Rating Policy

1. COUNCIL DUTIES AND POWERS

1.1 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 leaves room for the Council to make a range of policy choices.

1.2 This document includes reference 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.

1.3 All land within a Council area, except for land specifically exempt (e.g. Crown Land, Council occupied land and a few other limited categories under section 147 of the Act) is rateable.

1.4 Rates are not fees for services, they constitute a system of taxation for Local Government purposes, Local Government functions are defined broadly in section 7 of the Act.

2. PRINCIPLES OF TAXATION

This Policy represents the Council's commitment to balancing the five main principles of taxation:

2.1 **Benefits received** (i.e. 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.

2.3 **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.

2.4 **Administrative simplicity.** This principle refers to the costs involved in applying and collecting the tax and how difficult it is to avoid.

2.4 **Economic efficiency**. This refers to whether or not the tax distorts economic behaviour.

2.5 **Policy consistency.** The principle that taxes should be internally consistent, and based on transparent, predictable rules that are understandable and acceptable to taxpayers.

3 VALUATION OF LAND

3.1 In accordance with section 151 of the Act, Council is permitted to adopt one of three valuation methodologies to value the properties in its area, those being:

3.1.1 ***Capital Value*** – the value of the land and all of the improvements on the land.

3.1.2 ***Site Value*** – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements.

3.1.3 ***Annual Value*** – a valuation of the rental potential of the property.

3.2 For the 2026-27 Financial Year Council has decided to continue to use capital value as the basis for valuing land, and this method of valuing land is considered to provide the fairest method of distributing the rate burden across all ratepayers on the following basis:

3.1.1 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;

3.1.2 property value is a relatively good indicator or wealth (when lifetime incomes, including incomes from capital gains, are taken into account). Capital value, which closely approximates the market value of a property, provides the best indicator of overall property value.

3.3 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 through the State Valuation Office.

3.4 If you are dissatisfied with the valuation made by the State Valuation Office, your rates notice will include information about how to object to the valuation. The Council has no role in this process. The lodgment of an objection does not change the due date for the payment of rates.

4 COMPONENTS OF RATES

4.1 A rate in the dollar

4.1.1 The largest component of rates levied is the component that is calculated by reference to the value of the property. Each year, the Council officially 'declares' what percentage of the value of the land will be payable in rates.

4.1.2 The Act allows councils to impose rates that differ (i.e. higher or lower) based on the location of the land, or the uses to which the land is put (residential, commercial, primary production, industrial, vacant, etc).

4.1.3 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.

4.1.4 The Council has decided not to differentiate between types of land uses or between land locations in setting rates. Rather, acknowledging the taxation principles of economic efficiency and policy consistency, the Council has chosen to adopt a single rate in the dollar to apply to all rateable land.

4.1.5 The declared general rate for the 2026-27financial year is **0.3667 cents in the dollar**.

4.2 **Minimum rate**

4.2.1 Council has the discretion to apply either:

4.2.1.1 a fixed charge (applying equally to all rateable properties); or

4.2.1.2 a minimum rate (to lower-value properties) but cannot use both of these mechanisms.

4.2.2 Council has decided to continue to use the minimum rate method, with the minimum rate for 2026-27being set at **$502.00**.

4.3 **Landscape Board Levy**

4.3.1 Council is required under the Landscape South Australia Act 2019 to make a specified contribution to the Murraylands and Riverland Regional Landscape Board. This is done by imposing a separate rate against all rateable properties.

4.3.2 This separate rate is effectively a state tax that councils are required to collect, and return to a State Government Agency, the Murraylands and Riverland Regional Landscape Board. Even though it appears on Council's rates notice, enquiries about this component should be directed to the Landscape South Australia Board.

4.4 **Community Wastewater Management System**

4.4.1 Council provides a Community Wastewater Management System (**CWMS**) in the township of Karoonda only. To fund the provision of this service, Council imposes a service charge in accordance with section 155 of the Act, 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).

4.4.2 The charge applies to all land to which Council provides or makes available the prescribed service for the financial year ending 30 June 2027

4.4.3 The annual service charge for the 2026-27financial year will be **$662.00** per unit in relation to a 'Occupied' land and **$630.00** per unit in relation to 'Vacant' land.

4.5 **Kerbside Waste Management**

4.5.1 Council provides a kerbside waste management collection service, including a yellow recycling bin and a green general waste bin.

4.5.2 In order for Council to move towards financial sustainability, this service should be a self-funding cost system, however as it is not available across the whole district, only those benefitting from the service should be paying for it.

4.5.3 The annual service charge for the 2026-27 financial year will be **$191.00** per property for those properties in receipt of the service and within the kerbside collection boundary. Additional bin charge will be **$297.00** per bin.

5 PAYMENT OF RATES

5.1 Rates are declared annually, and may be paid, at your discretion, either in one lump sum, or in quarterly instalments that fall due in early September, December, March and June. The exact date that rates fall due, and various options for paying rates, are clearly indicated on your rates notice.

5.2 If you have (or are likely to have) difficulty meeting these payments, you should contact the Council's Rates Administrator to discuss alternative payment arrangements. Such inquiries are treated confidentially.

6 POSTPONEMENT OF RATES

6.1 Hardship

6.1.1 Where an application satisfies the requirements for relief from rates due to hardship or extenuating circumstances, for example drought, the Chief Executive Officer may grant relief in the form of postponement of rates in whole or in part for such period as determined/negotiated.

6.1.2 For further information about this please review Council's *Debt Recovery & Financial Hardship Policy* as adopted 8 July 2025.

6.1.3 A hardship postponement will be assessed and determined by either an accredited financial counsellor or through Council's assessment process.

6.1.4 Applications for the relief of rates due to hardship or extenuating circumstances are to be made in writing and accompanied by the appropriate supporting documentation. An initial email should be made Attn: to the CEO via ceo@dckem.sa.gov.au. All such inquiries are treated confidentially.

6.2 **Payment Arrangements**

6.2.1 All arrangements shall be determined on the merits of each individual case, and any recovery action for overdue rates will be suspended whilst the terms/conditions of the arrangement to pay are being met.

6.2.2 Each arrangement shall specify the amount of each regular payment and the frequency of which each payment must be made to Council. Payments under an arrangement should be of regular amounts and be payable at regular intervals.

6.2.3 Payment defaults of two (2) consecutive payments (default being either late payment or non-payment of agreed amount) will result in the arrangement being terminated and fines and interest being charged. Recovery action may be taken for recovery of the amount due.

6.2.4 Fines and interest will still be applied to the assessment for the term of the arrangement.

6.3 **Fines and Interest**

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

6.3.1.1 will be regarded as being in arrears, and will incur a fine of 2% of the amount of the instalment in accordance with Section 181(8)(b) of the Act; and

6.3.1.2 on the expiration of each full month from that date, will incur interest at the prescribed percentage of the amount in arrears (including the amount of any previous unpaid fines and interest).

6.4 **Postponement of Rates for Seniors**

6.4.1 If you hold a State Seniors Card then (unless you have a mortgage entered before 2007 that is greater than 50% of your home's value) you are eligible to postpone, on a long-term basis, a large component of the rates on your principal place of residence. The postponed amount is subject to a monthly interest charge, with the accrued debt falling due for payment only when the property is sold or transferred to someone else. However, some or all of the debt may be paid at any earlier time, at your discretion.

6.4.2 At least $500 of the annual Council rates bill must be paid as it falls due, but any amount in excess of $500 per year may be postponed. The minimum amount of $500 may be reduced further, if you are eligible for

any Council rate remissions.

6.4.3 The Council has a discretion to partially or wholly postpone or remit rates on the basis of financial hardship in accordance with section 182 of the Act.

6.4.4 Persons other than the holders of a Seniors Card may also apply for postponement of rates. The Council will consider each case on its merits, but any successful applicant should expect that any postponed rates would be subject to accruing interest charges in the same manner as the Seniors Rate Postponement Scheme.

6.4.5 An initial email should be made Attn: to the CEO via ceo@dckem.sa.gov.au. All such inquiries are treated confidentially.

6.5 Rebate of Rates

6.5.1 Mandatory Rebates

6.5.1.1 Councils are required to rebate (discount) the rates payable on some land. A mandatory rebate of 100% must be applied to land used for:

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

6.5.1.2 A mandatory rebate of at least 75% (or more, at the Council's discretion) must be applied to land used by:

- Community service organisations, and
- Schools and universities.

6.5.2 Discretionary Rebates

6.5.2.1 In addition, the Council is allowed a wide discretion to rebate any percentage of rates for a number of other purposes, such as:

- Securing proper development of an area;
- Assisting or supporting a business;
- Preservation of historically significant places;
- Facilities or services for children or young persons; or
- Accommodation for the aged or persons with disability; or
- Other purposes.

7 AVAILABILITY OF THE POLICY

7.1 This policy will be available for inspection at the Council office, 11 Railway Terrace Karoonda, during ordinary business hours and available to be downloaded, free of charge, from Council's website: www.dckem.sa.gov.au.

7.2 Copies will be provided to interested parties upon request. Email council@dckem.sa.gov.au grievances in relation to this policy or its application should be forwarded in writing addressed to the Chief Executive Officer of Council.

8 DOCUMENT ADMINISTRATION AND CONTROL

COUNCIL POLICY	
Policy title:	**Rating Policy**
Policy number:	**403**
Responsible officer:	Office of the Chief Executive Officer
Version:	Version 7
Status:	Council Policy
First issued / adopted:	6 June 2018
Review frequency:	Every 12 months to align with the Annual Business Plan & Budget cycle.
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