Post outlets (over the counter/phone/internet)
- (d) B-Pay
- (e) Council's website at www.gawler.sa.gov.au
- (f) Direct Debit.

Council rates are due in four (4) instalments. The total outstanding balance of rates may be paid in full at any time. In addition, ratepayers may enter instalment plans for regular pre-payment of rates of an agreed minimum amount for payment in full by 30 June.

3.10 Withholding of Commercial Discretionary Rate Reductions

Withholding of Discretionary Rate Reductions for commercial properties in the Town Centre (refer shaded area within Appendix 1) in a state of neglect:

- 3.10.1 The Council may, in its discretion, withhold the discretionary rate reductions otherwise provided by the Council to commercial properties in the Town Centre, pursuant to Section 158(1)(b) of the *Local Government Act 1999*, if it determines the property, or any part of the property, to be in a state of neglect that detracts significantly from the amenity of the locality.
- 3.10.2 In making any such determination the Council will have regard to the following considerations:
- (a) The features which establish the amenity of the locality in which the property is situated; and
 - (b) The aspects of the amenity of the locality which the Council seeks to preserve or encourage; and
 - (c) The reasons why the particular property significantly detracts from the amenity of the locality; and
 - (d) Any other matters the Council considers relevant, including comment from affected property owners, if provided.
- 3.10.3 The value of discretionary rate reductions withheld in accordance with Clause 3.10.1 will be retained in a Property Improvement Reserve Fund. The money in the Fund will be made available to property owners or businesses (including those contributing reductions) in the Town Centre for improving the appearance of their premises. Council will establish an application and merit assessment process.

4 REFERENCES AND RELEVANT LEGISLATION

- (a) Chapter 10 (Rates and Charges) of *Local Government Act 1999*
- (b) Regulation 14 (Differentiating factors) of *Local Government (General) Regulations 2013*
- (c) Local Government Association of SA 'Financial Policies' Information Paper – August 2008

5 REVIEW AND EVALUATION

The effectiveness of this Policy will be reviewed on an annual basis.

The Chief Executive Officer will report to Council on the outcome of the evaluation and if relevant make recommendations for amendments, alteration or substitution of a new Policy.

The Policy will not be altered or substituted so as to affect a process already commenced. The Policy will be reviewed after each general election of Council.

6 FURTHER INFORMATION

Further information about this Policy can be obtained by:

Telephone: (08) 8522 9211

Email: council@gawler.sa.gov.au

In person: Town of Gawler Administration Centre - 43 High Street, Gawler East

Mail: PO Box 130, Gawler SA 5118

7 AVAILABILITY OF POLICY

The Policy is available to be downloaded, free of charge, from Council's website at www.gawler.sa.gov.au.

A printed copy may be purchased on request from the Council's Administration Centre.

Appendix 1 – shaded area represents Town Centre area referenced in Clauses 3.3.4 and 3.10



Appendix 2 –Gawler East Development Area. The properties which are levied the separate rates as outlined in Clause 3.3.5

