



MARCH 2026

Draft Report

Review of the Basis of Rating

Renmark Paringa Council

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1. Executive Summary

Under the *Local Government Act 1999*, councils have the authority to levy rates and are provided with specified flexibility in how to do so. In determining the most appropriate method of charging council rates, it is important to give appropriate weight to the main principles of taxation, as outlined in section 5 of this report. It is important for councils to regularly assess and determine the most suitable approach for their communities to ensure the rating methodology remains equitable, effective and relevant.

Meetings were held with Renmark Paringa Council staff and workshops with Elected Members to provide rating fundamentals, an assessment of the current rating structure, and present models of potential changes that could be made to the basis of rating based on 2025/26 budget data and the impact that would have on different rating categories.

It is recommended that the Renmark Paringa Council:

- *Fixed Charge* - Adopt a fixed charge equal to approximately 25% of general rate revenue. The fixed charge is applied to all eligible rateable properties as a contribution towards Council's core services that benefit the entire community, irrespective of land use or property value. By applying a percentage principle rather than a dollar amount, this principle can be consistently applied in future years.
- *Differential Rates* – Consider changes to its differential rating to ensure alignment with Council's strategies and to document a clear rationale for differential rates aligned with Model 3 as presented to Elected Members. This may include the following:
 - *Commercial and Industrial reduce from 198% to 170%* - This represents a modest reduction from Council's current structure and brings these categories closer to benchmarked council averages, providing fairness and competitive neutrality while still recognising the category's higher service impact.
 - *Primary Production reduce from 146% to 120%* - This recognises infrastructure demand while moderating the burden to avoid disproportionate impacts on the viability of farming operations. This differential level also maintains relativity with current contributions while responding to councilor feedback.
 - *Vacant Land increase from 266% to 300%* - Given the expected increase in vacant allotments as new developments are released, a 300% differential discourages long-term land banking.

Rate modelling results and a draft rating policy are included as appendices to this report.

2. Introduction

Councils are tasked with providing a wide range of services to their communities, each of which has its own relatively unique needs and priorities. Some of these services are mandatory, but most are discretionary. To fund these services, councils receive income from various sources, with general rates usually being the largest contributor.

Under the *Local Government Act 1999*, councils have the authority to levy rates and are provided with specified flexibility in how they do so. It is important for councils to regularly assess and determine the most suitable rating approach for their communities to ensure the method remains equitable, effective and relevant.

The Renmark Paringa Council ('the Council') is currently reviewing its approach to setting general rates, exploring whether alternative methods might better serve the community. This process, known as a rating review, examines the council's rating needs to ensure distribution is equitable and defensible.

It is important to note that this review does not evaluate the amount of rates charged, the services provided by the Council or how much revenue is raised from general rates. Its focus is to consider if the distribution of rates is equitable across the Council's existing ratepayer base.

The review has been informed by:

- Council Elected Members who have attended workshops and provided feedback;
- Independent advice and analysis by LGiQ; and
- Feedback from the Renmark Paringa Council staff on scenarios modelled and results.

3. Background and Scope

As part of Council's ongoing focus on financial sustainability, the need to undertake a full review of Council's rating structure was identified and supported by Elected Members during the 2025/26 budget development process.

The review was recognised as a critical next step in Council's broader financial sustainability work program, which aims to ensure a balanced, transparent, and equitable approach to funding the services and infrastructure the community values.

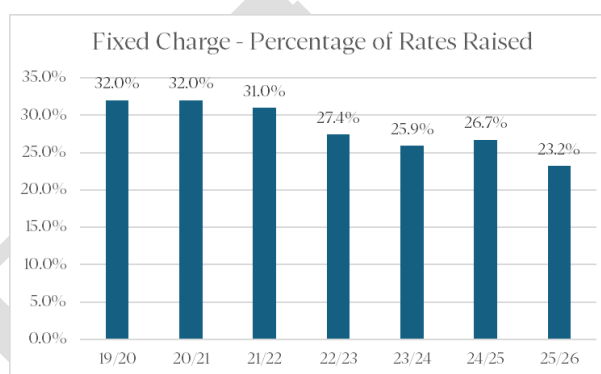
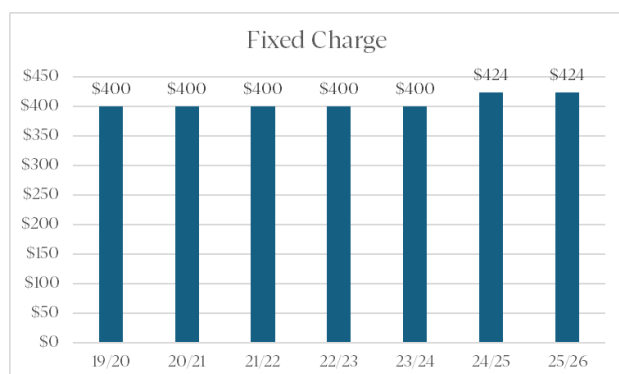
Throughout the 2025/26 budget deliberations, Council explored a range of financial sustainability "budget levers", including service reviews, asset rationalisation, cost containment, and revenue diversification.

Among these levers, the rating structure was identified as a key area requiring a comprehensive, evidence-based review to ensure Council's current approach remains fair, sustainable, and aligned with long-term financial planning objectives.

The Renmark Paringa Council's current rating methodology, as detailed in its Annual Business Plan for 2025/2026, outlines the following:

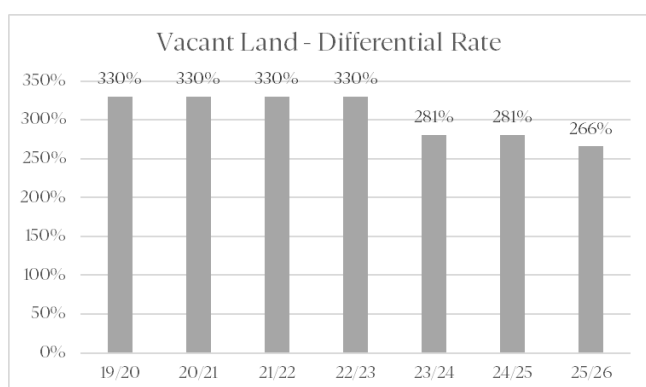
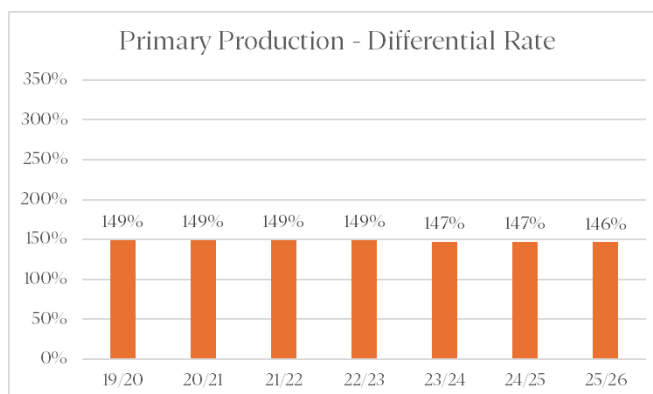
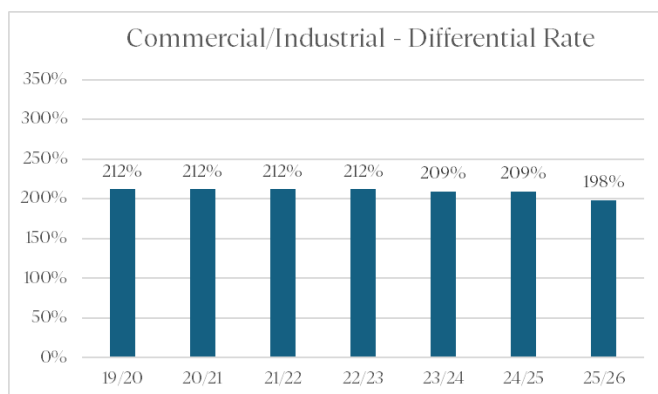
- *Adopted Valuation Method* - Capital value is used as the valuation basis for rating purposes.
- *Number Of Rateable Properties* - There were 5,971 rateable properties in 2025/26.
- *Assessment Growth* - The number of rateable properties increased by 0.7% compared to 2024/25.

- **Fixed Charge** - The fixed charge for 2025/26 was retained at \$424, generating 23% of the general rates revenue raised. The *Local Government Act 1999* allows up to 50% of general rate revenue to be raised via a fixed charge. As shown in the graph below the annual review of the fixed charge has been based on a dollar basis rather than percentage of revenue. This has meant that the percentage has decreased over time.



- **Rate Capping** - A rate cap of 20% (discretionary rebate) was adopted for general rates for 2025/26 (excluding service charges and the Regional Landscape levy) on application only, with the following exclusions:
 - Property ownership change
 - Capital improvements over \$10,000
 - Change in land use
 - Maturity of plantings (within last 6 years)
 - Property classified as vacant land
- **Differential rates** - The Renmark Paringa Council utilises differential rates by land use in accordance with Section 156 of the *Local Government Act 1999* ('the Act') as shown in the graphs and the table in Section 10 Analysis of Current Rating System.

As shown in the graphs below the differential rates have varied over time



In October 2025 the Council engaged LGiQ to undertake a rating review with a view to:

- Undertaking a desktop review of Council’s current rating system, to determine if it reflects a fair and equitable distribution of the rating burden across the community.
- Reviewing the full range of rating levers available to Council and develop recommendations for Council consideration, including (but not limited to):
 - Appropriate level of the fixed charge
 - Consideration of changes to the Primary Production differential rate (currently 146% of residential rate)
 - Review of the impact of short-term accommodation (noting that this was not included in the final scope)
 - Comparison with all Riverland Councils and other Councils that are in the same Australian Classification of Local Governments in South Australia
 - Overview of Rating Methods (where appropriate the associated advantages and disadvantages)

- Any other pertinent matters as determined by the Consultant
- Conducting briefing sessions with Council staff and elected members to discuss findings.
- Preparing a report for Council's consideration including recommendations for any changes to the basis of rating.

A review of service charges is outside of the scope of a rating review.

4. Legislative Framework of Rating

The legislative provisions relating to council rates are contained within:

Local Government Act 1999(SA)

Chapter 10 – Rates and Charges

Section 146 – Rates and charges that a council may impose

Section 147 – Rateability of land

Section 148 – Land against which rates may be assessed

Section 149 – Contiguous land

Section 150 – General Principles

Section 151 – Basis of Rating

Section 152 – General Rates

Section 153 – Declaration of general rate (including differential general rates)

Section 154 – Separate rates

Section 156-157 – Differential rates

Section 158 – Minimum Rates and special adjustments for specified values

Section 159-166 - Rebates of rates

Section 167 – Valuation of land for the purpose of rating

Section 168 - Valuation of land

Local Government (General) Regulations 2013(SA)

Section 14 - Differentiating factors

Local Government (Financial Management) Regulations 2011(SA)

Section 6 - Annual Business Plans

5. Principles of Taxation

Council rates are a tax, and in accordance with the principles of taxation, all other things being equal, those with greater capacity to pay should pay more, and those who receive greater benefits should pay more.

In determining the most appropriate method of charging council rates, it is important to give appropriate weight to the main principles of taxation, as outlined in the LGA Financial Sustainability Paper #20 'Rating and Other Funding Policy Options'.

Benefits received (services available, or resources consumed)

Reliance on this principle suggests that (all other things being equal) a person who receives more benefits should pay a higher share of tax.

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.

Income is considered the best indicator of capacity to pay; however, this is not an option for councils. The capital value of a property is often a reasonable indicator of lifetime income and can be used in the determination of the rates payable under the *Local Government Act 1999*.

Administrative simplicity

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

Economic efficiency

This refers to whether or not the tax distorts economic behaviour.

Policy consistency

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

6. Principles of Rating

Valuation of Land

In accordance with the *Local Government Act 1999*, a council must use capital value as the method of valuing land for rating purposes (unless annual value is used – applicable to City of Adelaide only).

Councils may use valuations provided by the Valuer-General or a valuer authorised under the *Land Valuers Act 1994* engaged by a council.

Capital Value is the value of a parcel of land including improvements such as buildings and structures, wells, dams, reservoirs and planting of trees for commercial purposes. In principle, capital value should reflect the amenities of the property and access to services.

General Rate

Councils have a number of options they can use in determining how rates will be structured, to ensure a fair and equitable system of rating for their community.

Councils can adopt a general rate, whereby the same rate in the dollar is applied to all rateable properties regardless of what the land is being used for or where it is located. A general rate is calculated by multiplying a property's capital value by the rate in the dollar.

An example of the calculation of rates under a general rating system is shown below:

Rate in the Dollar	0.0050
x Capital Value of a property	\$250,000
= Rates Payable	\$1,250

*examples provided are for illustrative purposes only

Differential Rates

A council may elect to charge differential rates in accordance with Section 156 of the *Local Government Act 1999*. Under this method, a different rate in the dollar can apply depending on whether the land is used for residential, commercial, primary production, industrial, vacant land or other purposes. Additionally, different rates may be established for different areas within the council area, such as townships and rural areas, or zones. Differential rating can also be based on a combination of both the land use and its location.

Section 14 of the *Local Government (General) Regulations 2013* outlines differentiating factors permissible for rating purposes. This includes land use categories and locality factors.

Under a differential rating system, a lower differential rate for one set of ratepayers will result in a higher differential rate for other ratepayers.

If differential rating is applied, a council should have clear justification for doing so, and rationale documented in the council's rating policy as required under section 123(2)(d) of the Act.

An example of the calculation of rates under a differential rating system are shown below:

	Residential - Township	Residential - Rural	Commercial / Industrial	Primary Production	Vacant / Other
Differential Rate %	100%	80%	120%	90%	110%
Rate in the Dollar	0.0050	0.0040	0.0060	0.0045	0.0055
x Capital Value of a property	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
= Rates Payable	\$1,250	\$1,000	\$1,500	\$1,125	\$1,375

*examples provided are for illustrative purposes only

Minimum Rate

A Minimum Rate provides a mechanism whereby lower-valued properties do not pay less than a minimum amount, as determined by the council. Provisions of the *Local Government Act 1999* under section 158 (2)(d), allow for no more than 35% of properties to pay the set minimum amount.

There are conditions regarding applying a Minimum Rate, with the imposition of the rate only once to properties constituting a single farm enterprise and contiguous/adjoining land.

The application of a Minimum Rate results in lower valued properties paying proportionately higher rates, with less consideration of capacity to pay.

An example of the calculation of rates under a Minimum Rate system is shown below:

Rate in the Dollar	0.0050
x Capital Value of a property	\$250,000
= Estimated Rates Payable	\$1,250
Application of Minimum Rate of \$1,300	
= Rates Payable	\$1,300

* examples provided are for illustrative purposes only

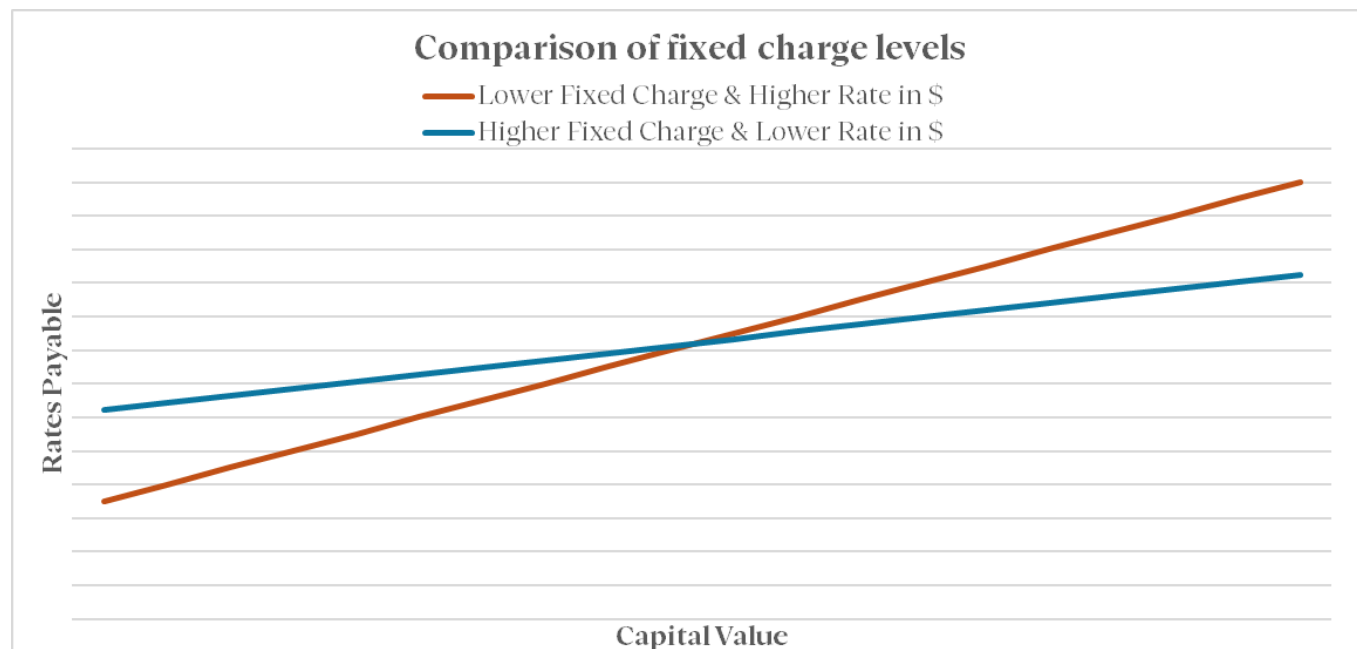
Fixed Charge

A Fixed Charge can be applied as an alternative to the Minimum Rate. The *Local Government Act 1999* allows up to 50% of general rate revenue to be raised via a Fixed Charge.

Under this approach, all rateable properties pay a set amount towards the cost of council activities and maintaining the services and infrastructure that support the council area. In addition to the Fixed Charge, a general rate will be calculated based on the property's capital value.

The basis of a Fixed Charge is the 'benefit principle' - if some services benefit all properties relatively equally or equally benefit people then it may be appropriate that a share of costs be recovered via a Fixed Charge.

As demonstrated in the graph below, a higher Fixed Charge results in a lower rate in the dollar (and less impact of a property's capital value on rates payable and therefore by implication a lesser weighting given to capacity to pay). A lower Fixed Charge results in a higher rate in the dollar (and more impact of a property's capital value on rates payable and effectively a higher weighting given to capacity to pay).



Similar to the Minimum Rate, there are conditions for applying a Fixed Charge, with imposition of the charge only once to multiple properties constituting a single farm enterprise and contiguous/adjoining land.

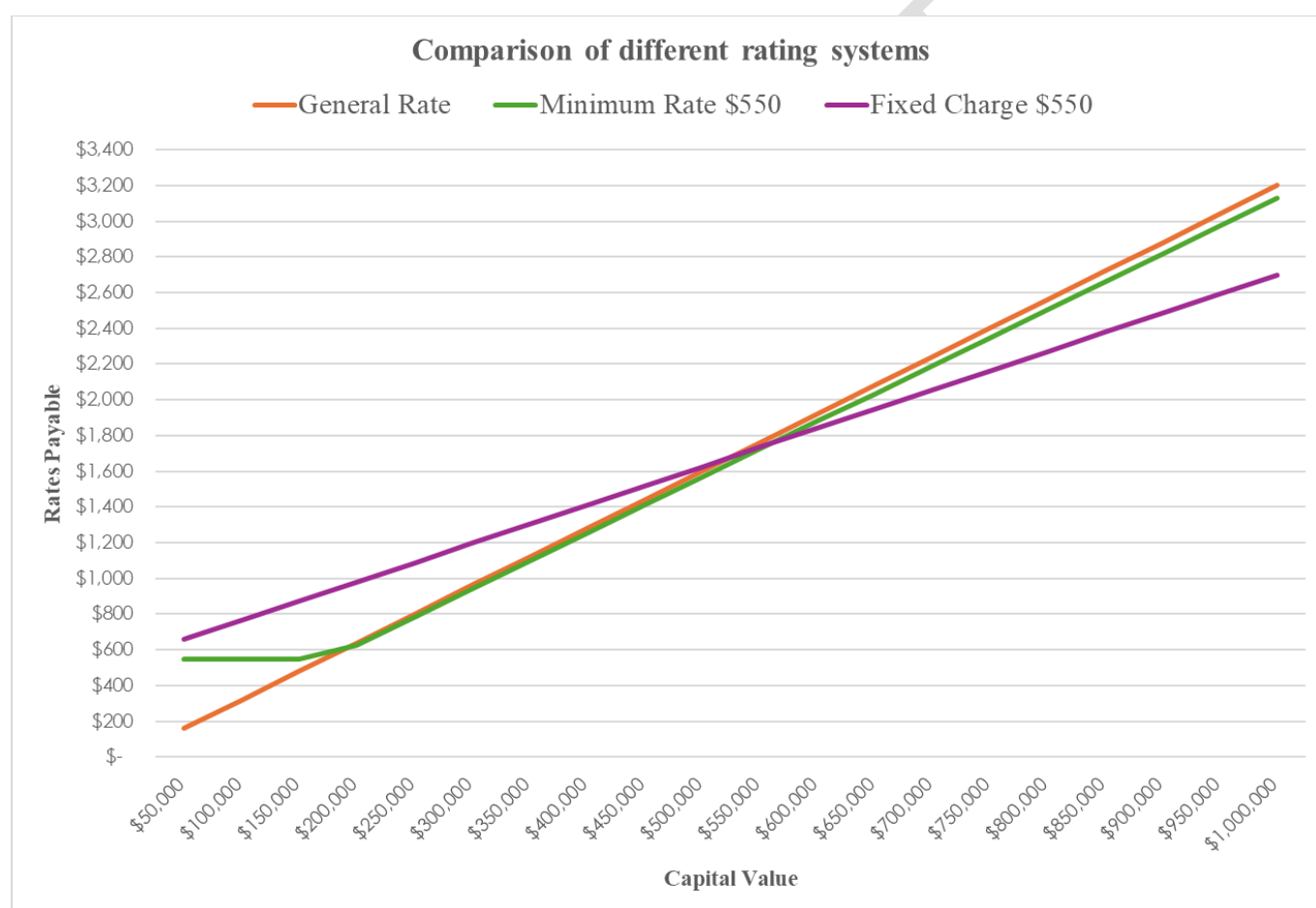
An example of the calculation of rates under a Fixed Charge system is shown below:

Rate in the Dollar	0.0030
x Capital Value of a property	\$250,000
= General Rate Payable	\$750
+ Fixed Charge	\$500
= Total Rates Payable	\$1,250

*examples provided are for illustrative purposes only

Compared to a Minimum Rate, a Fixed Charge enhances equity as all eligible ratepayers contribute an equal amount towards council services, with the remainder of their rates payable dependent upon their capital value.

The graph below illustrates the potential impact of a property's capital value on the rates payable under different rating systems, subject to the variation in mix of values and the level of a Minimum Rate or Fixed Charge.



Rate Rebates

A council is required to provide mandatory rate rebates in conjunction with Sections 160 to 165 of the Act.

A council may grant discretionary rate rebates as per Section 166 of the Act. A discretionary rebate is similar to a council providing a grant and could be considered an expense.

The rate modelling undertaken for the rating review exercise for the Renmark Paringa Council is based on the 2025/26 rating year. It includes the rebates provided for this financial year at the time of data provision.

Rate Capping

Sections 153 (3) and 166 (1)(l) of the Act allows a council to provide rate capping to limit the increase in rates payable by an individual property. A rate cap is applied as a percentage increase and does not limit the quantum of revenue generated or result in less revenue overall. The application of rate capping essentially re-distributes the rates payable for some ratepayers to other ratepayers.

Rate capping can be an effective tool to 'smooth' and phase in the impact of a large change in relative property values or a change in the basis of rating.

Service Rates and Service Charges

Under Section 155 a council may impose a service rate, an annual service charge, or a combination of a service rate and an annual service charge on rateable and non-rateable land within the area to which it provides or makes available a prescribed service.

prescribed service means any of the following services:

- (a) the treatment or provision of water*
- (b) the collection, treatment or disposal (including by recycling) of waste*
- (ba) a television transmission (or retransmission) service*

The Renmark Paringa Council applies service charges relating to waste and community wastewater management for those properties which receive the service.

Service rates and services charges are not included within the scope of this rating review.

Rating Policy

The *Local Government Act 1999*, Section 123 (2)(d), requires a council to adopt a Rating Policy, which will outline the rationale for the rating method utilised. It will include the justification for applying differential rates and the Minimum Rate or Fixed Charge level.

7. Reasons for a Rating Review

It is important for a council to undertake a periodic rating review from time to time to assess the methodology of the distribution of rates relative to their circumstances and be able to defend their rating system in terms of equity between different classes of ratepayers. This includes the reasoning for the use and magnitude of differential rating.

A change in rating system does not raise more or less rate revenue. A change in the basis of rating will inevitably result in some ratepayers paying more and others less.

The *Local Government Act 1999* outlines the requirements of a council considering a change to the basis of rating, under Section 151, which states that:

(5) Before a council —

- (a) changes the basis of the rating of any land (including by imposing differential rates on land that has not been differentially rated in the preceding financial year, or by no longer imposing differential rates on land that has been differentially rated in the preceding financial year); or*
- (b) changes the basis on which land is valued for the purposes of rating; or*
- (c) changes the imposition of rates on land by declaring or imposing a separate rate, service rate or service charge on any land,*

the council must—

- (d) prepare a report on the proposed change; and*
- (e) follow the relevant steps set out in its public consultation policy.*

(6) A report prepared for the purposes of subsection (5)(d) must address the following:

- (a) the reasons for the proposed change;*
- (b) the relationship of the proposed change to the council's overall rates structure and policies;*
- (c) in so far as may be reasonably practicable, the likely impact of the proposed change on ratepayers (using such assumptions, rate modelling and levels of detail as the council thinks fit);*
- (d) issues concerning equity within the community and may address other issues considered relevant by the council.*

8. Council Profile

A council should understand the demographics and needs of its community to inform the range and level of council services and the impact that council rates have on its ratepayer base.

Data relating to Renmark Paringa, collected during the Australian Bureau of Statistics 2021 Census, is shown below:

People	9,783
Median age	44
Average number of people per household	2.3
In the labour force (People aged 15 years and over)	4,702
Median household income (per month)	\$5,313
Median rent (per month)	\$867
Median mortgage repayments (per month)	\$1,083

The ABS also collects data to calculate Socio-Economic Indexes for Areas (SEIFA) and the Index of Relative Socio-economic Advantage and Disadvantage (IRSAD), which summarises information about the economic and social conditions of people and households within an area. This index includes both relative advantage and disadvantage measures.

A low score means that there is relatively greater disadvantage and a lack of advantage in general. An area could have a low score if there are:

- many households with low incomes, or many people in unskilled occupations, AND
- a few households with high incomes, or few people in skilled occupations.

A high score means a relative lack of disadvantage and greater advantage in general. An area may have a high score if there are:

- many households with high incomes, or many people in skilled occupations, AND
- few households with low incomes, or few people in unskilled occupations.

The average score for South Australian local government areas is 948.

The score for Renmark Paringa is 899. Renmark Paringa is ranked 16 out of 71, meaning a lower score than average.

The table below shows Renmark Paringa and the neighbouring and Australian Council of Local Government (ACLG) councils (noting that some councils are included in both categories).

2021 - Local Government Name	Score	State	Rank
Port Pirie	868	SA	7
Mid Murray	882	SA	10
Berri Barmerra	887	SA	11
Copper Coast	892	SA	12
Renmark Paringa	899	SA	16
Wattle Range	906	SA	18
Coorong	911	SA	20
Yorke Peninsula	918	SA	23
Loxton Waikerie	925	SA	25
Karoonda East Murray	930	SA	28
Light	981	SA	52

The Council's adopted budget for 2025/26 shows an operating deficit of \$345k (operating surplus ratio of -1.6%), following the 2024/25 audited operating surplus of \$8.664m (adjusted operating surplus ratio of -11.1%).

The Council's Long Term Financial Plan 2025/26-2034/35 forecasts operating surpluses from 2028/29 onwards.

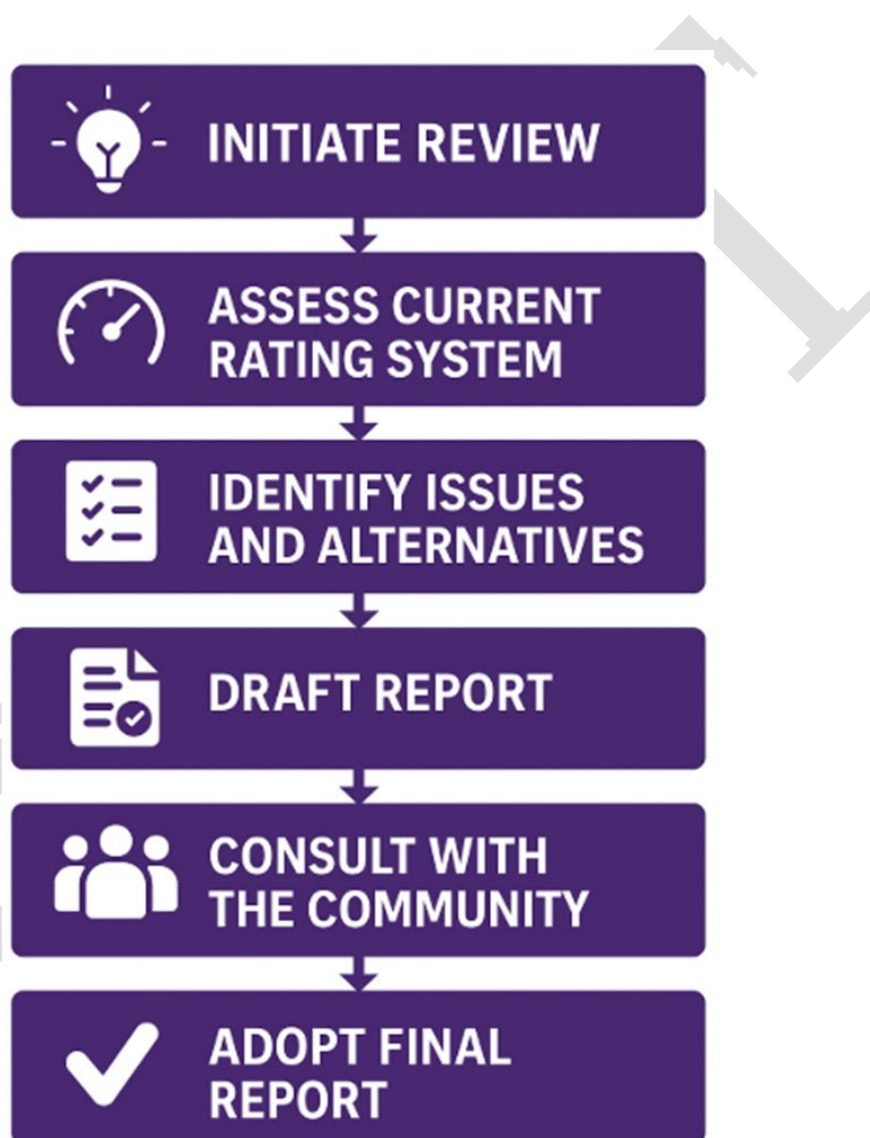
The plan is predicated on the following assumptions of rate increases and average growth of 0.5% p.a. in rateable properties from FY 2029 onwards:

General Rate Increase	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
CPI	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Financial Sustainability Index	2.8%	2.8%								
Total Increase excluding growth	5.3%	5.3%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Assessment Growth	0.7%	0.7%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Total Increase including growth	6.0%	6.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

A review of the plan will commence as part of the development of the 2026/27 Annual Business Plan and Budget and annual review of the Long Term Financial Plan and Asset Management Plan.

9. Process undertaken to date

The engagement for this body of work commenced in October 2025, with discussions held with the Council staff to define the scope of work, information gathering and analysis of the current rating system.



Workshops were held, with the Council on 11th of November, 16th of December, and 20th of January, and Council Administration review sessions in November, December and January, which have assisted in the formulation, analysis and presentation of various rating models.

The workshops and Elected Member engagement was undertaken as follows:

- *Introduction Workshop* - Briefing Elected Members in rating theory and legislative provisions under the Act, an outline and analysis of Council's current rating structure and benchmarking against ACLG and neighbouring councils.
- *Rating Model Review Workshop* - Five models were presented for Elected Members consideration and feedback at a workshop in December 2025 (models 1-5).
- *Additional Models* - Two additional models were provided to Elected Members for review prior to the January 2026 informal briefing. Elected Members were asked to provide individual feedback and preference for the models as shown (including models 3, 6 and 7) at the meeting.

Proposed changes to the Council's rating system are outlined in this report.

Details of the fixed charge and differential rates and results of rate modelling and corresponding impacts to classes of ratepayers for models 3, 6 and 7 are included in Section 12 and the Appendix.

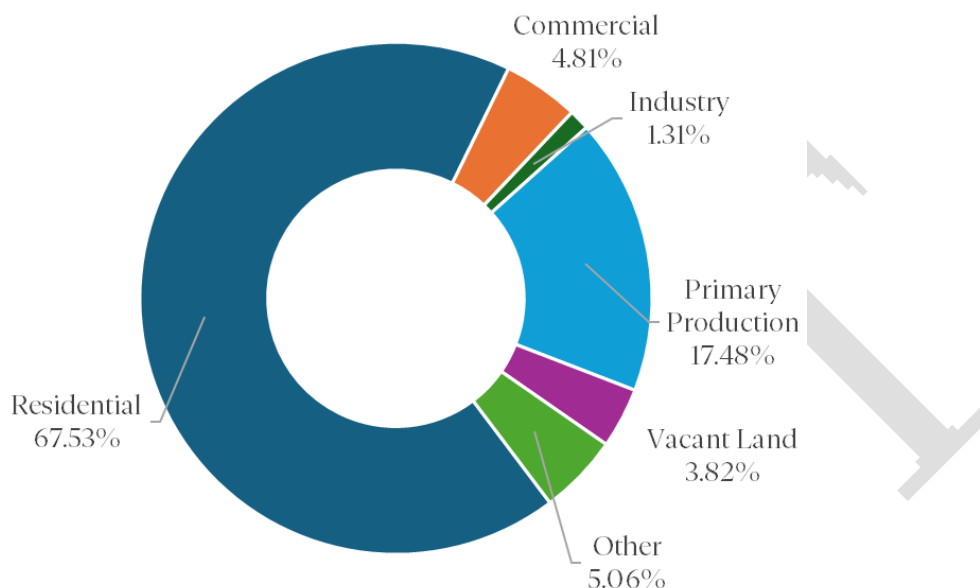
10. Analysis of Current Rating System

The Renmark Paringa Council's current general rate regime, as detailed in its Annual Business Plan and the Rating Policy for 2025/26, utilises the following:

Adopted Valuation Method - Capital value is used as the valuation basis for rating purposes.

Number Of Rateable Properties - Of the 5,971 rateable properties in 2025/26 the breakdown by land use is as follows:

Number of Assessments



Differential rates - The Renmark Paringa Council utilises differential rates based on land use in accordance with Section 156 of the *Local Government Act 1999* ('the Act'). Below are the differential rating categories, percentages and cents in the dollar applicable for 2024/25 and 2025/26:

Locality / Land Use	Differential categorisation	2024/25			2025/26		
		Fixed Charge	Differential rating %	Cents in the dollar	Fixed Charge	Differential rating %	Cents in the dollar
Residential	Residential	\$ 424	100%	0.2350	\$ 424	100%	0.2500
Commercial - Shop	Commercial		209.4%	0.4920		198.4%	0.4960
Commercial - Office							
Commercial - Other							
Industry - Light	Industry		209.4%	0.4920		198.4%	0.4960
Industry - Other							
Primary Production	Primary Production		146.8%	0.3450		146.4%	0.3660
Vacant Land	Vacant Land	280.9%	0.6600	266.0%	0.6650		
Other	Other	100.0%	0.2350	100.0%	0.2500		

As detailed in the Background section, changes have been made to differential rates over the past 5 years.

The Council applies the following principles in the 2025/26 Annual Business Plan and Budget:

Fixed Charge - A Fixed Charge is applied under Section 152 of the Act, which is \$424 for 2025/26. The Act outlines the provisions that apply in relation to a Fixed Charge under subsection (1) (c).

Under legislative provisions, a Fixed Charge can contribute no more than 50% of general rate revenue. For 2025/26 the Fixed Charge revenue for the Council amounts to 23.2%.

Rate Capping - Council currently applies a maximum increase of 20% on rates payable in accordance with Section 166 (1) (l) of the Act, granted to the principal ratepayer of an eligible property, in accordance with the Council's Rating Policy (with conditions as detailed in the background section).

The Council applies service charges for:

Waste Management Charge - The Waste Management Charge is calculated based on the total cost for the provision of a kerbside collection service and disposal of waste related to kerbside collection. This service is provided to town residential and rural residential, with service charges based on the provision of a three-bin system for town residential properties and a two-bin system for rural residential properties. In 2025/26 the proposed Waste Management Charges are:

- \$380 for Town Residential
- \$285 for Rural Residential

The Waste Management Charge is levied against all properties eligible to receive the waste collection service.

Community Wastewater Management System (CWMS) Service Charge - The CWMS service charge for 2025/26 was \$793 per property unit, representing a comparable rate to that of similar-sized councils.

The Council also collects:

Regional Landscape Levy - An annual levy collected on behalf of the Murraylands and Riverland Landscape (SAAL) Board under the Landscape South Australia Act.

Below is a summary of the Council's distribution of properties by land use and capital value for 2025/26:

Land Use	Differential %	No. Rateable Properties	% of Properties (*rounded)	Total Capital Value \$	% of Capital Value (*rounded)	Average Capital Value \$
Residential	100%	4,033	67%	\$1,585,563,453	62%	\$393,147
Commercial	198%	287	5%	\$149,595,558	6%	\$521,239
Industrial	198%	77	1%	\$76,066,554	3%	\$987,877
Primary Production	146%	1,045	18%	\$656,876,247	26%	\$628,590
Vacant Land	266%	228	4%	\$47,516,223	2%	\$208,404
Other	100%	302	5%	\$33,302,132	1%	\$110,642
TOTAL		5,971	100%	\$2,548,920,167	100%	\$426,883

Below is a summary of the Council's distribution of rate revenue by land use for 2025/26:

Land Use	Differential %	No. Rateable Properties	% of Properties (*rounded)	Rate Revenue \$	% of Rate Revenue (*rounded)	Average Revenue Per Property \$
Residential	100%	4,033	67%	\$5,568,732	55%	\$1,381
Commercial	198%	287	5%	\$825,203	8%	\$2,875
Industrial	198%	77	1%	\$405,818	4%	\$5,270
Primary Production	146%	1,045	18%	\$2,766,435	28%	\$2,647
Vacant Land	266%	228	4%	\$405,631	4%	\$1,779
Other	100%	302	5%	\$86,201	1%	\$286
TOTAL		5,971	100%	\$10,058,020	100%	\$1,684

11. Benchmarking

Benchmarking was conducted to compare the rating methodologies of councils within the same Australian Classification of Local Governments (ACLG) grouping as the Renmark Paringa Council, and also to neighbouring councils.

The ACLG groups classify councils by type into large rural, metropolitan, metropolitan fringe, regional town/city and rural and by broad demographic variables.

The Renmark Paringa Council's ACLG classification is "RAV" (Regional Agricultural Very Large) i.e. with a population of up to 20,000.

Step 1	Step 2	Step 3	Category	Alpha	OLG group No.	Council Classification
URBAN (U)						
	Capital City (CC)	Not applicable	1	UCC	1	Metropolitan
Pop. > 20,000	Metropolitan Developed (D)	Small (S) up to 30,000	2	UDS	2	
		Medium (M) 30,001-70,000	3	UDM	3	
	Part of an urban centre > 1,000,000 and pop. density > 600/sq km.	Large (L) 70,001-120,000	4	UDL	3	
		Very large (VL) > 120,000	5	UDV		
or						
Pop. density > 30 persons per sq km	Regional Town/City (R)	Small up to 30,000	6	URS	4	Regional Town/ City
	Part of an urban centre with population <1,000,000 and predominantly urban in nature	Medium 30,001-70,000	7	URM	5	
		Large 70,001-120,000	8	URL		
or		Very large >120,001	9	URV		
>90% of LGA population is urban	Fringe (F)	Small up to 30,000	10	UFS	6	Metropolitan Fringe
	A developing LGA on the margin of a developed or regional urban centre.	Medium 30,001-70,000	11	UFM	7	
		Large 70,001-120,000	12	UFL		
		Very large >120,001	13	UFV		
RURAL (R)						
	Significant Growth (SG)	Not applicable	14	RSG	N/A	
	Average annual Population growth > 3%, population > 5,000 and not remote.					
	Agricultural (A)	Small Up to 2,000	15	RAS	8	Rural
		Medium 2,001-5,000	16	RAM	9	
		Large 5,001-10,000	17	RAL	10	Large Rural
		Very large 10,001 to 20,000	18	RAV	11	
	Remote (T)	Extra small Up to 400	19	RTX	N/A	
	Situated in a remote locality.	Small 401-1,000	20	RTS	N/A	
		Medium 1,001-3,000	21	RTM	9	
		Large 3,001 to 20,000	22	RTL	10	

Data source: www.yourcouncil.nsw.gov.au/wp-content/uploads/2020/05/Australian-Classification-of-Local-Government-and-OLG-group-numbers.pdf

Care needs to be taken in making inter-council comparisons. All councils have unique factors, for example, demographics, socio-economic factors, composition of rate-paying properties and service level preferences and needs. In particular Primary Production is a broad rating category including various sectors such as agriculture, forestry, wine and food, and fishing. A council's adopted rating strategy must be based on the specific circumstances and requirements of the council.

Other councils included within the RAV category are as follows: Berri Barmera, Copper Coast, Light Regional Council, Loxton Waikerie, Port Pirie, Wattle Range and Yorke Peninsula.

Neighbouring councils include Berri Barmera, Coorong, Karoonda East Murray, Loxton Waikerie, and Mid Murray.

The table below outlines the differential rating applied by councils within the same ACLG group and also neighbouring councils to the Renmark Paringa Council based on the 2025/26 Annual Business Plan and Budget.

Council	LG Class	Residential	Commercial	Industrial	Primary Production	Vacant	Other
Renmark Paringa	RAV	100%	198%	198%	146%	266%	100%
Berri Barmera	RAV	100%	118%	118%	99.5%	200%	100%
Coorong*	RAL	100%	120%	120%	85%	165%	100%
Copper Coast	RAV	100%	218%	218%	83%	171%	114%
Karoonda East Murray	RAS	100%	100%	100%	100%	100%	100%
Light Regional Council	RAV	100%	157% 232%	278%	80%	219%	101%
Loxton Waikerie**	RAV	100%	144% 202%	99% 159%	221% 107%	112% 111%	154% 113%
Mid Murray	RAL	100%	100%	100%	90%	100%	100%
Port Pirie*	RAV	100%	160%	203% 1053%	50%	182%	117%
Wattle Range	RAV	100%	100%	100%	73%	150%	150%

*Coorong also has Employment Bulk Handling = 292%

* Loxton Waikerie has township and outside of townships differential rates

** Port Pirie - Has Industry all categories except Strategic Employment and Significant Industry Subzone & Industry for those 2 categories*

** Yorke Peninsula has industrial and heavy industrial differential rates*

The table below outlines the rating methodologies applied for 2025/26 by councils within the same ACLG group, and also neighbouring councils to the Renmark Paringa Council.

Council	LG Class	Rating Valuation	Minimum Rate	Fixed Charge \$ and % of rate revenue	Differential Rates	Residential Rate in \$	Average Residential Rates*	# of Residential Properties
Renmark Paringa	RAV	Capital Value		\$424	Yes	0.002500	\$1,381	4,033
Berri Barmera	RAV	Capital Value	\$715		Yes	0.004834	\$1,687	4,580
Coorong	RAL	Capital Value		\$200	Yes	0.002671	\$1,247	2,218
Copper Coast	RAV	Capital Value		\$475	Yes	0.002720	Data not provided	Data not provided
Karoonda East	RAS	Capital Value	\$470		No	0.003487	\$799	302
Light Regional	RAV	Capital Value	\$995		Yes	0.003430	\$2,101	5,165
Loxton Waikerie	RAV	Capital Value		\$390	Yes	0.0026969 0.0024161	\$1,282 \$1,426	4,766
Mid Murray	RAL	Capital Value	\$1,026		Yes	0.003775	\$1,704	5,744
Port Pirie	RAV	Capital Value		\$650	Yes	0.003380	\$1,582	8,167
Wattle Range	RAV	Capital Value	\$731		Yes	0.002992	Data not provided	Data not provided
Yorke Peninsula	RAV	Capital Value		\$410	Yes	0.0021988	Data not provided	Data not provided

When comparing the rate in the dollar, it is important to have regard to the levels of capital values for a council area and whether they have a fixed charge or minimum rate.

12. Rate Modelling and Scenario Analysis

The rate modelling undertaken in this review is based on the impact of changes to the rating strategy for 2025/26 (the current period). This includes the same capital values, land use types, rebates and rate revenue. It is acknowledged that future changes such as new developments, valuation shifts, and rate increases may influence future outcomes and have been excluded. This modelling provides comparable assessment against Council's most recent rating data.

The options modelled highlight the impact for different categories of ratepayers of alternative rating approaches relative to current arrangements. The modelling results are based on the amounts ratepayers would have paid under each scenario in 2025/26 compared to the actual 2025/26 rating outcomes.

The models do not attempt to predict the exact future rate distribution across the community as changes in the total amount of rate revenue collected, the number of properties and the mix of relative values over time will impact future results (as would no changes in the current system).

It is important to note that the modelling included is simply representative of the rating options available to the Council and their effects. Various permutations and adjustments could be made to further refine the impacts regarding the Council's assessment of equity and other factors.

As part of the review of the Council's rating system, Council's Elected Members expressed a desire to improve the fairness and equity of the current system.

This included consideration of impacts of changes to its rating structure with seven scenarios presented to Elected Members (as shown below):

- *Fixed Charge* - A fixed charge to be set at approximately 25% of general rates revenue (noting 2025/26 was 23.2%).
- *Differential Rates* - Differential rates were applied as shown in the different models below:
 - *Model 1* – modelled to show the impact of no differential rates i.e. what the impact would be on different rating categories if all differential rates were 100% and there was one rate in the dollar (this was not a model to be considered for implementation).
 - *Commercial/Industrial* - The other six models were developed at 170%, 200% to be broadly aligned with the current differential rate and 185% as a mid-point between the two rates (the current differential rate is 198.4%).

- *Primary Production* - Models 2-7 included a differential percentage below the current rate of 146.4% to recognise a lower capacity to pay and benefits received than the current structure.
- *Vacant Land* - Models 2-7 included differentials of above 266% as per the current rating structure to encourage the timely development and utilisation of serviced land.

Current Rating Structure		Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
Fixed Charge	23%	25%	25%	25%	25%	25%	25%	25%
Differential Rates								
Residential	100%	100%	100%	100%	100%	100%	100%	100%
Commercial	198%	100%	170%	170%	170%	185%	200%	200%
Industrial	198%	100%	170%	170%	170%	185%	200%	200%
Primary Production	146%	100%	80%	120%	100%	120%	120%	135%
Vacant Land	266%	100%	300%	300%	300%	300%	300%	280%
Other	100%	100%	100%	100%	100%	100%	100%	100%

Implementation Approach

Modelling has been undertaken with implementation assumed to be in year 1 with no capping (as shown in models 3, 6 and 7).

The impact on rating categories of each model was very carefully considered. The only rating category that would require capping to smooth the impact of the change to the basis of rating and for only one year would be Vacant Land. Capping is a matter that could be considered as part of 2026/27 Annual Business Plan and Budget process (noting that to cap Vacant Land would require a policy change).

An analysis of each option is outlined below:

Model 3 - The financial impact of Model 3 has been assessed against the current rating system for 2025/26 (noting that no rate capping has been applied) and incorporates the following:

- *Fixed Charge* - Council Elected Members expressed a desire to move towards a percentage of total general rates revenue rather than a dollar basis to ensure a consistent assumption of the services provided to all ratepayers. As such a principle of 25% for the fixed charge was incorporated.
- *Differential Rates* – The proposed changes to differential rates and rationale are included in the table below.

Rating Category	Current Differential Rate %	Proposed Differential Rate %	Proposed Rationale
Residential	100%	100%	The residential rate is set as the base differential from which all other differentials are measured. This category receives no loading or discount, reflecting a standard level of service consumption
Commercial	198%	170%	The 170% differential represents a reduction from Council's current structure and brings the category closer to statewide averages, providing fairness and competitive neutrality while still recognising the category's higher service impact.
Industrial	198%	170%	
Primary Production	146%	120%	The 120% differential recognises infrastructure demand while moderating the burden to avoid disproportionate impacts on the viability of farming operations. This level also maintains relativity with current contributions while responding to Elected Member feedback.
Vacant Land	266%	300%	Given the expected increase in vacant allotments as new developments are released, a 300% differential ensures equity and discourages long-term land banking.
Other	100%	100%	This category receives no loading or discount, reflecting a standard level of service consumption.

The combination of the revised fixed charge and adjustments to differential rates changes the distribution of general rate revenue across the rating categories as follows:

- *Residential* - Contributes 3.2% more revenue. The share of rates revenue (58.6%) is lower than the share of property valuations (62.2%) indicating a lower capacity to pay and reflecting a higher level of socio-economic disadvantage.
- *Commercial & Industrial* – Contributes 0.9% less revenue. The share of rates revenue (11.3%) is higher than the share of property valuations (8.9%) which is reflective of a higher capacity to pay and level of service received.

- *Primary Production* - Contributes 3.0% less revenue (24.5%) and is broadly aligned with the share of property valuation (25.8%).
- *Vacant Land* – Contributes 0.7% more revenue. The share of rates revenue (4.7%) is higher than the share of property valuations (1.9%) reflecting the proposed rationale for the differential rate as detailed in the table above.

The average rates payable would change following the implementation of this rating structure as follows:

- *Residential* - The average rate increases by \$80 to \$1,461 (5.8%);
- *Commercial* - The average rate decreases by \$210 to \$2,665 (7.3%);
- *Industrial* - The average rate decreases by \$442 to \$4,829 (8.4%);
- *Primary Production* - The average rate decreases by \$287 to \$2,361 (10.8%); and
- *Vacant Land* - The average rate increases by \$290 to \$2,069 (16.3%).

The number of properties paying more or less would be as follows:

- *Decrease* – 1,349 assessments or approximately 23% of total assessments would experience a decrease in rates, with the majority categorised as Primary Production where 691 assessments experience a decrease of 0-10% and 320 of between 10%-20%.
- *Increase* – 4,510 assessments or approximately 76% of total assessments would experience an increase, with 4,033 in Residential all experiencing 0-10% increase, and 228 in Vacant Land where 224 experience an increase of 10-20%.

Model 6 - The financial impact of Model 6 has been assessed against the current rating system for 2025/26 (noting that no rate capping has been applied) and incorporates the following:

- *Fixed Charge* – Rationale as detailed in Model 3.
- *Differential Rates* – The proposed changes to differential rates and rationale are included in the table below.

Rating Category	Current Differential Rate %	Proposed Differential Rate %	Proposed Rationale
Residential	100%	100%	The residential rate is set as the base differential from which all other differentials are measured. This category receives no loading or discount, reflecting a standard level of service consumption.

Rating Category	Current Differential Rate %	Proposed Differential Rate %	Proposed Rationale
Commercial	198%	200%	The 200% is broadly aligned with Council's current structure. This considers this category's commercial nature and greater capacity to pay. It also reflects higher utilisation of Council infrastructure (e.g., roads, heavy vehicle routes, parking) and higher levels of economic activity associated with these properties. This is expected to create broader community benefits whilst imposing additional cost pressures on asset maintenance.
Industrial	198%	200%	
Primary Production	146%	120%	The 120% differential recognises infrastructure demand while moderating the burden to avoid disproportionate impacts on the viability of farming operations. This level also maintains relativity with current contributions while responding to Elected Member feedback.
Vacant Land	266%	300%	Given the expected increase in vacant allotments as new developments are released, a 300% differential ensures equity and discourages long-term land banking.
Other	100%	100%	This category receives no loading or discount, reflecting a standard level of service consumption.

The combination of the revised fixed charge and adjustments to differential rates changes the distribution of general rate revenue across the rating categories as follows:

- *Residential* - Contributes 2.3% more revenue. The share of rates revenue (57.7%) is lower than the share of property valuations (62.2%) indicating a higher level of socio-economic disadvantage.
- *Commercial & Industrial* – Contributes 0.6% more revenue. The share of rates revenue (12.8%) is higher than the share of property valuations (8.9%) which reflects the higher capacity to pay and level of service received.

- *Primary Production* - Contributes 3.4% less revenue. The share of rates revenue (24.1%) is broadly aligned with the share of property valuation (25.8%).
- *Vacant Land* – Contributes 0.6% more revenue. The share of rates revenue (4.6%) is higher than the share of property valuations (1.9%) reflecting the proposed rational for the differential rate as detailed in the table above.

The average rates payable would change following the implementation of this rating structure as follows:

- *Residential* - The average rate increases by \$57 to \$1,438 (4.1%);
- *Commercial* - The average rate increases by \$127 to \$3,002 (4.4%);
- *Industrial* - The average rate increases by \$225 to \$5,496 (4.3%);
- *Primary Production* - The average rate decreases by \$331 to \$2,316 (12.5%); and
- *Vacant Land* - The average rate increases by \$253 to \$2,032 (14.2%).

The number of properties paying more or less would be as follows:

- *Decrease* - 1,012 assessments or approximately 17% of total assessments would experience a decrease in rates, with all categorised as Primary Production. 408 assessments experience a decrease of 5-10%% and 448 of between 10-15%.
- *Increase* - 4,847 assessments or approximately 81% of total assessments would experience an increase, with 4,033 in Residential with all experiencing 0-10% increase, and 228 in Vacant Land where 222 experience an increase of 10-20%%.

Model 7 - The financial impact of Model 7 has been assessed against the current rating system for 2025/26 (noting that no rate capping has been applied) and incorporates the following:

- *Fixed Charge* – Rationale as detailed in Model 3.
- *Differential Rates* – The proposed changes to differential rates and rationale are included in the table below.

Rating Category	Current Differential Rate %	Proposed Differential Rate %	Proposed Rationale
Residential	100%	100%	The residential rate is set as the base differential from which all other differentials are measured. This category receives no loading or discount, reflecting a standard level of service consumption

Rating Category	Current Differential Rate %	Proposed Differential Rate %	Proposed Rationale
Commercial	198%	200%	The 200% is broadly aligned with Council's current structure. This considers this category's commercial nature and greater capacity to pay. It also reflects higher utilisation of Council infrastructure (e.g., roads, heavy vehicle routes, parking) and higher levels of economic activity associated with these properties. This is expected to create broader community benefits whilst imposing additional cost pressures on asset maintenance.
Industrial	198%	200%	
Primary Production	146%	135%	This differential rate reflects extensive land areas combined with generally lower capital values per hectare. It also considers a high reliance on Council's rural road networks, often involving heavy machinery and freight movements, the sector's commercial nature and access to business tax deductions not available to households.
Vacant Land	266%	280%	This differential aims to encourage the timely development of serviced residential land, recognise that vacant allotments still benefit from Council planning, infrastructure, and community services, and avoid re-elevating vacant land to higher levels (e.g., 300%) following recent reductions, providing predictability and alignment with the previous financial year. It also aims to reduce the potential for speculative land banking in the context of upcoming development releases.
Other	100%	100%	This category receives no loading or discount, reflecting a standard level of service consumption.

The combination of the revised fixed charge and adjustments to differential rates changes the distribution of general rate revenue across the rating categories as follows:

- *Residential* - Contributes 1.1% more revenue. The share of total rates revenue (56.5%) is lower than the share of property valuations (62.2%) indicating a higher level of socio-economic disadvantage.
- *Commercial & Industrial* – Contributes 0.2% more revenue. The share of total rates revenue (12.5%) is higher than the share of property valuations (8.9%) which reflects the higher capacity to pay and level of service received.
- *Primary Production* - Contributes 1.6% less revenue. The share of total rates revenue (25.9%) is aligned with the share of property valuation (25.8%).
- *Vacant Land* - Contributes 0.2% more revenue. The share of total rates revenue (4.3%) is higher than the share of property valuations (1.9%) reflecting the proposed rational for the differential rate as detailed in the table above.

The average rates payable would change following the implementation of this rating structure as follows:

- *Residential* - The average rate increases by \$28 to \$1,409 (2.0%);
- *Commercial* - The average rate increases by \$52 to \$2,926 (1.8%);
- *Industrial* - The average rate increases by \$76 to \$5,346 (1.4%);
- *Primary Production* - The average rate decreases by \$152 to \$2,495 (5.8%); and
- *Vacant Land* - The average rate increases by \$101 to \$1,880 (5.7%).

The number of properties paying more or less would be as follows:

- *Decrease* - 960 assessments or approximately 16% of total assessments would experience a decrease in rates, all of which are categorised as Primary Production. 614 assessments experience a decrease of 0-5% with the remainder experiencing a decrease of 5-10%.
- *Increase* - 4,899 assessments or approximately 82% of total assessments would experience an increase, with 4,033 Residential assessments increasing (4,031 increasing by 0-5%).

13. Recommendations

The most appropriate rating system for a council may change over time due to:

- Changes in the number of properties in different land use or locality categories;
- Changes to the range and level of council services;
- Significant changes in property values and relative property values;
- Changes in circumstances of some classes of ratepayers.

No rating system is perfect and when a council makes changes to address perceived issues or better meet the needs of certain groups of ratepayers, there is always the risk of creating unfavourable outcomes for other ratepayers that may be hard to defend.

1. Fixed Charge

The fixed charge is applied to all eligible rateable properties as a contribution towards Council's core services that benefit the entire community, irrespective of land use or property value.

A fixed charge of approximately 25% ensures the following:

- That all ratepayers pay for services that benefit all properties relatively equally or equally benefit people at an appropriate level.
- By using a percentage principle rather than a dollar amount the contribution will continue to be consistent over time.
- Protection for lower-value properties, preventing an excessive shift of rating burden onto these ratepayers.

2. Differential Rates

An area warranting careful consideration is the application by the Council of differential rates. The Council currently utilises differential rating, noting that the current differential rates do not currently have a clear rationale agreed by the Elected Members.

It is recommended that Council consider changes to its differential rating, to ensure alignment with Council's strategies and to document a clear rationale for differential rates. An example is included below based on Model 3. This option has been recommended because:

- *Commercial and Industrial* – A differential rate of 170% is closer to neighbouring and ACLG councils and has a clear rationale including:
 - Higher infrastructure demand, including roads, intersections, drainage, and parking areas.
 - Intensive freight and retail activity, especially around major retailers.
 - The commercial nature of these operations and greater capacity to pay.
- *Primary Production* – A differential rate of 120% is lower than the current rate, representing capacity to pay and benefits received including:
 - The extensive land area and lower capital values generally associated with primary production land.
 - Greater reliance on rural road networks and heavy vehicle movements.

- Their commercial purpose and potential access to business deductions not available to domestic households.
- *Vacant Land* – A differential rate of 300% is aligned with Council's growth strategy:
 - Encourage timely development and utilisation of serviced land.
 - Recognise that vacant allotments benefit from Council infrastructure and planning services despite not being occupied.
 - Maintain consistency with previous financial years to avoid sudden shifts in burden.

Rate modelling results illustrating the proposed differential rates above with the adjusted fixed charge are included as Appendix 1.

3. Implementation of Changes - Rate Capping

In implementing a change to the basis of rating, a council may wish to utilise the provisions of the Act relating to rate capping to phase in the changes across more than one year to reduce any adverse impact to ratepayers.

Due to the approach taken to the modelling where the impact on rating categories was very carefully considered, the only rating category that would require capping to smooth the impact of the change to the basis of rating and for only one year would be Vacant Land. Capping is a matter that could be considered as part of 2026/27 Annual Business Plan and Budget process (noting that to cap Vacant Land would require a policy change).

4. Other Considerations

In making any future decision regarding changes to its basis of rating, the Council needs to be mindful that property valuations used to determine rates may vary in future years from the 2025/26 capital values used for modelling in this report.

The Council has included rate revenue increases in its long-term financial plan which will also vary the impacts shown in the modelling contained within this report.

5. Rating Policy

If the Council elects to change its basis of rating, the rating policy must be updated to reflect the new rating methodology.

A draft rating policy has been included as Appendix 2 which incorporates Model 3 in this report.

It should be noted that this policy is based upon the LGA Model Rating Policy (as per Rating and Other Funding Policy Options Financial Sustainability Information Paper (FSIP) No. 20) which would be further developed as part of the 2026/27 Annual Business Plan and Budget process if the review of the basis of rating is adopted by Council.

14. Consultation

If the Council decides to propose changes to its basis of rating, including a change to differential rating or changes to the basis of valuation or the imposition of a separate rate, service rate or service charge, the *Local Government Act 1999* requires that consultation be undertaken with its community.

Section 151 (5) of the Act outlines the following:

(5) Before a council—

(a) changes the basis of the rating of any land (including by imposing differential rates on land that has not been differentially rated in the preceding financial year, or by no longer imposing differential rates on land that has been differentially rated in the preceding financial year); or

(b) changes the basis on which land is valued for the purposes of rating; or

(c) changes the imposition of rates on land by declaring or imposing a separate rate, service rate or service charge on any land,

the council must—

(d) prepare a report on the proposed change; and

(e) undertake public consultation.

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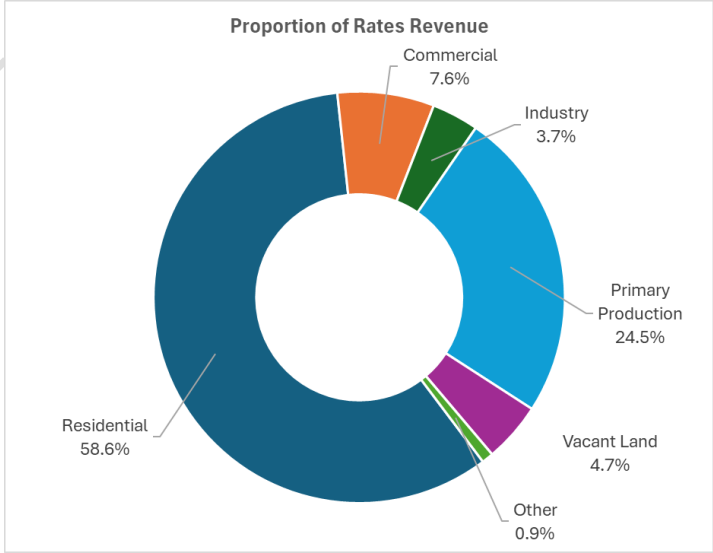
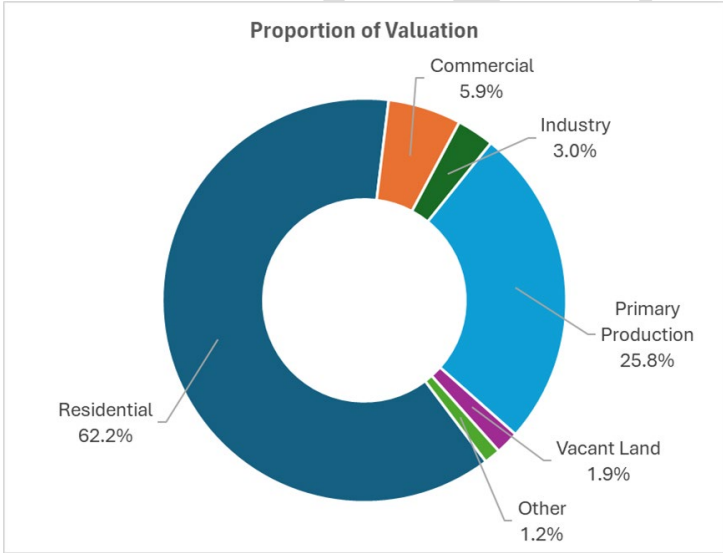
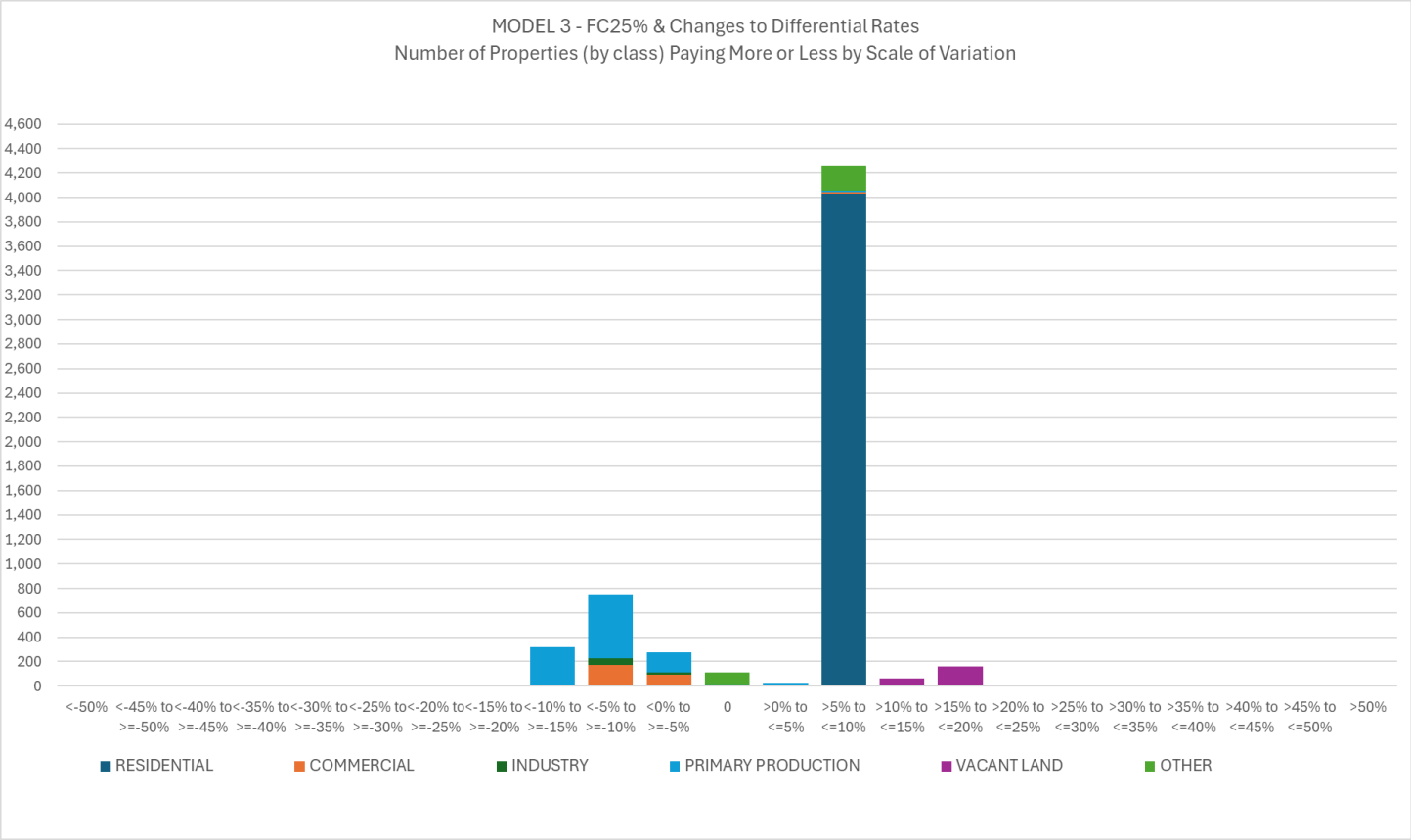
Appendix 1 – Modelling with implementation in Year 1 (no capping)

MODEL 3

Fixed charge at 25% of total general rate revenue or \$450 towards Council's core service with Commercial/Industrial Differential of 170%, Primary Production of 120% and Vacant Land Differential of 300%.

Rating Category	Current			Model 3		
	Fixed Charge	Differential	Rate in the Dollar \$	Fixed Charge	Differential	Rate in the Dollar \$
RESIDENTIAL	\$424	100%	0.002500	\$450	100%	0.002641
COMMERCIAL	\$424	198%	0.004960	\$450	170%	0.004490
INDUSTRIAL	\$424	198%	0.004960	\$450	170%	0.004490
PRIMARY PRODUCTION	\$424	146%	0.003660	\$450	120%	0.003170
VACANT LAND	\$424	266%	0.006650	\$450	300%	0.007924
OTHER	\$424	100%	0.002500	\$450	100%	0.002641
Total Rate Revenue	\$ 10,058,020			\$ 10,058,020		

Rating Category	Rates Collected										
	CURRENT RATING SYSTEM				Model 3			Variance			
	No of Properties	Rate Revenue	Distribut'n	Avg \$	Rate Revenue	Distribut'n %	Avg \$	Rate Revenue	Distribut'n %	Avg %	Avg \$
RESIDENTIAL	4,033	\$ 5,568,732	55.4%	\$ 1,381	\$ 5,891,355	58.6%	\$ 1,461	\$ 322,622	3.2%	5.8%	\$ 80
COMMERCIAL	287	\$ 825,203	8.2%	\$ 2,875	\$ 764,995	7.6%	\$ 2,665	-\$ 60,208	-0.6%	-7.3%	-\$ 210
INDUSTRIAL	77	\$ 405,818	4.0%	\$ 5,270	\$ 371,816	3.7%	\$ 4,829	-\$ 34,002	-0.3%	-8.4%	-\$ 442
PRIMARY PRODUCTION	1,045	\$ 2,766,435	27.5%	\$ 2,647	\$ 2,466,903	24.5%	\$ 2,361	-\$ 299,533	-3.0%	-10.8%	-\$ 287
VACANT LAND	228	\$ 405,631	4.0%	\$ 1,779	\$ 471,664	4.7%	\$ 2,069	\$ 66,033	0.7%	16.3%	\$ 290
OTHER	301	\$ 86,201	0.9%	\$ 286	\$ 91,288	0.9%	\$ 303	\$ 5,087	0.1%	5.9%	\$ 17
	5,971	\$ 10,058,020	100%	\$ 1,684	\$ 10,058,020	100%	\$ 1,684				

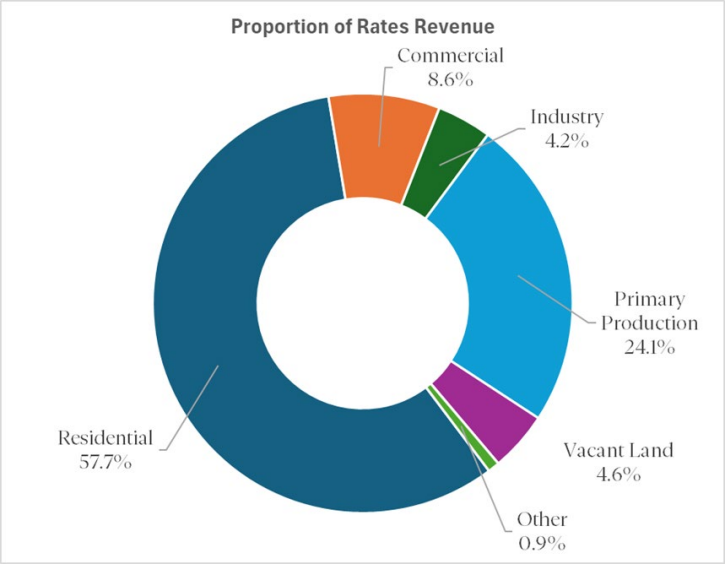
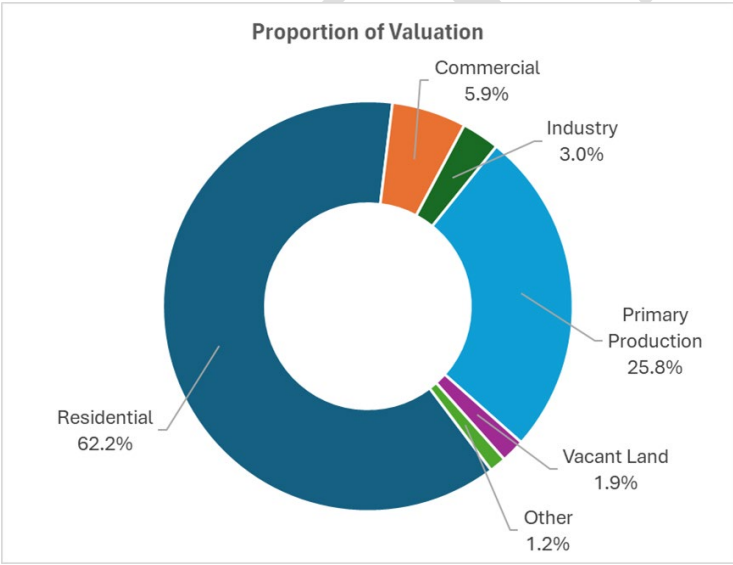
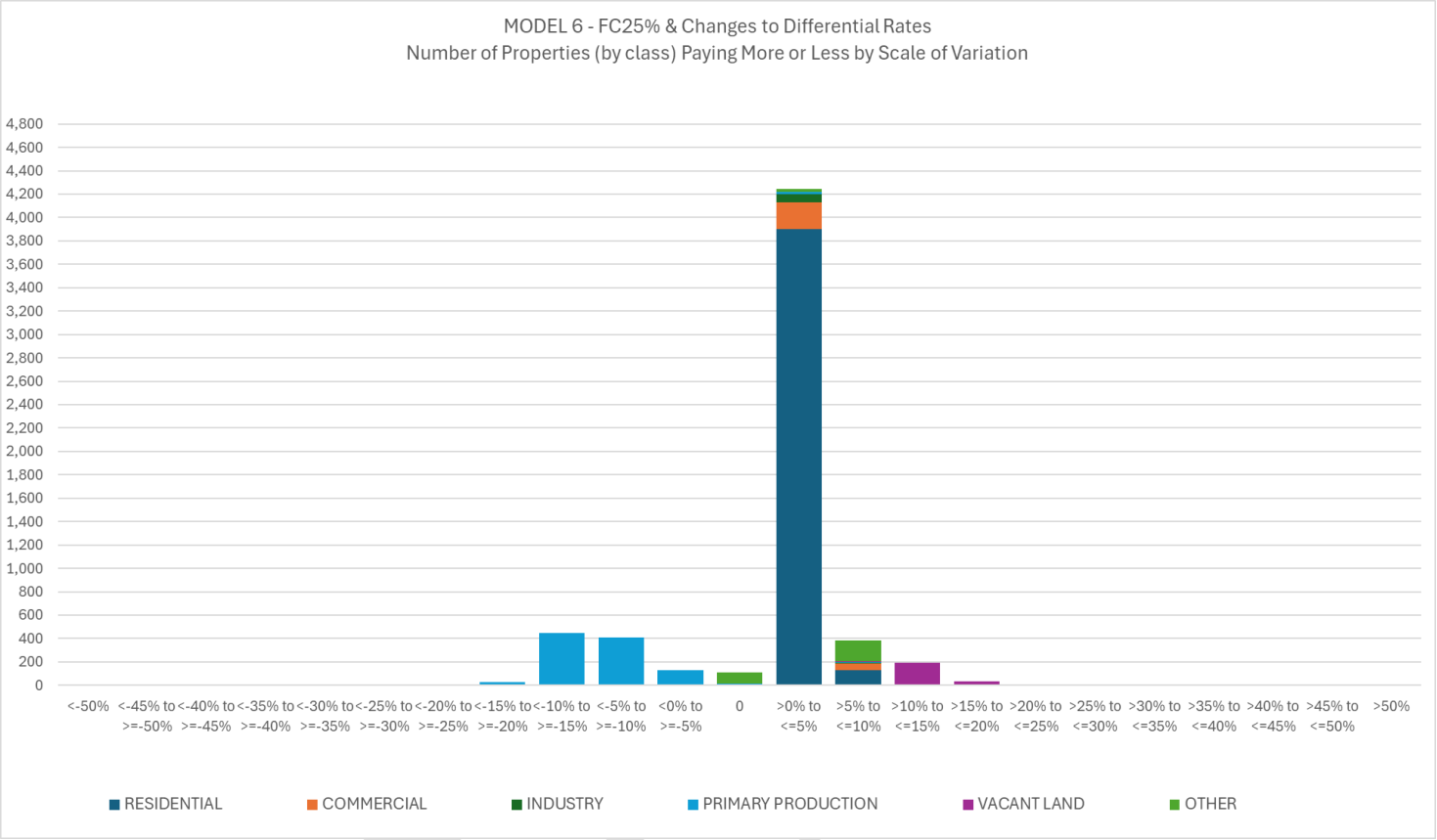


MODEL 6

Fixed charge at 25% of total general rate revenue or \$450 towards Council's core service with Commercial/Industrial Differential of 200%, Primary Production of 120% and Vacant Land Differential of 300%.

Rating Category	Current			Model 6		
	Fixed Charge	Differential	Rate in the Dollar \$	Fixed Charge	Differential	Rate in the Dollar \$
RESIDENTIAL	\$424	100%	0.002500	\$450	100%	0.002583
COMMERCIAL	\$424	198%	0.004960	\$450	200%	0.005165
INDUSTRIAL	\$424	198%	0.004960	\$450	200%	0.005165
PRIMARY PRODUCTION	\$424	146%	0.003660	\$450	120%	0.003099
VACANT LAND	\$424	266%	0.006650	\$450	300%	0.007748
OTHER	\$424	100%	0.002500	\$450	100%	0.002583
Total Rate Revenue	\$ 10,058,020			\$ 10,058,020		

Rating Category	Rates Collected										
	CURRENT RATING SYSTEM				Model 6			Variance			
	No of Properties	Rate Revenue	Distribut'n %	Avg \$	Rate Revenue	Distribut'n %	Avg \$	Rate Revenue	Distribut'n %	Avg %	Avg \$
RESIDENTIAL	4,033	\$ 5,568,732	55.4%	\$ 1,381	\$ 5,799,319	57.7%	\$ 1,438	\$ 230,586	2.3%	4.1%	\$ 57
COMMERCIAL	287	\$ 825,203	8.2%	\$ 2,875	\$ 861,613	8.6%	\$ 3,002	\$ 36,410	0.4%	4.4%	\$ 127
INDUSTRIAL	77	\$ 405,818	4.0%	\$ 5,270	\$ 423,161	4.2%	\$ 5,496	\$ 17,343	0.2%	4.3%	\$ 225
PRIMARY PRODUCTION	1,045	\$ 2,766,435	27.5%	\$ 2,647	\$ 2,420,277	24.1%	\$ 2,316	-\$ 346,159	-3.4%	-12.5%	-\$ 331
VACANT LAND	228	\$ 405,631	4.0%	\$ 1,779	\$ 463,301	4.6%	\$ 2,032	\$ 57,670	0.6%	14.2%	\$ 253
OTHER	301	\$ 86,201	0.9%	\$ 286	\$ 90,350	0.9%	\$ 300	\$ 4,149	0.0%	4.8%	\$ 14
	5,971	\$ 10,058,020	100%	\$ 1,684	\$10,058,020	100%	\$ 1,684				

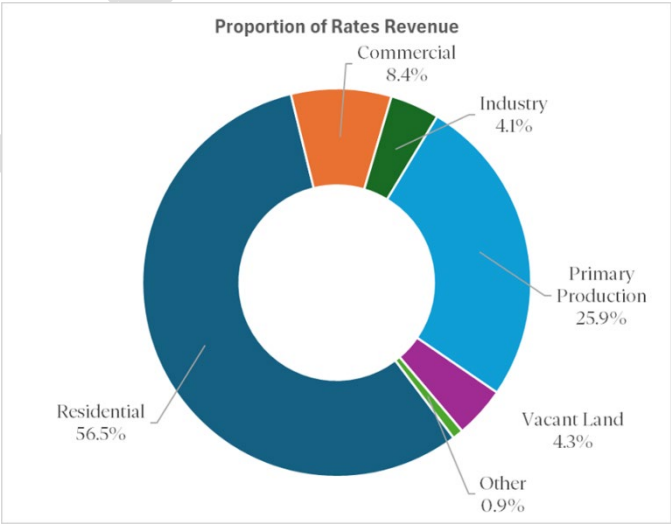
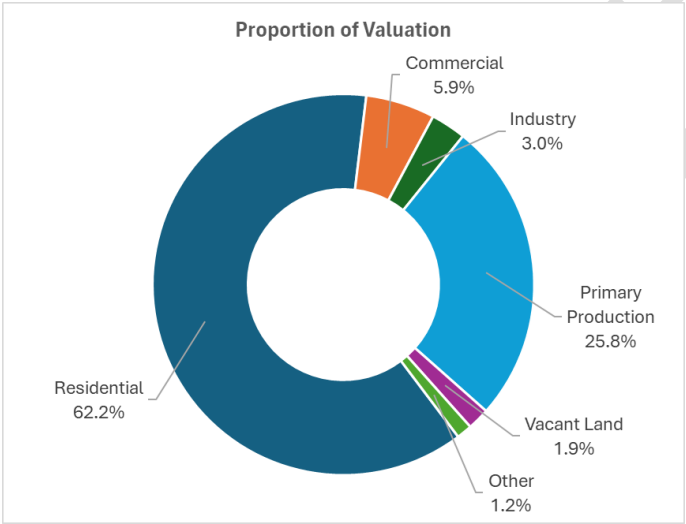
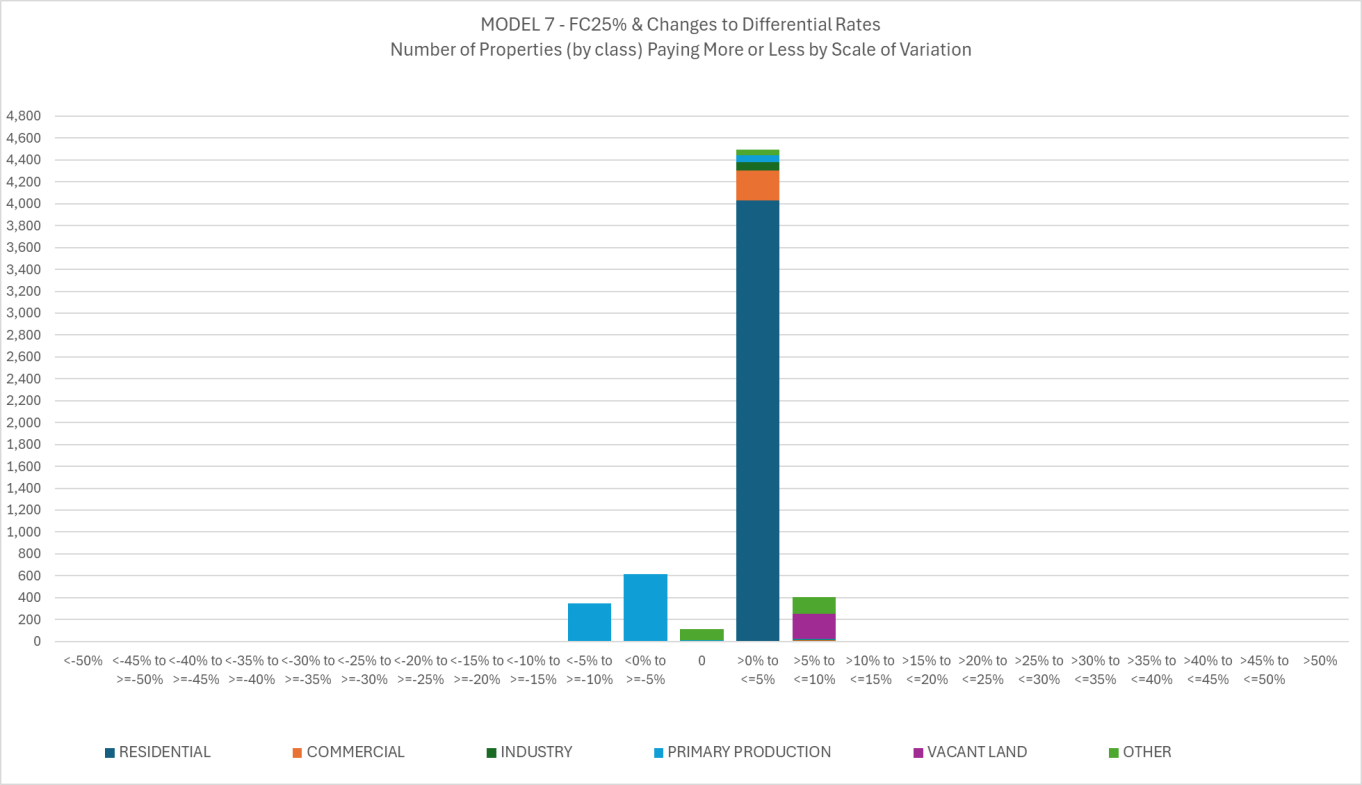


MODEL 7

Fixed charge at 25% of total general rate revenue or \$450 towards Council's core service with Commercial/Industrial Differential of 200%, Primary Production of 135% and Vacant Land Differential of 280%.

Rating Category	Current			Model 7		
	Fixed Charge	Differential	Rate in the Dollar \$	Fixed Charge	Differential	Rate in the Dollar \$
RESIDENTIAL	\$424	100%	0.002500	\$450	100%	0.002507
COMMERCIAL	\$424	198%	0.004960	\$450	200%	0.005014
INDUSTRIAL	\$424	198%	0.004960	\$450	200%	0.005014
PRIMARY PRODUCTION	\$424	146%	0.003660	\$450	135%	0.003384
VACANT LAND	\$424	266%	0.006650	\$450	280%	0.007020
OTHER	\$424	100%	0.002500	\$450	100%	0.002507
Total Rate Revenue	\$ 10,058,020			\$ 10,057,995		

Rating Category	Rates Collected										
	CURRENT RATING SYSTEM				Model 7			Variance			
	No of Properties	Rate Revenue	Distribut'n %	Avg \$	Rate Revenue	Distribut'n %	Avg \$	Rate Revenue	Distribut'n %	Avg %	Avg \$
RESIDENTIAL	4,033	\$ 5,568,732	55.4%	\$ 1,381	\$ 5,681,053	56.5%	\$ 1,409	\$ 112,320	1.1%	2.0%	\$ 28
COMMERCIAL	287	\$ 825,203	8.2%	\$ 2,875	\$ 839,999	8.4%	\$ 2,927	\$ 14,796	0.1%	1.8%	\$ 52
INDUSTRIAL	77	\$ 405,818	4.0%	\$ 5,270	\$ 411,675	4.1%	\$ 5,346	\$ 5,857	0.1%	1.4%	\$ 76
PRIMARY PRODUCTION	1,045	\$ 2,766,435	27.5%	\$ 2,647	\$ 2,607,438	25.9%	\$ 2,495	-\$ 158,998	-1.6%	-5.7%	-\$ 152
VACANT LAND	228	\$ 405,631	4.0%	\$ 1,779	\$ 428,709	4.3%	\$ 1,880	\$ 23,078	0.2%	5.7%	\$ 101
OTHER	301	\$ 86,201	0.9%	\$ 286	\$ 89,122	0.9%	\$ 296	\$ 2,921	0.0%	3.4%	\$ 10
	5,971	\$ 10,058,020	100%	\$ 1,684	\$ 10,057,995	100%	\$ 1,684				



Appendix 2 – Draft Rating Policy

Responsibility:	
Version:	
Effective date:	
Last revised date:	
Minutes reference:	
Next review date:	
Applicable Legislation and references:	<i>Local Government Act 1999 - Chapter 10</i> <i>Local Government (General) Regulations 2013 (SA) - Section 14</i> <i>Local Government (Financial Management) Regulations 2011 (SA) – Section 6</i> LGA Financial Sustainability Information Paper #20: Rating and Other Funding Policy Options Landscape South Australia Act 2019
Related Policies:	
Related Procedures:	

1. Introduction

Councils are required to raise revenue for governance, administration and the delivery of goods and services to the community.

Council's major source of revenue is Rates, derived as a tax on land within the Council area. All ratepayers receive benefits from paying rates, but those benefits are consumed in different quantities and types over the life of the ratepayer.

This document sets out the policy of the Council ("Council") for setting and collecting rates from its community.

Rates are not fees for services. They constitute a system of taxation for Local Government purposes² Local Government functions are defined broadly in the Act.

2. Purpose

Chapter 10 of the *Local Government Act 1999* ("the Act") prescribes Council's powers to raise rates. Section 123 of the Act requires Councils, as part of the Annual Business Plan, to have a rating policy which must be prepared and adopted each financial year in conjunction with the declaration of rates.

3. Scope

In determining a suitable Rating Policy, Council has taken into consideration the following adopted documents:

- Strategic Management Plan
- Annual Business Plan and Budget
- Long Term Financial Plan

4. Policy Statement

4.1 Communication of the Policy

Section 123 of the *Local Government Act 1999* requires a Council to prepare an Annual Business Plan and Budget. As per Section 123 (2)(d) of the Act, the Annual Business Plan must set out the rates structure and policies for the financial year. A summary of the Annual Business Plan must be included with the first rates notice.

4.2 Council's Duties and Powers

Council's powers to raise rates are found in Chapter 10 of the *Local Government Act 1999*. The Act provides the framework within which the Council must operate and provides the rating options available.

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*), is rateable.

The *Local Government Act 1999* provides for a council to raise revenue for the broad purposes of the council. Rates are not fees for services. They constitute a system of taxation for Local Government purposes.

In addition to rates, the Council can also raise revenue through:

- Service rates or charges for specific services (eg waste service charge);
- Optional user charges (e.g. hire of community facilities); and
- Expiation fees (e.g. parking infringements);

4.3 Principles of Taxation

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

Benefits received (services available, 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. The relative benefits received/available per property are effectively factored into property values.

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.

Administrative simplicity

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

Economic efficiency

This refers to whether or not the tax distorts economic behaviour.

4.4 Policy consistency

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

4.5 Valuation of Land

A council is permitted to adopt the following valuation methodologies to value the properties in its area:

- **Capital Value** – the value of the land and all the improvements on the land. The value reflects, 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.

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

The Council will continue to use capital value as the basis for valuing land. The Council considers that this method provides the fairest way to distribute the rate 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;
- property value is a relatively good indicator of 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.

The Council will adopt the most recent valuations made by the Valuer- General at the time of the annual declaration of rates.

4.6 Objection to Valuation

If a ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the valuation referred to in the rate notice by writing served personally or by post on the Valuer-General within 60 days after the date of service of the notice, provided they have not:

- (a) previously received a notice or notices under the *Local Government Act 1999* referring to the valuation and informing them of a 60-day objection period, the objection period is 60 days after service of the first such notice; or
- (b) Previously had an objection to the valuation considered by the Valuer-General.

The Valuer-General may extend the 60-day objection period where it can be shown that there is reasonable cause to do so by a person entitled to make an objection to a valuation.

Objections can be submitted to the Office of the Valuer-General via:

Online: www.valuergeneral.sa.gov.au

Email: OVGobjections@sa.gov.au

Post: GPO Box 1354, Adelaide 5001

Fax: 08 8115 5709

In Person: Land Services SA, Level 9, 101 Grenfell Street, Adelaide

The Council has no role in this process. The lodgement of an objection does not change the due date for the payment of rates.

Pursuant to the provisions of the *Local Government Act 1999*, Council shall refund any rate amount overpaid as a result of an objection, review or appeal in respect of a valuation.

4.7 Notional Values

Certain properties may be eligible for a “notional value” under the Valuation of Land Act 1971. This may apply if the property is the principal place of residence, and its value is enhanced by unrealised

subdivision potential or a different potential land use. A notional value is generally less than the capital value and therefore would result in reduced rates.

Application by the ratepayer for a notional value must be made to the Office of the Valuer-General.

4.8 Fixed Charge

Section 152 of the Act provides for a fixed charge component of rates and establishes a limit of 50% of a council's rate revenue to be generated from a fixed charge.

To the extent that many (though not all) Council services are provided and available relatively uniformly to all ratepayers, and that property values vary because of a range of factors (not just the relative extent of Council services) the Council considers it is equitable, from the perspective of the benefit principle, to share the costs of services by way of a uniform fixed charge, set at an appropriate level. However, applying the benefit principle exclusively would not take account of the capacity to pay principle.

Accordingly, to appropriately balance both the benefit principle and the capacity to pay principle, the Council's policy is to limit the amount collected by a fixed charge to approximately 25% of general rate revenue to illustrate weighting of capacity to pay and benefits received.

Where two or more adjoining properties have the same owner and occupier, only one fixed charge is payable by the ratepayer. Only one fixed charge applies to a single farm enterprise.

The amount of the fixed charge is indicated on the rates notice.

4.9 Differential Rates

In addition to the use of a fixed charge, Council has declared differential general rates in the dollar according to the use of the land.

The *Local Government Act 1999* allows councils to differentiate rates based on the use of the land, the locality of the land or on both the use and locality of the land.

The categories of land use are defined by the *Local Government (General) Regulations 1999*.

The Council has adopted the following differential rates:

Land Use	Differential Rate %	Rationale (example)
Residential	100%	The residential rate is set as the base differential from which all other differentials are measured. This category receives no loading or discount, reflecting a standard level of service consumption
Commercial	170%	The 170% differential represents fairness and competitive neutrality while still recognising the category's higher service impact.
Industrial	170%	
Primary Production	120%	The 120% differential recognises infrastructure demand while moderating the burden to avoid

		disproportionate impacts on the viability of farming operations.
Vacant Land	300%	Given the expected increase in vacant allotments as new developments are released, a 300% differential ensures equity and discourages long-term land banking.
Other	100%	This category receives no loading or discount, reflecting a standard level of service consumption.

The land use attributed to a property is provided by the Office of the Valuer-General. If a ratepayer is of the opinion that a particular land use has been wrongly attributed to the ratepayer's land by the council for the purpose of levying differential rates, the ratepayer may object to the attribution of that land use.

Council is responsible for accepting objections to land use. The objection must be lodged in writing and directed to the Council within 60 days of being notified of the land use.

Lodgement of an objection does not change the due date for the payment of rates.

4.10 Landscape Levy

The Council is required under the Landscape South Australian Act 2019 to make a specified contribution to the xxxx. It does so by imposing a separate rate against all rateable properties.

This separate rate is effectively a State tax that councils are required to collect, and return to a State Government agency, the local Landscape Board. Even though it appears on the Council's rates notice, enquiries about this component should be directed to the xxxx. The contact details are as follows:

Phone Number:

Email:

Address:

Website:

4.11 Service Charges

Section 155 of the Act allows a Council to impose a service charge on rateable land within its area for a prescribed service. A prescribed service is described as treatment or provision of water, collection, treatment or disposal of waste, a television transmission service or any other service prescribed by the regulations for the purposes of this definition.

Council has adopted the following service charges:

Community Wastewater Management Charge
(Include further information if applicable)

Waste Charge
(Include further information if applicable)

4.12 Cost of Living Concessions

A number of years ago, the State Government replaced rate concessions with a 'cost of living concession' that is paid directly to pensioners and concession card holders.

Information is available at:

Online: www.sa.gov.au/topics/care-and-support/concessions/household-concessions/cost-of-living-concessions

Email: concessions@sa.gov.au

Phone: 1800 307 758 - 9:00 am to 5:00 pm, Monday to Friday

4.13 Rate Capping

Council considers it appropriate to grant pursuant to Section 166 (1)(l)(i) of the *Local Government Act 1999* a rebate to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to a redistribution of the rates burden within the community arising from the change in the basis of rating.

A rebate will be granted* to limit the increase of the general rate over the amount of the general rate payable in the prior financial year as follows:

- (a) increase in the general rate payable will be limited to x% over the general rates payable in the prior financial year.

*Exclusions apply where:

- the ownership of the land has changed from the previous rating year
- the land use has changed from the previous rating year

Where a ratepayer is eligible to benefit from the application of rate capping, the Council's policy is to reflect the rate cap in the rates notice when it is issued.

4.14 Remission of Rates

The Council has a discretion to partially or wholly remit (i.e. waive) rates on the basis of hardship. If you are suffering financial hardship, you may contact the Council's Rates Administrator to discuss the matter. Such inquiries are treated confidentially, and any application will be considered on its merits.

4.15 Postponement of Rates

Any person holding a State Seniors Card issued by the State Government may make application to Council for a postponement of the prescribed proportion of rates for the current or future financial years.

All applications of postponement will need to be considered in accordance with the relevant legislative provisions.

4.16 Mandatory Rebates

The *Local Government Act 1999* requires councils to rebate the rates payable on some land uses. A 100% rebate must be applied to land used for:

- health services
- religious purposes
- public cemeteries
- the Royal Zoological Society

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

- community service organisations
- schools and universities

4.17 Discretionary rebates

The *Local Government Act 1999* enables the Council (upon application and subject to certain eligibility criteria) to grant discretionary rebates of up to 100% for land used for the 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
- accommodation for the aged or persons with disability
- other purposes

Upon receipt of your application, the Council will take into account:

- why there is a perceived need for financial assistance through a rebate.
- the level of rebate being sought.
- the extent of financial assistance, if any, being provided and/or in respect of the land by Commonwealth or State agencies.
- whether, and if so to what extent, you are or will be providing a service within the Council area.
- whether you are a public sector body, a private not for profit body or a private or profit body.
- the nature and extent of Council services provided in respect of the land, in comparison to services provided elsewhere in the Council's area.
- the community need, if any, that is being met by activities carried out on the land.
- the extent to which activities at the land for provide assistance or relief to disadvantaged persons.
- consideration of the full financial consequences of the rebate for the Council.
- the time the application is received.
- whether you may be eligible for a Council community grant; any other matters and policies of the Council, which the Council considers relevant.

If you or your organisation wishes to apply for a discretionary rate rebate, you may apply by contacting the Council's Rate Administrator.

4.18 Payment of Rates

The Council will collect rates quarterly on the dates to be specified on the rates notice, generally in the following months:

- September
- December
- March
- June

Rate notices will be issued quarterly however the total outstanding balance of rates may be paid at any time.

Rates may be paid via the following methods:

- Online:
- Telephone:
- In person:
- BPay:
- Centrepay:
- Direct debit:
- Post:
- Australia Post outlet:

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard instalments and due dates can contact the Council to discuss alternative payment arrangements. Fines and interest on overdue amounts will be applied in accordance with the Act.

4.19 Late Payment of Rates

The *Local Government Act 1999* provides that Councils impose a penalty of 2% on any late payment for rates, whether instalment or otherwise. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be late. Interest charged on late payments is charged on both the amount of the rate arrears and any interest that has previously been imposed. 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 the Council to recover the administrative cost of following up unpaid rates and to cover any interest cost the Council may incur because it has not received the rates on time.

The Council imposes late payment penalties strictly in accordance with the *Local Government Act 1999*. The ability to remit penalties in whole or part is a power vested in Council. Each case will be considered on its merit based on the information provided.

When Council receives a payment in respect of overdue rates the Council applies the money received in accordance with Section 183 of the *Local Government Act 1999*, as follows:

- Firstly – to satisfy any costs awarded in connection with court proceedings
- Secondly – to satisfy any interest costs
- Thirdly – in payment of any fines imposed; and
- Fourthly – in payment of rates, in date order of their imposition (starting with the oldest account first).

4.20 Outstanding Rates

Council will apply prudent debt collection practices in the recovery of outstanding rates in compliance with the Act and follow an ongoing assessment of arrears and systematic approach to debt recovery.

In accordance with the provisions of the Act, where an instalment of rates is not paid on or before the date on which it falls due, Council will:

- (a) Send a reminder notice to the principal ratepayer with outstanding rate balances advising that payment is overdue;
- (b) Proceedings for collection of outstanding rate balances after that time may be collected by legal process.

4.21 Sale of Land for Non-Payment of Rates

The *Local Government Act 1999* provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to provide the principal ratepayer and the owner (if not the same person) with details of the outstanding amounts and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

4.22 Changes to Assessment Records

All changes to postal address of ratepayer/owner and changes of ownership of a property must be notified promptly to Council in writing.

4.23 Disclaimer

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 the Council has failed to properly apply this policy it should raise the matter with the Council.