

Reference: AF11/877
Enquiries to: Mrs Sarah Philpott

MEMBERS

NOTICE is hereby given that the Mayor has called a Special Meeting of the Council to be held at the Council Chamber, Civic Centre, 10 Watson Terrace, Mount Gambier on the following date and time:

Tuesday 29 June 2021 - Council Chamber - Civic Centre (commencing at 5:30 pm)

For the purpose of:

1. Annual Business Plan and Budget and Waste Service Charge adoption for the year ending 30 June 2022
2. Rates Declaration for the year ending 30 June 2022
3. Policy Review - R105 - Rating Policy
4. Policy Review - R130 - Rates - General Matters
5. Policy Review - R155 - Rate Rebate Policy

Please find Agenda attached.



Sarah PHILPOTT
CHIEF EXECUTIVE OFFICER

25 June 2021



City of
Mount Gambier

Civic Centre, 10 Watson Terrace
Mount Gambier SA 5290

PO Box 56
Mount Gambier SA 5290

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I hereby give notice that a Special Meeting of Council will be held on:

Date: Tuesday, 29 June 2021
Time: 5.30 p.m.
Location: Council Chamber
Civic Centre
10 Watson Terrace
Mount Gambier

AGENDA

Special Council Meeting 29 June 2021

Sarah Philpott
Chief Executive Officer
25 June 2021

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1 ACKNOWLEDGEMENT OF COUNTRY

WE ACKNOWLEDGE THE BOANDIK PEOPLES AS THE TRADITIONAL CUSTODIANS OF THE LAND WHERE WE MEET TODAY. WE RESPECT THEIR SPIRITUAL RELATIONSHIP WITH THE LAND AND RECOGNISE THE DEEP FEELINGS OF ATTACHMENT OUR INDIGENOUS PEOPLES HAVE WITH THIS LAND.

2 APOLOGIES

Nil

3 LEAVE OF ABSENCE

Nil



4 COUNCIL REPORTS

4.1 ANNUAL BUSINESS PLAN AND BUDGET AND WASTE SERVICE CHARGE ADOPTION FOR THE YEAR ENDING 30 JUNE 2022 – REPORT NO. AR21/38318

Committee:	Council
Meeting Date:	29 June 2021
Report No.:	AR21/38318
CM9 Reference:	AF20/446
Author:	Darren Barber, General Manager Shared Services
Authoriser:	Sarah Philpott, Chief Executive Officer
Summary:	This report presents the proposed 2021/2022 Annual Business Plan and Budget for the City of Mount Gambier, including a recommendation to adopt the Annual Business Plan and Budget and a Waste Service Charge.
Strategic Plan Reference:	Goal 1: Our People Goal 2: Our Location Goal 3: Our Diverse Economy Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage Goal 5: Our Commitment

REPORT RECOMMENDATION

1. That Council Report No. AR21/38318 titled 'Annual Business Plan and Budget and Waste Service Charge adoption for the year ending 30 June 2022' as presented on 29 June 2021 be noted.
2. That pursuant to the provisions of 123 (6) of the Local Government Act 1999 and Regulation 6 of the Local Government (Financial Management) Regulations 2011, Council
 - (a) having considered the opportunity for submissions during the public consultation period and having regard to all relevant information in the possession of the Council, hereby adopts for the year ending 30 June 2022 the Annual Business Plan and Budget and Waste Service Charge (WSC) as attached to Report No. AR21/38318; and
 - (b) authorises the Chief Executive Officer to make any minor alterations and amendments to the text of the Annual Business Plan prior to formal publication.



TYPE OF REPORT

Legislative

BACKGROUND

At the Ordinary Council Meeting held on May 18, 2021 (Report AR21/25401), Council considered the 2021/2022 Proposed Annual Business Plan and Budget and Waste Service Charge and endorsed the public consultation process in accordance with current legislative provision.

Council has a suite of Strategic Management Plans including its Community Plan 2020-2024, Long Term Financial Plan and Infrastructure and Asset Management Plan. Each year Council determines the services, programs, infrastructure and capital works that will be provided in accordance with Council's suite of Strategic Management Plans and financial parameters. Council sets a budget including the amount of rate revenue required to fund the delivery of these services, programs, infrastructure and capital works.

To determine the amount of rates payable by each ratepayer, Council uses a formula based on property values. The formula divides the total amount of rates required by the total value of all rateable properties in the Council area, while incorporating a fixed charge. The outcome of the formula is the determination of the rate in the dollar, including differential rates in the dollar for different land uses, which is applied to each rateable property.

PROPOSAL

Submissions

The Community Consultation feedback from the Annual Business Plan, Budget and Waste Service Charge was presented to Council on Monday June 21 2021.

Six submissions were lodged in the allocated timeframe and discussed at the above meeting. A written response has been provided to each submitter.

Budget Process

The following steps have occurred as part of the preparation of the 2021/2022 Annual Business Plan, Budget and Waste Service Charge:

- Elected Member ABP&B Workshop No. 1 - held on 2 February 2021, including a review of:
 - The Long Term Financial Plan (LTFP);
 - The Asset Management Plans (AMPs);(both adopted by Council on 16 February 2021);
- Elected Member APB&B Workshop No. 2 - held on 24 March 2021;
- Elected Member APB&B Workshop No. 3 - held on 14 April 2021;
- Elected Member APB&B Workshop No. 4 - held on 27 April 2021;
- Schedule of Fees and charges for 2021/2022 - adopted by Council on 18 May 2021;
- Council approved the 'draft 2021/2022 Annual Business Plan and Budget including the proposed Waste Services Charge' for Community consultation - 18 May 2021;
- Period of Community consultation - from Friday 21 May 2021 to Friday 11 June 2021;
- Special Council meeting on Monday 21 June 2021 to consider submissions received during consultation period; and
- Special Council meeting to adopt the 2021/2022 ABP&B - 29 June 2021.

Discussion

Delivery of the Community Plan requires ongoing investment in the various strategies endorsed by Council. This investment is in addition to Council's funding of its legislatively required and discretionary community deemed services, programs, capital works and infrastructure.



The percentage increase in gross rate revenue for 2021/2022 from the 2020/2021 financial year is 4.5% (including growth of 2.4%) allowing Council to:

- Invest in the Community Plan and strategies
- Continue to deliver services and programs and capital works, and
- Maintain its assets and infrastructure.

Growth is predominantly the result of new housing and property improvements as reported by the Valuer General. \$24M (70%) of Council's operating revenue comes from rates revenue (including general rates, Regional Landscape Levy, Waste Service Charge and adjustments), the remaining income comprises \$5.6M (17%) from fees and charges and \$4.5M (13%) from other sources for example Federal Assistance Grants.

The average residential rate payer will pay \$1,312 which includes the WSC. The Council's average residential rate is below the average for South Australia which was \$1,662 for metro and \$1,471 for rural for the 2020/2021 financial year (source: Local Government Association 2020/2021 financial year data). Rates for each property will be determined by valuation and the rate in the dollar applied to the property type.

Annual comparisons for the State are provided by the Local Government Association around December each year. Comparison with other councils is challenging noting the difference between metro, regional and rural and include differences in the profile of property types, differential rating, whether a separate charge is applied for such expenses as community waste management systems and general waste management.

Council's fixed charge component for 2021/2022 is \$518.30, a 37.3% decrease on the 2020/2021 year. The fixed charge applies to every ratable property and continues to raise 37.3% of Council's total rate revenue.

This budget proposes the introduction of a Waste Service Charge of \$200 per year for all assessments where applicable, including properties where Council applies mandatory or discretionary rebates on the general rates, excluding non-rateable properties. The combined General Rates - Fixed Charge and the Waste Service Charge will raise approximately 45% of Council's overall rates and charges revenue.

The Waste Service Charge will cover Council expenditure associated with waste. Any surplus that may result from the collection of the Waste Service Charge funds, will be recognized and held in a specific waste reserve as per the Local Government Act 1999.

Councils are required to collect on behalf of the Limestone Coast Landscape Board the Regional Landscape (RL) Levy. The RL Levy is passed directly onto the RL Board and is a separate rate to Council rates. The City of Mount Gambier's RL Levy contribution for 2021/2022 is \$1,215,649 representing an increase of 3.1% on the 2020/2021 RL Levy.

A summary of the financial position of the draft 2021/2022 budget is:

Operating revenue	\$ 33,945,000
<u>Less Operating expenditure</u>	<u>\$ 34,516,000</u>
<u>Operating surplus / (deficit)</u>	<u>(\$ 571,000)</u>
Plus Asset disposal adjustment	(\$ 113,000)
<u>Plus Amounts received specifically for new/upgraded assets</u>	<u>\$ 18,355,000</u>
<u>Net surplus / (deficit)</u>	<u>\$ 17,671,000</u>
Capital expenditure on:	
Council's assets and infrastructure ⁽¹⁾	\$ 10,594,000
<u>Wulanda Recreation and Convention Centre</u>	<u>\$ 45,193,000</u>
<u>Total Capital expenditure</u>	<u>\$ 55,787,000</u>

(1) Excluding the Wulanda Recreation and Convention Centre



LEGAL IMPLICATIONS

The Annual Business Plan and Budget has been prepared in accordance with the following principles as set out in the Local Government Act 1999 (the 'Act'):

- Under Section 123 of the Act Council is required to adopt a draft Annual Business Plan (ABP). This draft plan, once adopted, is required to be circulated for the purposes of public consultation.
- Under Section 146 of the Act a Council may impose general rates, separate rates, service rates and service charges on land in its area.
- Generally, all land within a council area is rateable unless it is specifically exempted by Section 147 of the Act. Such exemptions include Crown Land, land used for public educational purposes and council occupied land, amongst others.
- Rates must be based on the value of the land or a combination of a fixed charge and the value of the land (Sections 151 and 152 of the Act). A fixed charge can only be imposed against the whole of an allotment and only one fixed charge can be imposed against two or more pieces of contiguous (adjoining) land owned by the same owner and occupied by the same occupier, or a single farm enterprise (Sections 148 and 152 of the Act).
- Under Section 123 (9)(a) Council must ensure that a summary of the Annual Business Plan is prepared and included with the first rates notice sent to ratepayers.

STRATEGIC PLAN

Council has a number of Strategic Management Plans including its Community Plan 2020-2024, Long Term Financial Plan and Infrastructure and Asset Management Plan that influence the Annual Business Plan and Budget.

COUNCIL POLICY

Councils Policy R105 Rates and Rating, Policy R130 Rates General Matters and Policy R155 Rates Rebate support the development and adoption of the 2021/2022 Budget.

ECONOMIC IMPLICATIONS

The Annual Business Plan and Budget provides the funding for the Council to undertake its social, economic, infrastructure and environmental initiatives outlined in the Councils Long Term Financial and Asset Management Plans.

ENVIRONMENTAL IMPLICATIONS

The Annual Business Plan and Budget provides the funding for the Council to undertake its social, economic and environmental initiatives outlined in the Strategic Plan 2020-2024.

SOCIAL IMPLICATIONS

The Annual Business Plan and Budget provides financial support for the implementation of Councils social policies and initiatives.

CULTURAL IMPLICATIONS

Nil



RESOURCE IMPLICATIONS

The Annual Business Plan and Budget sets out the financial resources to ensure Council has adequate human and financial resources to deliver community services and initiative as set out the Strategic Plan 2020/2024.

VALUE FOR MONEY

Refer to the 'Discussion' section of this report.

RISK IMPLICATIONS

In developing the Draft Budget and Annual Business Plan, Council considers relevant financial risks to ensure it can achieve its Strategic Plan objectives within a longer term prudent financial framework.

EQUALITIES AND DIVERSITY IMPLICATIONS

The Annual Business Plan and Budget provides the resources to deliver actions from the Reconciliation Action Plan and Disability Action and Inclusion Plan.

ENGAGEMENT AND COMMUNICATION STRATEGY

Council has complied with the following legislative requirements to communicate and engage with the community in preparing the Annual Business Plan and Budget.

The Local Government Act 1999 Chapter 8, Part 2 Annual Business Plans and Budget, Section 3 (b) states that councils must:

"Follow the relevant steps set out in its public consultation policy, taking into account the requirements of subsection (4)."

Section 123(5) of the Act requires the Council to:

- *"Publish in a newspaper circulating within the area of the council and on a website a notice informing the public of the preparation of the draft Annual Business Plan; and*
- *Consult with its community for at least 21 days on its Annual Business Plan; and*
- *Invite interested persons to attend a public meeting or a meeting of the council the date of which is to be included in the notice at which members of the public may ask questions and make submissions in relation to the Annual Business Plan.*
- *That a copy of the draft Annual Business Plan be available at the meeting.*
- *That a copy of the draft Annual Business Plan be available for inspection (without charge) and purchase (on payment of a fee fixed by the council) at the principal office of the council and on the website at least 21 days before the date of the meeting."*

The Council's Policy P195 Community Consultation and Engagement Policy sets out the policy the Council for Community Public Consultation and Engagement under normal circumstances. This Policy affirms Council's commitment to effective, ongoing and timely community engagement as an integral part of local governance and key decision making.

COVID-19 amendments

In accordance with the emergency provisions and recognition of the temporary COVID-19 amendments to the Local Government Act 1999, the regular Community Consultation and Engagement Policy has been amended.



Council Report 'Policy Review - C410 Code of Practice for Conduct of Meetings - holding and participating in meeting by electronic means - Report No. AR20/21246', which re-presented policy provisions and updated Policy C410 Conduct of Meetings to address Member attendance at meetings and informal gatherings by electronic means have been endorsed in line with the changes to the Act.

IMPLEMENTATION STRATEGY

The budget is implemented across council in accordance with the Annual Business Plan under financial delegation.

Budget reviews are submitted quarterly to Council and the Audit Committee.

CONCLUSION AND RECOMMENDATION

Council has completed a structured process of budget analysis and review to ensure responsible financial planning in accordance with the Long Term Financial Plan and the Local Government Act. This approach supports the ongoing implementation of Councils Strategic Plan 2020/2024.

ATTACHMENTS

1. 2021/2022 Annual Business Plan & Budget and Waste Service Charge [↓](#)





2021/2022
Annual Business Plan
& Budget & Waste
Service Charge (WSC)

Adopted on 29 June 2021



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2021/2022 ANNUAL BUSINESS PLAN & BUDGET & WASTE SERVICE CHARGE (WSC)

FROM THE MAYOR

The 2021/2022 Annual Business Plan and Budget (ABP&B) & Waste Service Charge (WSC) is a statement of Council's intended program of work and objectives for the upcoming financial year.

The ABP&B outlines how Council plans to achieve its goals and the methods we will implement to monitor and measure performance. It also includes a summary of the revenue and expenditure required to deliver the program, developed within the context of Council's commitment to financial sustainability and long-term financial planning. The impact on rates and implications for ratepayers is also outlined.

This budget continues to ensure that service delivery is maintained while Council oversees the development of its largest ever infrastructure project, the Wulanda Recreation and Convention Centre. The build at Olympic Park is expected to be completed in Autumn 2022 and I am very excited for the community to have access to this much needed state of the art facility. Wulanda will be a place for all, providing aquatic, sports, cultural, youth, café and creche facilities as well as a convention space for the benefit of the entire community.

I am pleased to share that in recent months Council secured \$800,000 in State Government funding to extend the shared cycling/walking path from Wandilo Road to Wireless Road and install solar lighting along the total length, spanning 11.3 kilometres. Council will match this funding amount dollar for dollar and work on the path is expected to be undertaken within the next year.

To ensure Council's priorities reflect the needs of our community, annual financial planning and budgeting is undertaken with long-term goals in mind. Council continues to review its strategic response to COVID-19 in an ongoing effort to support the community as we move forward to a sustainable recovery. This follows a multi-million-dollar COVID-19 stimulus and recovery allocation provided by Council as part of the 2020/2021 ABP&B.

As of 1 July 2021, Council has implemented a Waste Service Charge (WSC) to highlight the cost of waste management on rate notices. The \$200 charge was not an additional cost to most ratepayers, as it is already included within the total General Rate Revenue and will be separated out as an additional line item on your rates notice. Council hopes the WSC will encourage ratepayers to consider their personal environmental impact and the costs associated with waste management and does not intend to raise overall rates and charges associated with the WSC.

Key influences on the 2021/2022 ABP&B include:

- The vision outlined in the 2020-2024 Strategic Plan: *An inclusive city, where people lead fulfilling lives* through the delivery of services and essential infrastructure.
- A focus on economic development including tourism and the development of a strategic plan for the city's tourism assets.
- Continuing investment to promote Mount Gambier as a visitor destination, a regional retail and commercial hub and as a quality destination to host major events and conferences.
- Development of the Mount Gambier Sport, Recreation and Open Space Strategy, informed by community feedback.
- Continuing development of Council's Asset Management Plans, the blueprints we use to maintain our portfolio of assets throughout the city, worth approximately \$247 million.
- Completion of building works on the Wulanda Recreation and Convention Centre with the support of grant funding from the Commonwealth and State Governments.
- Additional capital works program of approximately \$10.6 million including work on 20 roads as part of the road reconstruction program, the completion of the Pinehall Avenue and O'Leary Road intersection and 8 new footpaths.
- Maintaining the wide range of community support programs and initiatives, and
- Retaining and developing Council's workforce to enable Council to maintain its service delivery.



The 2021/2022 ABP&B shows a budgeted net surplus of \$17.67 million. This includes budgeted amounts received for new assets of \$18.36 million related to State, Federal and additional funding for the construction of the Wulanda Recreation and Convention Centre. The operating result for the 2021/2022 ABP&B provides for an operating deficit as at 30 June 2022 of \$0.572 million as a result of COVID-19 initiatives undertaken during 2020.

Council considered all community feedback provided as part of the Draft 2021/2022 Annual Business Plan and Budget community consultation process on Monday 21 June 2021 at a Special Council meeting. The final 2021/2022 Annual Business Plan and Budget was adopted by Council on 29 June 2021.

Lynette MARTIN OAM
MAYOR
CITY OF MOUNT GAMBIER



OUR CITY

Mount Gambier has a population of 27,433 people (ABS ERP 2020), is centred halfway between (approximately 440 kilometres) the capital cities of Adelaide and Melbourne as South Australia's second largest city. Mount Gambier is the regional centre for the Limestone Coast region of South Australia, the Western District of Victoria and is widely known as the home of Australia's softwood timber industry and the wine regions of Coonawarra and Padthaway. The city services the commercial, retail, health, social, tourism, sporting, arts and cultural needs of a regional population of more than 70,000 people.

Mount Gambier covers 3,388 hectares with a population density of 8.10 persons per hectare. The 2016 Census resident population was 26,276, living in 12,328 dwellings with an average household size of 2.3 persons. This represents an increase in population from 25,773 persons recorded in the 2011 Census.

The majority of City of Mount Gambier residents are employed in the retail and services sectors including health care, financial and social assistance and the manufacturing sector. Further information about Mount Gambier's demographics is available at: <https://profile.id.com.au/mount-gambier/home>

With a diverse and stable economic base, the Mount Gambier region is one of the most significant contributors to the South Australian economy in both export, local income and tourism. Key industries that contribute to the city and regional economy are:

- Softwood timber industry,
- Visitor economy,
- Health services,
- Agribusiness, and
- Transport and logistics.

A focus for growth is the visitor economy, a diverse and wide-reaching sector that impacts broadly across service and product groups. The growth of this sector impacts on business opportunities from hospitality, to growing existing products and services and providing exciting new opportunities. This sector strongly links to the agribusiness sector, with farm experiences increasingly sought after by international visitors.

Transport and logistics are key employers in Mount Gambier. The city is one hour from Portland's major deep sea port and ensures that Mount Gambier remains a key transport hub. The transport sector remains strong, with growing demand, particularly in the city's forestry sector.



OVERVIEW

The City of Mount Gambier ABP&B is an important part of Council's suite of strategic management plans and integrated planning and budgeting framework. It aligns with:

- The 2020-2024 Strategic Plan and its strategies, initiatives and projects,
- Long Term Financial Plan (LTFP), and
- The Infrastructure and Asset Management Plans (IAMPs)

to ensure that Council optimises the mix of services, programs, infrastructure and facilities for the benefit of the local community. The draft 2021/2022 budget provides for:

- \$55.8 million in capital expenditure projects. \$10.6 million is drawn from the Council's detailed Asset Management Plans and \$45.2 million from the Wulanda Recreation and Convention Centre project co-funded with Commonwealth and State grant funding,
- \$0.572 million operating deficit as at 30 June 2021 before the Wulanda Recreation and Convention Centre funding,
- \$17.67 million net surplus after funding for the Wulanda Recreation and Convention Centre.

Key initiatives for 2021/2022 are detailed in the budget section of this document. Rates and charges income accounts for approximately 70% of Council's operating income. Council proposes to alter the standard rating policy structure for 2021/2022 to include:

- A fixed charge - applicable to every rateable property that will raise approximately 37% of Council's overall general rate revenue,
- A Waste Service Charge (WSC) – to separate and highlight the annual individual ratepayer waste component currently absorbed within the General Rates, as per the 'Proposed Rating Structure and Waste Service Charge' Council resolution on 16 February 2021. Further information about the WSC is provided in the rating strategy section of this document and in Appendix C.
- Differential rates based on land use multiplying the capital value supplied by state valuation office by the differential rate in the dollar adopted.

BUDGET INFLUENCES

Council operates in a dynamic environment with pressures from economic, operating and political influences. The 2021/2022 Annual Business Plan and Budget includes the following:

- Confirmed grant funding for the Wulanda Recreation and Convention Centre. Significant resources will be committed to the governance, financial and construction processes for the oversight of the project in the 2021/2022 financial year,
- New strategies aligned to Council's 2020-2024 Strategic Plan,
- Council's focus on economic development and tourism opportunities, and
- Employee cost increases linked to Enterprise Bargaining Agreements.

STRATEGIC DIRECTIONS

The City Development Framework Project

The City Development Framework Project involved the establishment of overall strategies for development, incorporating economic, social, environment and community opportunities and aspirations based on four interrelated themes:

<i>Our People</i>	<i>How do we ensure a highly skilled and educated population for the future challenges facing our community? A community reflecting good health, connectedness and wellbeing.</i>
<i>Our Location</i>	<i>How do we take advantage of our location and expand our potential as a regional hub? Building on our regional centre for the provision of services, shopping, tourism, cultural, sporting and recreation.</i>

6



<i>Our Diverse Economy</i>	<i>How do we build on and diversify our existing economy? We have existing high quality and skilled industry sectors including fabrication, manufacturing, forest products, agriculture, health and education. We also have emerging opportunities for digital technology and related industries.</i>
<i>Our Climate, Natural Resources and Heritage</i>	<i>How do we promote and preserve our climate, natural resources and environment? We have a temperate climate, the Crater Lakes Volcanic Complex incorporating the world renowned Blue Lake, a unique natural environment and enviable natural resources. We also have a remarkable wealth of Indigenous and European heritage.</i>

Outcomes from the City Development Framework Project were incorporated within the Futures Paper which is a guide for the future direction and development of the city based upon the ideas and aspirations of the community.

2020 - 2024 Strategic Plan

The 2020 - 2024 Strategic Plan represents Council's vision, aspirations and priorities for the community now and into the future. It describes Council's values, how we work together and outlines the strategic initiatives to achieve ongoing sustainability and prosperity.

The Strategic Plan together with the Futures Paper are Council's key strategic guiding documents and are supported by its Long Term Financial Plan (LTFP), Infrastructure and Asset Management Plans (IAMPs) and the Annual Business Plan and Budget. This suite of plans identifies the direction, services, programs, infrastructure and facilities that Council wishes to provide for the community, specifically for the next four years and into the future.

Our vision

Within the Strategic Plan, Council describes its vision as:

"An inclusive city where people lead fulfilling lives."

The richness and diversity of:

- Our People,
- Our Location,
- Our Economy, and
- Our Climate, Natural Resources, Art, Culture and Heritage

makes Mount Gambier the thriving and successful place that people are proud to call home.

These themes contribute towards the future growth, propensity and development of the city.

Council strives to create vibrancy, promote the city's identity and build on its reputation as a place to live, work, visit and invest in. To provide a future for current and future generations, we need additional economic growth and employment as well as art, cultural, recreational and educational opportunities. Working together, Council and the community can collectively achieve these goals.

Council's plans demonstrate that the role of local government has grown from its traditional base of roads, rates and rubbish. The scope of services now considerably broader and more diverse including health, services for the aged, youth, support for sector and special interest groups within the community and economic development and tourism.

Long Term Financial Plan

The development of a Long Term Financial Plan (LTFP) is a requirement of Section 122 (1) of the Local Government Act 1999. The purpose is to translate the vision, objectives and strategies of the Strategic Plan into financial terms and to guide the direction of Council in a financially sustainable manner.



Council's LTFP was adopted in February 2021 and is reviewed regularly (and at a minimum within two years of each Local Government Council election) and acts as a reference point in the formulation of future Annual Business Plans and Budgets.

The LTFP is driven by Council's suite of strategic management plans and includes future estimated revenue and expenditure particularly focusing on the financing and scheduling of major projects, loan indebtedness, rating level, asset replacement/renewal and impact on operating expenditure.

Council's LTFP assumes:

- Continuation of existing services and infrastructure at current service standards,
- No internal changes to services or investment in new or upgraded assets other than what is already resolved and planned, and
- Construction and operation of the Wulanda Recreation and Convention Centre.

Council's financial projections over the long term planning horizon are not a prediction of financial position or performance, rather an indication of direction and financial capacity.

The LTFP outlines that Council is meeting its financial obligations and targets over the term of the plan and has the financial capacity to continue to meet the service demands of the community, together with the flexibility to respond to changing circumstances.

The projections indicate that based on current assumptions, Council is in a sound financial position with a favourable outlook over the term of the LTFP.

The Futures Paper, Strategic Plan, IAMPs and LTFP are available on Council's website:
www.mountgambier.sa.gov.au

Financial sustainability

Financial sustainability in local government ensures that each generation pays their way rather than any one generation living off their assets and leaving the responsibility for infrastructure/asset renewal to future generations.

South Australian local government has developed a set of indicators to measure councils' financial sustainability. Financial Sustainability Indicators and their targets are used by the Council as a guide in the LTFP. The principal indicators are derived from Council's audited financial statements being:

- Operating surplus / (deficit),
- Net financial liabilities, and
- Asset renewal funding (or asset sustainability).

The following table presents a comparison of the key financial indicators, including Council's budget targets, to maintain its financial performance.

Key financial indicators	2016	2017	2018	2019	2020	2021	2022
Operating surplus ratio (Target: 0% - 15% over 5 years)	(2.0)%	6.0%	6.0%	1.4%	(1.7%)	(3.7%)	(1.7%)
Net financial liabilities ratio (Target: Not to exceed 100%)	25%	28%	17%	11%	18%	67%	154%*
Asset renewal funding ratio (Target: 90% - 100% over 3 years)	57%	62%	72%	68%	105%	96%	101%

* > 100% forecast due to the construction of the Wulanda Recreation and Convention Centre.



The financial indicators represent the following:

- Operating surplus / (deficit) ratio - expresses the operating surplus (or deficit) as a percentage of general and other rates, net of rebates.
- Net financial liabilities ratio - indicates the extent to which net financial liabilities of the Council can be met by Council's total operating revenue. Where the ratio is falling it indicates Council's capacity to meet its financial obligations from operating revenues is strengthening. Where the ratio is increasing it indicates a greater amount of Council's operating revenue is required to service its financial obligations.
- Asset renewal funding ratio (or asset sustainability ratio) - indicates whether the Council is renewing or replacing existing physical assets at the rate at which they are wearing out. Councils with a high ratio are replacing and renewing capital assets at a rate comparable to depreciation/wear.

SERVICES

All councils have mandatory responsibilities under the Local Government Act, the Development Act, the Public and Environmental Health Act and other relevant legislation for the provision of services. These include:

- Regulatory activities e.g. maintaining the voters roll, property ownership data and supporting the elected Council body,
- Setting rates, preparing an annual business plan, budget and determining longer-term strategic management plans,
- Management and maintenance of infrastructure including roads, footpaths, parks, public open spaces, street lighting and storm-water drainage,
- Street cleaning, rubbish collection and recycling,
- Development planning and control, including building safety assessment,
- Various environmental health services including food safety, public health,
- Protection of natural resources, and
- Inspectorial services (parking, animal control).

In response to community demands, Council also provides discretionary services and programs including:

- Libraries and associated facilities and programs,
- The Main Corner Complex and room hire,
- Youth development and programs,
- Economic development,
- Environmental programs,
- Tourism and visitor services,
- Attracting major events to the city,
- Community events programs,
- Events, sponsorship and grants,
- Free public Wi-Fi,
- Public parks and gardens,
- Community programs,
- Sporting and recreational facilities,
- Lifelong learning,
- Community engagement and social inclusion,
- Cemeteries,
- Advocating on behalf of the community to Federal/State Governments, and
- Citizenship ceremonies.

In accordance with the LTFP, Council's 2020/2021 Annual Business Plan and Budget will provide for existing service levels to be maintained.



ANNUAL BUSINESS PLAN AND BUDGET

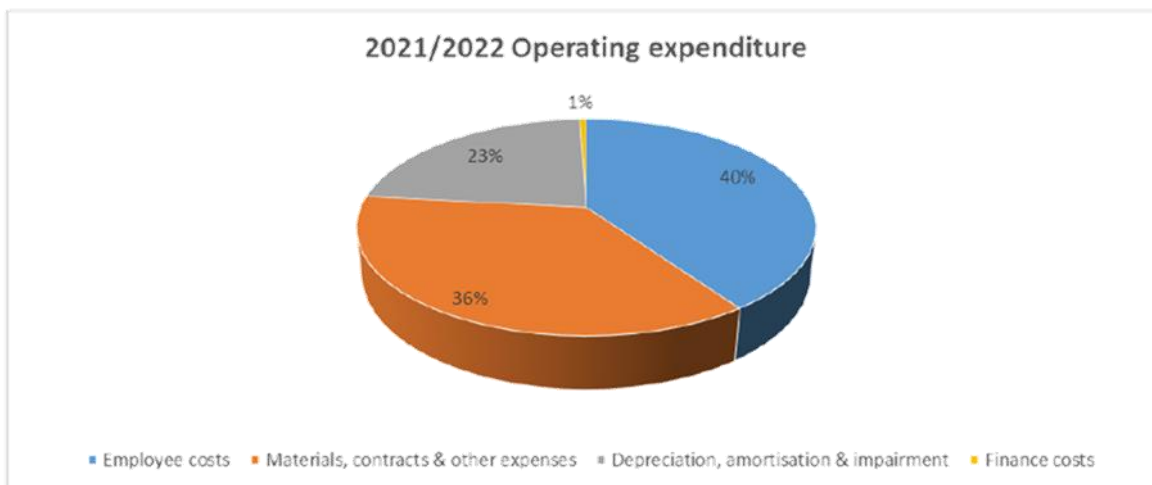
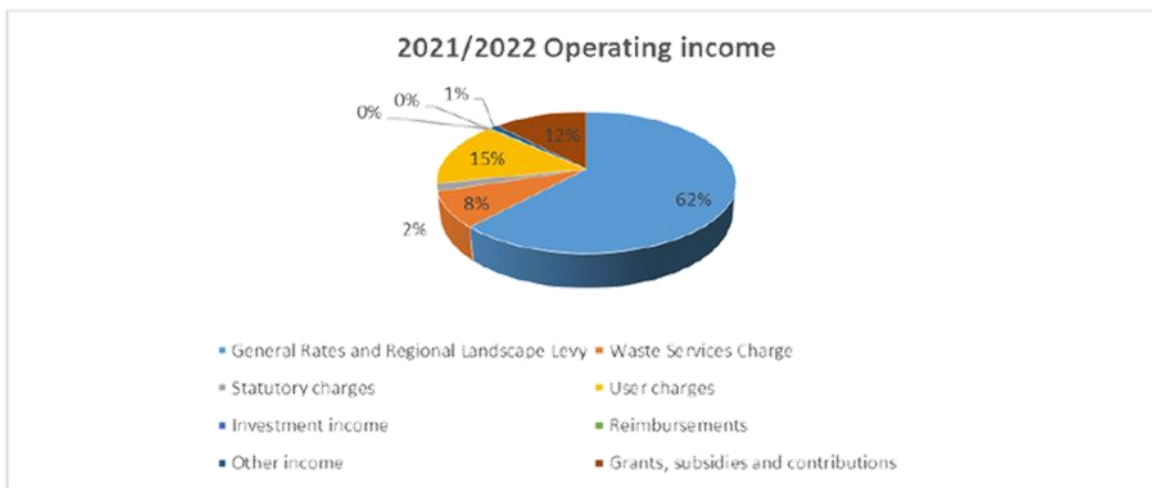
The 2021/2022 Annual Business Plan and Budget proposes that Council will spend a total of \$34.5 million in operating expenditure, including depreciation of \$7.8 million and total capital expenditure of \$55.8 million on the delivery of services and programs, maintenance of assets and development of new or upgraded assets (including \$45.2 million towards the Wulanda Recreation and Convention Centre).

The provision of services such as the Library, parks and infrastructure maintenance, waste collection and disposal continue to be a significant component of Council's budget.

Appendices included in the Annual Business Plan and Budget are:

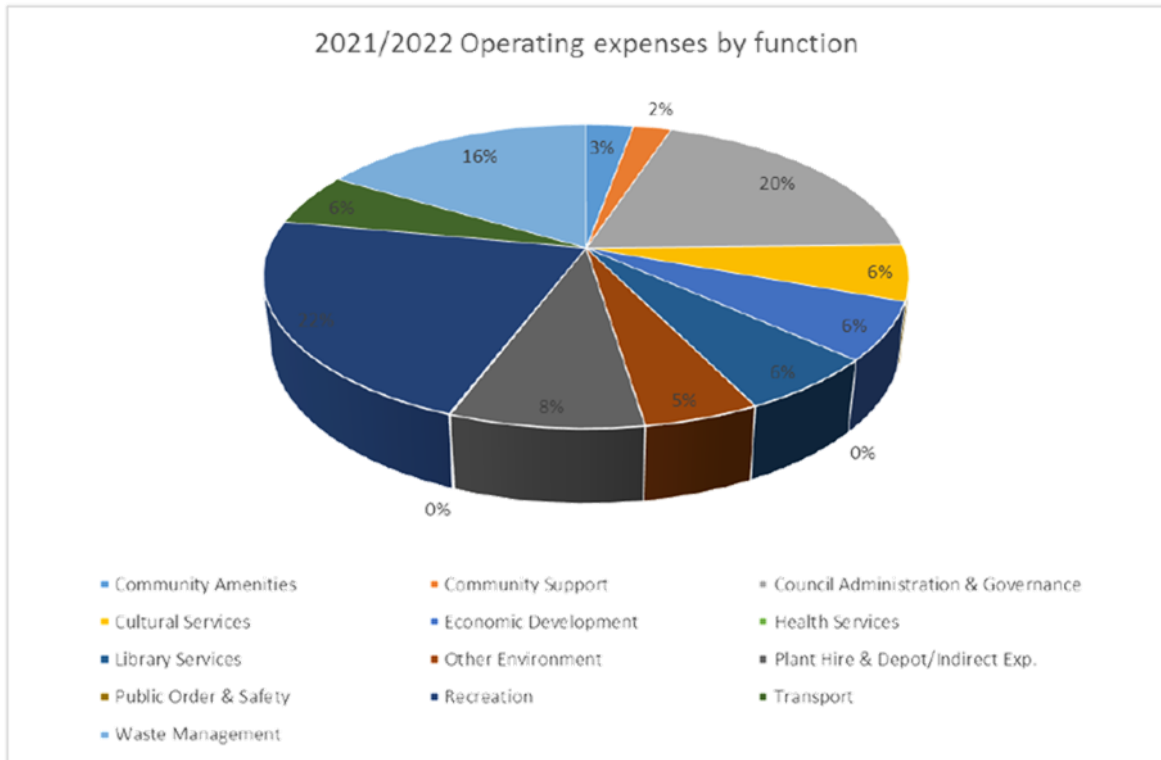
- 2021/2022 Budgeted Financial Statements
- 2021/2022 Operating Budget by Master Account
- 2021/2022 Capital Budget by Master Account

The following graphs show Council's budgeted operating income and expenditure for 2021/2022 as a percentage of total income and expenditure respectively:



The following graph shows Council's 2021/2022 budgeted expenditure (%) by function:





MEASURING PERFORMANCE

Measuring and monitoring Council's performance is fundamental to ensure specified objectives are achieved and programs and services are delivered to the community.

Council monitors financial performance through a range of financial reports including regular financial statements, quarterly comprehensive budget reviews, quarterly performance against the interim and final audits by Council's appointed external auditors and the presentation of audited financial statements each year as required under the Local Government Act 1999. The financial reports also take into account the principles of financial sustainability adopted by the Council along with the three key financial sustainability indicators.

The Council's Annual Report also provides information on overall performance.

RATING STRATEGY

In 2021/2022 approximately 70% of Council's operating revenue will come from a combination of rates and a waste service charge. As a result, Council's rating policies and strategies are key components of financial planning.

The 2021/2022 Annual Business Plan and Budget includes a 4.5% revenue increase in line with the Long Term Financial Plan. External grant funding will be received during the build and commissioning of the Wulanda Recreation and Convention Centre project. To accommodate and manage the timing of grant income payments and project expenditure, Council has modelled the Long Term Financial Plan to include drawing upon loan facilities through the Local Government Finance Authority.

The following increases in general rate revenue have been applied over recent years prior to the Waste Service Charge:

Year	Revenue Increase	Growth Benefit	Total
2015/2016	3.85%	0.65%	4.5%
2016/2017	3.84%	0.66%	4.5%
2017/2018	4.02%	0.48%	4.5%
2018/2019	4.08%	0.42%	4.5%
2019/2020	4.26%	0.24%	4.5%
2020/2021	0.00%*	1.74%	1.74%

Note: Growth is predominantly the result of new housing and property improvements as reported by the State Valuation Office.
* Strategic response to COVID-19.

Combined effect of Rate revenue, includes Rates and the Waste Service Charge:

Year	Revenue Increase	Growth Benefit	Total
2021/2022	2.1%	2.4%	4.5%

Note: Growth is predominantly the result of new housing and property improvements as reported by the State Valuation Office.

Valuation method

Capital Value is used as the basis for valuing land within the Council area in common with almost all other South Australian councils. This method values the land and all of the improvements on the land. This valuation method is considered the fairest and most efficient method of distributing the rate responsibility across all ratepayers because:

- It is the most appropriate measure of relative wealth in the community,
- As a measure of wealth, it most closely reflects the property owners' capacity to pay, and
- It equates with the taxation principle that people should contribute to community, social and physical infrastructure in accord with their capacity to pay as measured by property wealth.

Other valuation methods available are: site value (value of land only) and annual value (value of the rental potential of property).



Capital valuation comparison

Year	Rateable land	Non-rateable land	Total
2015/2016	3,251,510,225	205,393,515	3,456,903,740
2016/2017	3,259,233,035	212,100,805	3,471,333,840
2017/2018	3,329,622,852	217,152,488	3,546,775,340
2018/2019	3,494,031,387	221,599,753	3,715,631,140
2019/2020	3,593,454,480	223,783,100	3,817,237,580
2020/2021	3,687,501,965	255,679,555	3,913,181,250
2021/2022	3,851,242,586	241,432,654	4,092,675,240

General Rates

Section 147 of the Local Government Act 1999 provides Council with the power to rate all land within the City of Mount Gambier, except for land specifically exempted, such as Crown Land.

Fixed Charge

Council has determined that a component of the total rate will be a fixed charge on every rateable property. The fixed charge applies to all ratepayers and continues to raise slightly less than one half of total rate revenue (before rebates and remissions) required for the 2021/2022 financial year.

Council's reasons for including a fixed charge component are:

- To be able to deliver a range of services to the community, Council must maintain a range of internal support, infrastructure and administrative services. No particular group of ratepayers benefit more than any other group of ratepayers by the provision of these services, and
- Council considers it appropriate that all ratepayers contribute equally to the cost of administering Council's services and activities.

Fixed charge comparison

Year	Fixed Charge	% of Total Rates
2015/2016	\$585.80	45%
2016/2017	\$606.90	45%
2017/2018	\$630.30	45%
2018/2019	\$655.20	45%
2019/2020	\$682.70	45%
2020/2021	\$682.70	45%
2021/2022	\$518.30	37%

Waste Service Charge

The cost associated with waste management including bin collection, waste treatment and disposal was not previously identified on individual City of Mount Gambier rate notices as it is included within Council's 'General Rate Revenue'.

To highlight the cost of waste management, Council has adjusted its rating structure to remove the annual individual ratepayer waste component from the General Rates and introduce it as a **new separate fixed Waste Service Charge (WSC)**.

The WSC will be administered in accordance with the Local Government Act 1999 and **will not be an additional cost to most ratepayers**. Council **does not** intend to raise overall rates and charges associated with the WSC.

The WSC is an environmental decision to make waste management costs visible and clear to ratepayers by highlighting the waste fee for each property on the rates notice. Waste management is one of the largest costs to the community and Council wishes to encourage ratepayers to consider their personal environmental impact and the costs associated with waste management.



The WSC is \$200.00 per year and is calculated based on last year's (2019/2020) and this year's (2020/2021) actual and budgeted waste collection, treatment and disposal costs per rateable assessment. The WSC will be charged on the basis of the service being available to a property. It will exclude vacant land and primary production where there is no dwelling on the land.

The separate WSC will establish the framework to allow for flexibility to provide future incentives for ratepayers who demonstrate good waste management. Council will continue to work with the community to provide waste education and awareness programs to encourage waste reduction and recycling to divert rubbish from landfill.

The WSC will be used to cover all waste associated costs. In any year that the total WSC results in a surplus, funds will be accounted for in a specific 'waste' reserve as per the Local Government Act 1999, to be used on waste related services.

The introduction of the WSC has no significant concerns in relation to equity across most rateable assessments within the community. The WSC is a component of the overall rating system and has been structured such that any broader social implications are minimised. By reducing the general rates fixed charge by the amount of the WSC there is no bottom-line impact on most ratepayer assessments.

Council will maintain the existing discretionary rebate assessment process and non-rateable assessments as per our current rating policy. It is noted that current recipients of rebates of less than 100% of their total assessment will experience a proportionate reduction in rebate, attributable to the WSC amount, and recipients of 100% rebates will now incur the WSC amount. Whilst this imposes a modest annual WSC charge on a small number of affected assessments, this is attributable to the actual cost of a service that benefits the relevant property, and the application of this non-rebatable charge reduces the subsidy for that service to those assessments otherwise absorbed by all other ratepayers within the WSC amount and/or or general rates. Further, the application of the WSC ensures that current recipients of the service are contributing toward the total current costs of providing the service including capital/depreciation costs and thus addressing potential burden that could otherwise accrue to future ratepayers as a result of absorption of such costs within general rates.

The calculation of the WSC amount takes into account the actual cost and is also benchmarked against similar public (Council) and private/commercial charges for similar services, and whilst some ratepayers may have a greater or lesser need or use of the service, the WSC amount, considered as part of the overall rating structure, provides an equitable and competitive charge such that no particular group or category of ratepayers are considered to be oversubsidising any other for a service that is provided equally to all rateable properties.

The WSC will be highlighted on rates notices as 'Waste Service Charge' from 1 July 2021.

Year	Waste Service Charge	Total Revenue
2020/2021	\$0	N/A
2021/2022	\$200	\$2,791,000

Differential rates

In addition to a fixed charge, Council will declare differential general rates in the dollar according to the use of the land, for rateable land within the Council area, as follows:

- Category 1: (residential) use,
- Categories 2, 3 and 4: (commercial shop, commercial office or commercial other) use,
- Categories 5 and 6: (industrial light and industrial other) use,
- Category 7: (primary land) use,
- Category 8: (vacant land) use, and
- Category 9: (other) use.

Every resident benefits from the general amenity of the Council area in some way. This amenity includes the local economy, general Council operations and the ability of every resident to use Council facilities and infrastructure including parks, gardens, libraries, etc.



The main reasons for providing differential rates are:

- Ability to pay,
- Potential income taxation deductions,
- Materially heavier/lighter use of services by ratepayers/employees/customers/suppliers, and
- To provide a disincentive to withholding land from development.

Differential rate in dollar comparison

Year	Residential	Commercial	Industrial	Primary Production	Vacant Land	Other
2015/2016	0.226310	0.611037	0.611037	0.226310	0.611037	0.226310
2016/2017	0.236370	0.638199	0.638199	0.236370	0.638199	0.236370
2017/2018	0.241940	0.653238	0.653238	0.241940	0.653238	0.241940
2018/2019	0.240850	0.650295	0.650295	0.240850	0.650295	0.240850
2019/2020	0.245125	0.661838	0.661838	0.245125	0.661838	0.245125
2020/2021	0.245125	0.661838	0.661838	0.245125	0.661838	0.245125
2021/2022	0.246165	0.664646	0.664646	0.246165	0.664646	0.246165

Note: Rates in the dollar are expressed as a fraction of a cent in the dollar.

Separate Rates

Mount Gambier is in the Limestone Coast Landscape Board area and is legally required under the Landscape South Australia Act 2019 to contribute to the funding of the operations of the Board.

Council collects revenue on behalf of the Board and does not retain any revenue collected nor does it determine how the revenue is spent.

Regional Landscape (RL) levy comparison

Year	Regional Landscape (RL) levy	Total RL revenue
2015/2016	\$ 42.00 (per assessment)	\$578,276
2016/2017	Res/Vac/Other \$ 69.00 (per assessment)	\$1,041,246
	Commercial \$127.00 (per assessment)	
	Industrial \$156.00 (per assessment)	
	Primary Production \$290.00 (per assessment)	
2017/2018	Res/Vac/Other \$ 72.65 (per assessment)	\$1,079,041
	Commercial \$110.05 (per assessment)	
	Industrial \$174.30 (per assessment)	
	Primary Production \$323.00 (per assessment)	
2018/2019	Res/Vac/Other \$ 73.00 (per assessment)	\$1,086,828
	Commercial \$109.00 (per assessment)	
	Industrial \$174.00 (per assessment)	
	Primary Production \$335.00 (per assessment)	
2019/2020	Res/Vac/Other \$ 77.10 (per assessment)	\$1,150,426
	Commercial \$115.00 (per assessment)	
	Industrial \$184.00 (per assessment)	
	Primary Production \$337.00 (per assessment)	
2019/2020	Res/Vac/Other \$ 78.60 (per assessment)	\$1,179,069
	Commercial \$117.00 (per assessment)	
	Industrial \$186.00 (per assessment)	
	Primary Production \$343.00 (per assessment)	
2021/2022 ^{Note 1}	Res/Vac/Other \$ 80.10 (per assessment)	\$1,215,649
	Commercial \$120.00 (per assessment)	
	Industrial \$190.00 (per assessment)	
	Primary Production \$346.00 (per assessment)	

Note 1 Council has no control over the levy amount which is set by the Minister for Environment and Water.



Minimum Amount

Council uses a Fixed Charge as part of its rating structure instead of a Minimum Rate amount.

RATE REBATE AND RATE RELIEF ASSISTANCE

To address any potential inequities in how rates are levied across the Council area, the following rate relief assistance options continue to be available:

Residential rate cap

Where an owner/occupier/principal place of residence property with a Category 1 (Residential) Land Use experiences an increase greater than 15% in general rates (excluding any rebates/remissions) payable, the amount of the rate rebate is the amount of gross rates for the current year over and above the general rates imposed in the preceding financial year plus 15%. All calculations referenced herein are gross rates figures i.e. exclusive of any rebates/remissions.

The rebate will not apply where:

- (a) Any such increase is due in whole or part to an increase in valuation of the land in the Assessment because of improvements made to it worth more than \$20,000, or
- (b) Any such increase is in whole or part because the zoning of land use category of the land has changed, or
- (c) Any such increase is due in full or part to the use of the land being different for rating purposes on the date Council declared its general rates for the current financial year than on the date Council declared its general rates for the preceding financial year, or
- (d) The ownership of the rateable property has changed since 1 July in the preceding financial year i.e. the residential property has changed ownership and the new owners have purchased the residential property at the new current market value, or
- (e) The subject property boundary(ies) have been altered in some way e.g. subdivision, boundary alignment etc. i.e. the subject property is not the exact same property, for valuation purposes, as assessed in the previous financial year, or
- (f) Other factors considered relevant by the Chief Executive Officer that do not warrant the granting of the discretionary rate rebate.

The rebate will only apply to:

- (a) A ratepayer in respect of their principal place of residence only, excluding second and subsequent properties and all other non-principal place of residence properties, and
- (b) The current financial year only then subject to an annual review.



Vacant land

The vacant land rate in the dollar is usually higher than the residential rate in the dollar. For owners of vacant land who intend to develop that land, in the short term as their principal place of residence, may be entitled to a rebate on Council rates. Applications must be in writing with the maximum rate rebate calculated so that the rates payable are equivalent to the average residential land use.

Postponement of rates - Senior Citizens

Any person holding a South Australian State Government issued State Seniors Card may make application to Council for a postponement of the prescribed proportion of rates for the current or future financial years. All applications for postponement will be considered in accordance with the relevant legislative provisions.

Hardship

Any ratepayer experiencing difficulties in meeting rates payments or experiencing hardship will be able to access payment plans tailored to meet their particular circumstances. This approach has been widened as a result of the impact of COVID-19. All arrangements will be strictly confidential.

Mandatory and discretionary rate rebates

The Local Government Act 1999 requires councils to rebate rates on some land uses (mandatory rebates) and the ability to grant discretionary rebates for land used for the purposes of community benefit provided the land meets certain legislative and Council policy criteria.

The Council's Rate Rebate Policy (incorporating Rate Rebate Application) and the Schedule of Rate Rebates granted, is available for inspection at the Council Office or on Council's website www.mountgambier.sa.gov.au

COMMUNITY ENGAGEMENT AND BUDGET MEETINGS

The 2021/2022 Annual Business Plan and Budget and proposed Waste Service Charge (WSC) is presented in the context of Council's strategic directions as set out in the Strategic Plan 2020-2024. This Plan reflects the Council's continuing focus on ensuring that the physical infrastructure within the city is fit for purpose and maintained in a cost-effective way. Through implementation of this year's Annual Business Plan and Budget, Council aims to deliver a well-managed, sustainable city environment to residents and ratepayers now and in the future.

Members of the community were encouraged to take part in the community consultation process for the Draft 2021/2022 Annual Business Plan and Budget and proposed Waste Service Charge (WSC) before it is finalised and adopted by Council. Consultation also enables comment on the potential distribution of rates across the city and any rate relief options Council should consider or issues it should be aware of when modelling valuation data and determining the distribution of rates for the 2021/2022 financial year.

Council's Community Consultation and Engagement Policy was amended in recognition of the temporary COVID-19 amendments to the Local Government Act 1999 as per 'Policy Review - C410 Code of practice for conduct of meetings - holding and participating in meeting by electronic means - Report No. AR20/21246'. In accordance with the policy, Council *will publish a notice inviting interested persons to make written submissions within the period stated in the notice (which will not be less than 21 days after the publication of the notice)* in relation to the Draft ABP&B. A public meeting for deputations was not held.

A Special Council meeting was held on 21 June 2021 to consider feedback and public submissions on the Draft 2021/2022 Annual Business Plan and Budget.



City of Mount Gambier
Statement of Comprehensive Income

	2020	2021 BR3	2022 Budget	2022 LTFP
INCOME				
Rates	22,138	22,795	23,750	23,811
Statutory charges	523	634	602	328
User charges	5,318	5,079	5,058	5,773
Grants, subsidies and contributions	4,227	4,340	4,091	4,793
Investment income	55	24	-	-
Reimbursements	38	69	79	53
Other income	439	550	365	796
Total Income	32,738	33,491	33,945	35,553
EXPENSES				
Employee costs	12,230	13,103	13,875	14,163
Materials, contracts & other expenses	13,263	13,545	12,595	13,636
Depreciation, amortisation & impairment	7,625	7,834	7,864	7,823
Finance costs	170	237	182	464
Total Expenses	33,288	34,719	34,516	36,086
OPERATING SURPLUS / (DEFICIT)	(550)	(1,228)	(571)	(534)
Asset disposal & fair value adjustments	(472)	(50)	(113)	(13)
Amounts received for new or upgraded assets		8,662	18,355	17,175
Physical resources received free of charge	737	-	-	
NET SURPLUS / (DEFICIT)	(285)	7,384	17,671	16,628
transferred to Equity Statement				
Other Comprehensive Income				
<i>Amounts which will not be reclassified subsequently to operating result</i>				
Impairment (expense) / recoupments offset to asset revaluation reserve	(327)			
Total Other Comprehensive Income	(327)	-	-	3,443
TOTAL COMPREHENSIVE INCOME	(612)	7,384	17,671	20,071



City of Mount Gambier
Statement of Financial Position

	2020 \$'000	2021 BR3 \$'000	2022 Budget	2022 LTFF
ASSETS				
Current assets				
Cash and cash equivalents	4,406	3,573	2,421	5,601
Trade & other receivables	2,034	2,034	2,125	1,313
Other financial assets		-		
Inventories	55	55	57	43
	<u>6,495</u>	<u>5,662</u>	<u>4,603</u>	<u>6,957</u>
Non-current assets				
Infrastructure, property, plant & equipment	244,262	247,652	318,597	312,334
Other non-current assets	2,581	23,408		2,581
Total non-current assets	<u>246,843</u>	<u>271,060</u>	<u>318,597</u>	<u>314,915</u>
Total assets	<u>253,338</u>	<u>276,722</u>	<u>323,200</u>	<u>321,872</u>
LIABILITIES				
Current liabilities				
Trade & other payables	2,849	2,849	2,977	3,437
Borrowings	558	558	2,311	2,311
Provisions	2,557	2,557	2,672	2,548
Total current liabilities	<u>5,964</u>	<u>5,964</u>	<u>7,960</u>	<u>8,297</u>
Non-current liabilities				
Borrowings	2,189	18,189	45,000	41,700
Provisions	3,863	3,863	3,863	3,912
Total non-current Liabilities	<u>6,052</u>	<u>22,052</u>	<u>48,863</u>	<u>45,612</u>
Total liabilities	<u>12,016</u>	<u>28,016</u>	<u>56,823</u>	<u>53,909</u>
NET ASSETS	<u>241,322</u>	<u>248,706</u>	<u>266,377</u>	<u>267,963</u>
EQUITY				
Accumulated surplus	64,986	72,370	90,041	88,183
Asset revaluation reserves	175,462	175,462	175,462	178,905
Other reserves	874	874	874	874
Total Council Equity	<u>241,322</u>	<u>248,706</u>	<u>266,377</u>	<u>267,963</u>
Minority Interest		-		
TOTAL EQUITY	<u>241,322</u>	<u>248,706</u>	<u>266,377</u>	<u>267,963</u>



City of Mount Gambier				
Statement of Changes in Equity				
	Accumulated surplus \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Total equity \$'000
2022 Budget				
Balance at end of previous reporting period	72,370	175,462	874	248,706
Net surplus / (deficit) for the year	17,671	-	-	17,671
Other Comprehensive Income				-
Transfers between reserves	-	-	-	-
Balance at end of period	90,041	175,462	874	266,377
2021 BR3				
Balance at end of previous reporting period	64,986	175,462	874	241,322
Net surplus / (deficit) for the year	7,384	-	-	7,384
Other Comprehensive Income				-
Transfers between reserves	-	-	-	-
Balance at end of period	72,370	175,462	874	248,706
2020				
Balance at end of previous reporting period	65,609	175,458	860	241,927
Net surplus / (deficit) for the year	(285)	-	-	(285)
Other Comprehensive Income				-
Gain on revaluation of infrastructure, property, plant & equipment		1,237		1,237
Impairment (expense) / recoupments offset to asset revaluation reserve	(327)	(1,233)		(1,560)
Adjustment due to compliance with revised accounting standard	3			3
Transfers between reserves	(14)		14	-
Balance at end of period	64,986	175,462	874	241,322



City of Mount Gambier

Statement of Cash Flows

	2020 \$'000	2021 BR3 \$'000	2022 Budget \$'000	2022 LTFF \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
<u>Receipts</u>				
Rates - general & other	21,957	22,795	23,750	23,781
Fees & other charges	524	634	602	327
User charges	5,696	5,079	5,058	5,757
Investment receipts	57	24	-	-
Grants utilised for operating purposes	4,227	4,340	4,091	4,468
Reimbursements	42	69	79	53
Other revenues	1,002	550	365	1,341
<u>Payments</u>				
Employee costs	(11,915)	(13,103)	(13,875)	(14,130)
Materials, contracts & other expenses	(14,293)	(13,880)	(12,558)	(13,705)
Finance payments	(170)	(237)	(182)	(464)
Net cash provided by (or used in) Operating Activities	7,127	6,271	7,330	7,430
CASH FLOWS FROM INVESTING ACTIVITIES				
<u>Receipts</u>				
Amounts specifically for new or upgraded assets		8,662	18,355	17,175
Sale of replaced assets	385	481		
Sale of surplus assets	72			
Repayments of loans by community groups	18			
<u>Payments</u>				
Expenditure on renewal/replacement of assets	(5,627)	(9,531)	(6,401)	(7,140)
Expenditure on new/upgraded assets	(3,813)	(13,377)	(30,645)	(38,562)
Net cash provided by (or used in) Investing Activities	(8,965)	(22,908)	(37,046)	(28,527)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings		16,000	28,759	29,300
<u>Payments</u>				
Repayments of borrowings	175	(195)	(195)	(1,030)
Net cash provided by (or used in) Financing Activities	175	15,805	28,564	28,270
Net increase / (decrease) in cash held	(1,663)	(833)	(1,152)	7,173
Cash & cash equivalents at beginning of period	6,069	4,406	3,573	(1,572)
Cash & cash equivalents at end of period	4,406	3,573	2,421	5,601



City of Mount Gambier

Financial Indicators

These financial indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

	2020	2021 BR3	2022 Budget	2022 LTFP
Operating surplus ratio	(6.5%)	(3.7%)	(1.7%)	(1.5%)

$$\frac{\text{Operating surplus}}{\text{Total operating revenue}}$$

This ratio expresses the operating surplus as a percentage of total operating revenue.

Net financial liabilities ratio	63%	67%	154%	132%
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$$\frac{\text{Net financial liabilities}}{\text{Total operating revenue}}$$

Net financial liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

Asset renewal funding ratio	105%	96%	101%	100%
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$$\frac{\text{Net asset renewals}}{\text{Asset Management Plan required expenditure}}$$

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional



City of Mount Gambier

Uniform presentation of finances

The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangement ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	2020 \$'000	2021 BR3 \$'000	2022 Budget	2022 LTFP
Income	32,738	33,491	33,945	35,553
Expenses	33,288	34,719	34,516	36,086
Operating surplus / (deficit)	(550)	(1,228)	(571)	(534)
Net outlays on existing assets				
Capital expenditure on renewal and replacement of existing assets	5,627	9,531	6,401	7,140
Depreciation, amortisation and impairment	(7,625)	(7,834)	(7,864)	(7,823)
Proceeds from sale of replaced assets	(385)	(481)	-	-
	(2,383)	1,216	(1,463)	(683)
Net outlays on new and upgraded assets				
Capital expenditure on new and upgraded assets <i>(including investments property & real estate developments)</i>	3,813	13,377	30,645	38,562
Amounts received specifically for new and upgraded assets	-	(8,662)	(18,355)	(17,175)
Proceeds from sale of surplus assets <i>(including investment property and real estate developments and non-current assets held for resale)</i>	(457)	-	-	-
	3,356	4,715	12,290	21,387
Net lending / (borrowing) for financial year	(1,523)	(7,159)	(11,398)	(21,237)



City of Mount Gambier
Operating Budget by Master Account

			2020	2021 BR3	2022 Budget
Finance	0000 Rates	6960 Revenue	-24,331,218	-21,688,701	-22,587,415
	0001 Finance Costs	6962 Finance Costs	0	220,716	-3,055,493
	0001 Grants	6961 LGGC - general purpose	0	-2,908,547	126,386
Finance Total			-24,331,218	-24,376,532	-25,516,522
Office of the CEO	4001 Chief Executive Office	6000 Elected members	274,918	269,088	273,528
		6002 Organisational	905,343	779,691	739,595
	4003 Communications	6023 Media and communications	251,602	307,986	315,036
Office of the CEO Total			1,431,863	1,356,765	1,328,159
Shared Services	5000 Shared Services	6004 GM SHARED SERVICES	81,302	105,905	219,823
		6006 Business & Strategic Planning	10	-10,590	
		6018 Occupancy	515,766	466,748	427,080
	5001 Finance	6010 Strategic finance and accountability	360,990	353,862	352,346
		6011 Finance	551,245	630,365	675,155
		6012 Payroll	0		
		6016 Rates administration	286,251	297,652	274,386
	5003 Governance & Executive Administration	6005 Executive administration	184,796	425,094	415,447
		6021 Other support services	192,837	0	
	5004 iServices	6014 iServices	597,032	621,636	706,420
		6015 Communication	42,909	67,283	45,288
		6017 Records Management	17,101	0	
	5005 Customer Service	6020 Customer service	569,395	564,769	683,972
	5006 Human Resources	6013 Human resources	213,086	415,852	657,720
Shared Services Total			3,612,720	3,938,576	4,457,637
Community Wellbeing	6000 Community Wellbeing	6101 GM Community Wellbeing	320,602	337,874	321,155
		6126 Community assistance	126,915	108,154	84,650
		6129 Other community support	122,695	127,675	142,033
		6560 Other recreation	107,269	161,776	126,400
	6001 Library	6200 Public library	1,967,989	1,793,791	1,893,983
		6202 Other library services	15,171	15,928	
	6002 Community Development	6022 Community development and engagement	282,434	265,594	302,236
		6121 Senior citizens	42,472	46,335	44,565
		6125 Children and youth services	1,264	6,826	6,168
	6003 Environmental	6112 Immunisation	-124		
		6114 Preventive health services	0	0	
		6115 Community health services	3,541	5,146	2,600
		6460 Environmental sustainability	90,152	159,549	95,163
		6660 Health inspection	241,288	259,300	247,227
	6004 Riddoch Art Gallery	6230 Riddoch Arts and Cultural Centre	920,061	1,580,881	1,708,258
	6005 Cultural Venues	6138 Other community amenities	196,487	0	
		6210 Cultural venues - City Hall	161,839	153,000	267,655



Community Wellbeing Total			4,600,054	5,021,829	5,242,093
City Growth	7000 City Growth	6300 GM City Growth	224,056	113,796	303,024
		6320 Economic and Regional development	644,532	320,005	205,102
		6340 Other economic development	18,819	16,900	
	7002 Events Management	6240 Cultural events	147,120	197,562	140,617
		6350 Community/Tourism events	508,042	486,761	548,087
	7003 Tourism General	6370 Tourism general	199,847	327,550	336,919
	7004 Visitor Information	6360 Tourism - Mount Gambier Visitor Centre	705,746	749,288	635,879
	7005 Development Services	6225 Heritage restoration expenditure	0	20,000	
		6620 Building control	216,916	176,912	390,950
		6630 City planning	157,723	85,785	148,694
	7006 General Inspectorate	6103 Other fire protection	458	-1,300	1,000
		6104 Other public order and safety	326	1,190	1,200
		6111 Pest control	1,054	336	500
		6600 Dog control	148,984	81,889	41,276
		6670 Parking control & footpath displays	-7,022	-11,592	-8,260
			2,966,601	2,565,082	2,744,988
City Growth Total	8000 City Infrastructure	6440 Street lighting	367,564	439,894	438,288
City Infrastructure		6800 GM City infrastructure	17,881	914,493	1,473,057
		6810 Asset management	3,554	16,926	17,022
		6820 City infrastructure - AWU employees	739,126	2,078,872	1,601,294
		6830 City infrastructure - indirect	74,320	320,542	590,485
		6840 Indirect expenditure - labour oncost	-90,424	0	-924,698
		6850 Plant and machinery	1,761,775	1,606,346	1,626,748
		6860 Plant and machinery - internal hire	-1,244,457	-2,155,046	-1,299,079
	8001 Engineering	6520 Sports facilities-indoor	21,129	27,066	24,640
	8003 Construction & Maintenance	6135 Carpark	140,517	130,191	136,276
		6420 Stormwater drainage	177,715	193,630	168,866
		6730 Footpaths kerbing	1,351,097	1,205,723	1,227,932
		6740 Roads sealed	1,444,676	1,199,065	1,506,152
		6741 LGGC - roads components	0	-312,710	-447,046
		6780 Traffic management	252,818	204,178	189,830
		6900 Private works	-6,568	12,271	16,090
	8005 Building Maintenance	6100 Crime prevention	6,400	12,765	14,388
		6131 Bus shelter	7,242	12,768	6,864
		6215 Cultural Venues Expenditure - Other	221,659	300,954	192,698
		6220 Heritage	505,275	27,944	46,872
		6250 Other cultural services	24,904	116,619	33,840
		6940 Sundry	-21,197	209,331	122,850
	8006 Parks & Gardens	6450 Streetscaping	223,612	265,946	753,460
		6500 Parks/Gardens/Reserves	2,756,906	2,798,870	2,338,378
		6530 Sports facilities-outdoor	787,767	641,229	606,762
	8007 Waste Management	6134 Public conveniences	284,129	287,498	255,012
		6410 Waste management	5,718	-28,179	16,168
		6411 Garbage collection	1,380,296	1,595,886	1,406,814



		6412 Greenwaste	-228,327	316,019	319,080
		6413 Kerbside recycling	718,357	483,834	463,010
		6430 Street cleaning	420,386	411,940	319,180
	8008 Waste Transfer/ReUse Market	6414 Re-Use Market	279,899	139,115	247,073
		6415 Waste Transfer Centre	69,496	197,950	252,760
		6416 E waste	3,173	2,349	6,000
	8009 Landfill	6418 Caroline landfill	-589,406	-1,047,409	-1,409,849
		6419 Orchard Road waste management plan	32,562	83,796	81,824
	8010 Cemetery & cematoria	6132 Lake Terrace Cemetery	62,126	37,980	25,627
		6133 Carinya Gardens Cemetery	-202,467	-139,546	-210,664
	City Infrastructure Total		11,759,235	12,609,100	12,234,005
	Wulanda	9000 Business transition & project administration			
		6545 Wulanda - Building project opex	91,883	115,482	81,472
		6550 Aquatic Centre	416,146	0	0
		6580 CaRH - Cafeteria	3,180	0	0
	Wulanda Total		511,209	115,482	81,472
	OPERATING DEFICIT / (SURPLUS)		550,465	1,230,302	571,832



City of Mount Gambier
Capital Budget by Master Account

			2020	2021 BR3	2022 Budget
Shared Services	5004 iServices	7460 Office equipment (purchase)	179,558	93,451	130,000
Shared Services Total			179,558	93,451	130,000
Community Wellbeing	6001 Library	7470 Library books/materials (purchase)	121,438	33,753	108,000
		7630 Library	12,418	13,503	267,000
	6005 Cultural Venues	7560 Other community support	102,162	158,401	290,000
Community Wellbeing Total			236,019	205,657	665,000
City Growth	7002 Events Management	7640 Cultural	52,669	26,909	105,000
	7004 Visitor Information	7660 Tourism	55,731	1,745	235,000
City Growth Total			108,400	28,654	340,000
City Infrastructure	8000 City Infrastructure	7300 Staff vehicles (purchase)	35,851	166,220	0
		7320 Trucks (purchase)	1,284,343	1,095,256	788,000
		7370 Loaders (purchase)	175,790	383,710	0
		7400 Sundry Plant (purchase)	166,214	110,812	214,000
		7450 Minor plant (purchase)	17,549	52,773	0
		7740 Works depot	17,213	68,084	550,000
	8001 Engineering	7500 Administration	102,255		50,000
		7620 Carparks	14,076	73,775	57,600
		7665 Street trees and lighting	91,516	54,840	80,000
		7800 Stormwater/drainage capital expenditure	10,269	120,000	62,400
		7830 Footpaths capital expenditure	1,045,311	970,757	1,550,525
	8003 Construction & Maintenance	7900 Roads sealed capital expenditure	3,623,647	3,802,738	3,189,699
	8005 Building Maintenance	7570 Bus shelters	35,032	17,377	35,800
		7650 Heritage	7,994	24,248	0
	8006 Parks & Gardens	7680 Parks/gardens/reserves	668,292	899,091	811,400
		7700 Sports facilities - ourdoor	94,014		0
	8007 Waste Management	7600 Public conveniences	105,914	177,574	0
		7670 Waste Management	222,899	263,393	2,059,087
	8010 Cemetery & cematoria	7580 Cemeteries/crematoria	7,500	5,241	10,000
City Infrastructure Total			7,725,680	8,285,889	9,458,511
Wulanda	9000 Business transition & project administration		62,000		
		7735 Wulanda	1,346,679	20,827,088	45,193,967
Wulanda Total			1,408,679	20,827,088	45,193,967
Total Capex			9,658,335	29,440,739	55,787,478



4.2 RATES DECLARATION FOR THE YEAR ENDING 30 JUNE 2022 – REPORT NO. AR21/38375

Committee: Council
Meeting Date: 29 June 2021
Report No.: AR21/38375
CM9 Reference: AF20/446
Author: Jo Scheidl, Senior Revenue Officer
Authoriser: Sarah Philpott, Chief Executive Officer
Summary: To provide Council with the legally required recommendations for 2021/2022 financial year for the:
Adoption of the capital valuation of land for the purpose of rating;
Declaration of the attribution of land uses and codes;
Declaration of differential general rates;
Declaration of fixed charge;
Declaration of Waste Service Charge;
Declaration of differential separate rates in accordance with the Landscape South Australia Act 2019 ('the Act');
Declaration of residential rate cap, and;
Payment of Council rates.

Strategic Plan Reference: Goal 1: Our People
Goal 2: Our Location
Goal 3: Our Diverse Economy
Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage

REPORT RECOMMENDATION

1. That Council Report No. AR21/38375 titled 'Rates declaration for the year ending 30 June 2022' as presented on 29 June 2021 be noted.
2. That pursuant to Section 167(1) and (2) of the Local Government Act 1999 the Council adopts, for rating purposes for the 2021/2022 financial year, the Valuer General's most recent valuations of the capital values applicable to land within the area of the Council, totalling \$4,092,675,240 and that the date of adoption of the valuations is 29th June, 2021.
3. That in exercise of the powers contained in Chapter 10 of the Local Government Act 1999, the attribution of the land uses in the Assessment Record for the 2021/2022 financial year will be in accordance with the categories of land use prescribed by Regulation 14 of the Local Government (General) Regulations 2013.
4. That pursuant to Sections 152 (1)(c), 153 (1)(b) and 156 (1)(a) of the Local Government Act 1999 and in order to raise rates in the amount of \$19,974,000 the Council hereby declares that differential general rates will apply and will vary according to the use of the land and declares the differential general rates for rateable land within the Council area for the 2021/2022 financial year will be as follows:



- (a) 0.246165 of a cent per dollar of assessed capital value on rateable land of land use category (a) 'Residential', category (g) 'Primary Production' and category (i) 'Other'; and
 - (b) 0.664646 of a cent per dollar of assessed capital value on rateable land of land use category (b) 'Commercial-Shop', category (c) 'Commercial Office', category (d) 'Commercial-Other', category (e) 'Industry-Light', category (f) 'Industry Other' and category (h) 'Vacant Land' use.
5. That pursuant to Section 152 (1)(c)(ii) of the Local Government Act 1999, the Council declares in respect of the 2021/2022 financial year a fixed charge on rateable land within the Council area in the sum of \$518.30.
6. That pursuant to Section 155(2)(a) of the Local Government Act 1999 the Council imposes a Waste Service Charge of \$200.00 for the 2021/2022 financial year on all land to which it provides or makes available the prescribed service in order to raise the amount of \$2,791,000.
7. That in exercise of the powers contained in Section 69 of the Landscape South Australia Act 2019 and Section 154 of the Local Government Act 1999, in order to reimburse to the Council the amount contributed to the Limestone Coast Landscape Board, being \$1,215,649, differential separate rates based on a fixed charge of an amount that depends upon the use of the land on all rateable land in the Council's area and in the area of the said Board for the 2021/2022 financial year as follows:
 - 1) \$80.10 per assessment on rateable land of category (a) 'Residential', category (h) 'Vacant Land' and category (i) 'Other';
 - 2) \$120.00 per assessment on rateable land of category (b) 'Commercial-Shop', category (c) 'Commercial-Office' and category (d) 'Commercial-Other';
 - 3) \$190.00 per assessment on rateable land of category (e) 'Industry-Light' and category (f) 'Industry-Other';
 - 4) \$346.00 per assessment on rateable land of category (g) 'Primary Production'.
8. That pursuant to section 153 (3) of the Local Government Act 1999 and for the financial year ending 30 June 2022 but subject to the criteria set out in the Annual Business Plan 2021/2022 being met, the Council fixes a maximum increase to the general rate of 15% over the amount of the general rate liability for the 2020/21 financial year in respect of any rateable land that constitutes the principal place of residence of a principal ratepayer and determines that any amount in excess of the 15% be remitted.
9. That pursuant to Section 181(2) of the Local Government Act 1999 the Council declares that quarterly payment of rates and charges in respect of the 2021/2022 financial year be payable on or before:
 - Friday, 10 September 2021
 - Friday, 10 December 2021
 - Friday, 11 March 2022
 - Friday, 10 June 2022.



TYPE OF REPORT

Legislative

BACKGROUND

The basis of rating is set out in Chapter 10 – Rates and Charges of the *Local Government Act 1999* (“the Act”). The Act prescribes Council’s powers to raise rates and provides the framework within which the Council must operate, but also leaves room for the Council to make a range of Policy choices. This report sets out the legal requirements for the adoption of Council rates for the financial year ending 30 June 2022.

PROPOSAL

This report provides Council with the legal requirements as set out in *Local Government Act 1999* to finalise the annual budget process regarding adoption of rates by way of a series of separate resolutions.

This report should be read in conjunction with Council ‘Report No AR21/38318 - Annual Business Plan & Budget Adoption for year ending 30 June 2022’ which provides details of supporting documents, information and explanation.

LEGAL IMPLICATIONS

Council must act in accordance with the *Local Government Act 1999* requirements.

- Under Section 123 of the Act Council is required to adopt a draft Annual Business Plan (ABP). This draft plan, once adopted, is required to be circulated for the purposes of public consultation.
- Under Section 146 of the Act a Council may impose general rates, separate rates, service rates and service charges on land in its area.
- Generally, all land within a council area is rateable unless it is specifically exempted by Section 147 of the Act. Such exemptions include Crown Land, land used for public educational purposes and council occupied land, amongst others.
- Rates must be based on the value of the land or a combination of a fixed charge and the value of the land (Sections 151 and 152 of the Act). A fixed charge can only be imposed against the whole of an allotment and only one fixed charge can be imposed against two or more pieces of contiguous (adjoining) land owned by the same owner and occupied by the same occupier, or a single farm enterprise (Sections 148 and 152 of the Act).

STRATEGIC PLAN

Financial sustainability in local government, ensuring consideration is given to the financial effects on future generations.

COUNCIL POLICY

[R105 - Rating Policy](#)

[R130 - Rates - General Matters](#)

[R155 - Rate Rebate Policy](#)



ECONOMIC IMPLICATIONS

The Annual Business Plan and Budget provides the funding for the Council to undertake its social, economic, infrastructure and environmental initiatives outlined in the Councils Long Term Financial and Asset Management Plans.

ENVIRONMENTAL IMPLICATIONS

The proposed WSC is an environmental decision to make waste management costs visible and clear to ratepayers by highlighting the waste fee for each property on the rates notice.

SOCIAL IMPLICATIONS

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.

CULTURAL IMPLICATIONS

N/A

RESOURCE IMPLICATIONS

N/A

VALUE FOR MONEY

Rates constitutes a system of taxation for Local Government.

RISK IMPLICATIONS

N/A

EQUALITIES AND DIVERSITY IMPLICATIONS

N/A

ENGAGEMENT AND COMMUNICATION STRATEGY

Has been undertaken in accordance with the *Local Government Act 1999* requirements for community consultation.

IMPLEMENTATION STRATEGY

N/A

CONCLUSION AND RECOMMENDATION

Preparation, communication and awareness-raising of Council's 2021/2022 rates determination and alignment with Council's Long Term Financial Plan has been undertaken in accordance with the *Local Government Act 1999* requirements for community consultation.

Council may now consider the adoption of the rates declaration for the year ending 30 June 2022 and a series of independent resolutions/declarations to finalise the annual budget process.

ATTACHMENTS

Nil



4.3 POLICY REVIEW - R105 - RATING POLICY – REPORT NO. AR21/32662

Committee:	Council
Meeting Date:	29 June 2021
Report No.:	AR21/32662
CM9 Reference:	AF20/446
Author:	Jo Scheidl, Senior Revenue Officer
Authoriser:	Darren Barber, General Manager Shared Services
Summary:	This report represents an updated Council Policy R105 - Rating Policy
Strategic Plan Reference:	Goal 1: Our People
	Goal 2: Our Location
	Goal 3: Our Diverse Economy
	Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage
	Goal 5: Our Commitment

REPORT RECOMMENDATION

1. That Council Report No. AR21/32662 titled 'Policy Review - R105 - Rating Policy' as presented on 29 June 2021 be noted.
2. That Council *Policy R105 - Rating Policy* as attached to Report No. AR21/32662 be adopted.



TYPE OF REPORT

Legislative

BACKGROUND

Chapter 10 of the Local Government Act 1999 ('the Act') prescribes Council's powers to raise rates and charges on land.

The Act provides the framework within which the Council must operate and leaves room for the Council to make a range of policy choices. Council Policy 'R105 - Rating Policy' includes reference to:

- Compulsory features of the rating system; and
- Policy choices that the Council has made on how it imposes and administers the collection of rates and charges.

The Policy document sets out the City of Mount Gambier ('Council') Policy for setting and collecting rates and charges from the Community.

PROPOSAL

Council Policy '*R105 - Rating Policy*' has been reviewed against the Local Government Association model policy template and is presented with minor wording changes regarding the implementation of the 'Waste Service Charge' from 1 July 2021.

Review dates are proposed to remain as annual, which will continue to be through the Annual Business Plan and Budget setting process.

LEGAL IMPLICATIONS

Section 10 of the Local Government Act.

STRATEGIC PLAN

Financial sustainability in local government, ensuring consideration is given to the financial effects on future generations.

COUNCIL POLICY

[R105 - Rating Policy](#)

[R130 - Rates - General Matters](#)

[R155 - Rate Rebate Policy](#)

ECONOMIC IMPLICATIONS

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

ENVIRONMENTAL IMPLICATIONS

The proposed WSC is an environmental decision to make waste management costs visible and clear to ratepayers by highlighting the waste fee for each property on the rates notice

SOCIAL IMPLICATIONS

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

CULTURAL IMPLICATIONS

N/A



RESOURCE IMPLICATIONS

N/A

VALUE FOR MONEY

Rates constitutes a system of taxation for Local Government purposes

RISK IMPLICATIONS

Nil.

EQUALITIES AND DIVERSITY IMPLICATIONS

Nil.

ENGAGEMENT AND COMMUNICATION STRATEGY

Nil.

IMPLEMENTATION STRATEGY

Nil.

CONCLUSION AND RECOMMENDATION

The reviewed Council Policy '*R105 - Rating Policy*' is now presented for consideration. It is proposed that the Policy next be scheduled for review in May 2022.

ATTACHMENTS

1. DRAFT - Council Policy R105 - Rates - Rating Policy 2021/2022 [↓](#)



 City of Mount Gambier	R105 RATING POLICY	Version No:	12.0
		Issued:	June 2021
		Next Review:	May 2022

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 City of Mount Gambier ("Council") for setting and collecting rates from its community.

2. PURPOSE

Chapter 10 of the *Local Government Act 1999* ("the Act") prescribes Council's powers to raise rates. 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. This document includes reference to:

- Compulsory features of the rating system.
- The policy choices that the Council has made on how it imposes and administers the collection of rates.

3. SCOPE

Strategic Focus

In determining a suitable Rating Policy, Council has taken into consideration:

- The Council's Strategic Management Plan
- Council's Long Term Financial Plan
- Council's Annual Business Plan and Budget
- Council's Treasury Management and Debt Strategy
- Required funding for future Asset Replacement (Infrastructure and Asset Management Plan)
- The current economic climate of our City and its district
- The specific issues faced by our community
- The impact of general rate increases upon our community, either generally or for specific classes of the community
- The impact of rates on our community and the need to balance our community's capacity to pay with the needs and desires of the wider interests that form our community.

There will continue to be economic pressures applying to the Council in a number of ways that will have an impact on the Council's budget and as a result will place pressure on rates.

Electronic version on TRIM is the controlled version.

Printed copies are considered uncontrolled. Before using a printed copy, verify that it is the current version.

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 <p>City of Mount Gambier</p>	<p>R105 RATING POLICY</p>	<p>Version No: 12.0</p>
		<p>Issued: June 2021</p>
		<p>Next Review: May 2022</p>

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 Method Used to Value Land

Councils may adopt one of three valuation methodologies to value the properties in their areas. They are:

- Capital Value – the value of the land and all the improvements on the land.
- 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.
- Annual *Value* – a valuation of the rental potential of the property.

The City of Mount Gambier has decided to continue to use Capital Value as the basis for valuing land within the Council area. The Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers because property value is considered a reasonable indicator of income and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value.

4.3 Adoption of Valuation

The City of Mount Gambier will adopt the most recent valuations made by the Valuer-General. If a ratepayer dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the Valuer-General in writing, within 60 days of receiving the notice of the valuation, explaining the basis for the objection, provided they have not:

- (a) Previously received a notice of this valuation under the Local Government Act, in which case the objection period is 60 days from the receipt of the first notice; or
- (b) Previously had an objection to the valuation considered by the Valuer-General.

The address of the Office of the Valuer-General is:

State Valuation Office GPO Box 1354
ADELAIDE SA 5001
Email: OVGObjections@sa.gov.au
Phone: 1300 653 345



 City of Mount Gambier	R105 RATING POLICY	Version No:	12.0
		Issued:	June 2021
		Next Review:	May 2022

4.4 Objection to Valuation and/or Land Use

A person may object to a valuation of the Valuer-General by notice in writing, setting out the reasons for the objections, and the Valuer-General must consider the objection. If the person then remains dissatisfied with the valuation the person has a right to a review. Applications must be made within 21 days of receipt of the notice of the decision (in relation to the objection) from the Valuer-General. A payment of the prescribed fee for the review to be undertaken together with the review application must be lodged in the State Valuation Office, who will then refer the matter to an independent Valuer. If the person remains dissatisfied with the valuation then they may apply to the South Australian Civil and Administrative Tribunal (SACAT) for a review of the decision.

The address of the Office of the Valuer-General is:

State Valuation Office GPO Box 1354
ADELAIDE SA 5001
Email: OVGObjections@sa.gov.au
Phone: 1300 653 345

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

4.5 Notional Values

Certain properties may be eligible for a notional value under the Valuation of Land Act 1971. This can relate to certain primary production land or where there is State heritage recognition. A notional value is generally less than the capital value and generally results in a reduced rate liability being incurred.

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

The address of the Office of the Valuer-General is:

State Valuation Office GPO Box 1354
ADELAIDE SA 5001
Email: OVGObjections@sa.gov.au
Phone: 1300 653 345

4.6 Business Impact Statement

Current Economic Environment

Council will consider the impact of rates on all businesses in the Council area, including industry, commercial and primary production sections. In considering the impact, Council will assess the following matters:

- Those elements of Council's Strategic Management Plan relating to business development.
- Relevant economic forecast reports.
- Council's recent development approval trends.



 <p>City of Mount Gambier</p>	<p>R105 RATING POLICY</p>	<p>Version No:</p>	<p>12.0</p>
		<p>Issued:</p>	<p>June 2021</p>
		<p>Next Review:</p>	<p>May 2022</p>

- The operating and capital projects and new programs for the coming year that will principally benefit industry and business development.
- Valuation changes.
- Consumer Price Index (CPI) and Local Government Price Index (LGPI) Movements.

Council recognises the importance of supporting and encouraging a diverse and healthy business sector.

4.7 Council's Revenue Raising Powers

All land within a council area, except for land specifically exempt (e.g. Crown land, Council occupied land and other land prescribed in the Local Government Act – refer Section 147 of the Act), is rateable. The Local Government Act provides for a Council to raise revenue for the broad purposes of the Council through a general rate, which applies to all rateable properties, or through differential general rates, which apply to classes of properties. In addition, Council can raise separate rates, for specific areas of the Council or service rates or charges for specific services. The Council also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and any equity issues. The list of applicable fees and charges is available at the Mount Gambier Civic Centre, 10 Watson Terrace, Mount Gambier or on our website at www.mountgambier.sa.gov.au. A Goods and Services Tax at a rate determined under the Goods and Services Tax Act 1999 will be charged on those fees not given exemption under the Act.

4.8 Fixed Charge

Council has decided that a component of the total rate will be a fixed charge on every rateable property. The fixed charge affects most ratepayers and must not, in relation to any financial year, raise more than half of total rate revenue (before rebates and remissions).

Section 152 of the Act provides for a fixed charge component of rates. Council's reasons for including a fixed charge component are:

- To be able to deliver a range of services to the community, Council must maintain a range of internal support and administrative services. No particular group of ratepayers benefit more than any other group of ratepayers by the provision of the support and administrative services.
- The Council therefore considers it appropriate that all ratepayers contribute equally to the cost of administering Council's activities and services.

The fixed charge will affect all ratepayers and is set to raise less than one half of total rate revenue.

The fixed charge is uniformly paid by each ratepayer, irrespective of capital value, has the effect of limiting the impact changes in valuation have on individual assessments.

Where two or more adjoining properties have the same owner and occupier only one fixed charge is payable by the ratepayer.

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		<p>Issued: June 2021</p>
		<p>Next Review: May 2022</p>

Applications for “adjoining properties” must be in writing addressed to Chief Executive Officer (as per 4.22 of this Policy) and will only be considered by Council within the relevant financial year received.

No application will have an effect on past fixed charges assessed.

4.9 Differential General Rates

In addition to the use of a Fixed Charge, the Local Government Act 1999, allows councils to differentiate rates based on the use of the land, the locality of the land or on the use and locality of the land. Current categories of land use defined by the Local Government (General) Regulations 1999 are:

1. Residential
2. Commercial-Shops
3. Commercial-Office
4. Commercial-Other
5. Industrial-Light
6. Industrial-Other
7. Primary Production
8. Vacant Land
9. Other.

4.10 Land Use

Land use is a factor to levy differential rates. If a ratepayer believes that a property has been wrongly classified as to its land use, then an objection in writing may be made within 60 days of being notified of the land use classification.

The address of the Office of the Valuer-General is:

Office of the Valuer-General
GPO Box 1354
ADELAIDE SA 5001
Email: lsgobjections@sa.gov.au
Phone: 1300 653 345

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

4.11 Minimum Rate

Council does not use the minimum rate provisions, instead Council uses the combination of fixed charge and valuation based rating.

4.12 Limestone Coast Landscape Levy

From 1 July, 2020 the new *Landscape South Australia Act 2019* replaced the *Natural Resource Management Act 2004*. The Council is in the new Limestone Coast Landscape area and is required under the new Act to make a specified annual contribution to their Regional Landscape Board. As such, Council collects the levy on behalf of the State Government for no gain to Council.



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The Council is simply operating as a revenue collector for the Landscape Levy in this regard. It does not retain this revenue nor determine how the revenue is spent.

4.13 Service Charges

In accordance with Section 155 of the Act a Council may impose a service rate 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 is focused on environmentally sound waste management practices and will impose a Waste Service Charge (WSC) as a tool to become more responsive to waste management related costs and share the costs and benefits within the community.

The WSC will be charged on the basis of the service being available at the property. It will exclude vacant land and primary production where there is no dwelling on the land and will be charged irrespective if the land owner/occupier is using the service or not. Charge will be for full financial year i.e. 1st July to 30th June with no pro rata.

The charge includes:

- a 140L domestic waste bin and weekly collection service
- a 240L recycling bin and fortnightly collection service
- a 240L green waste bin and fortnightly collection service * (bin not included)

Where two or more adjoining properties have the same owner and occupier only one waste service fee is payable by the ratepayer.

Rateable recreational or sporting activities (community groups) will be provided x1 general waste and x1 recycle bin.

A rate rebate will not be available on Waste Service Charge

4.14 Cost of Living Concessions

Eligible Pensioners, Low Income Earners and Self-Funded Retirees

Pensioners, low income earners or Self-Funded Retirees may be entitled to a cost of living concession. The cost of living concession helps those on low or fixed incomes with their cost of living expenses, whether that be electricity, gas, water bills or council rates.

Eligibility is based on living arrangements as at 1 July each year. Applications for the 2020/2021 financial year can be submitted between 1 July and 31 October 2020 and are available by contacting the Concession Hotline on 1800 307 758.

Applications are administered by the State Government. Payment of rates must not be withheld pending assessment of an application by the State Government as penalties apply to unpaid rates.

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4.15 Payment of Rates

The Council will collect rates quarterly on the dates to be specified on the rates notice, 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:

- Over the Internet - www.mountgambier.sa.gov.au
- By telephone: using credit card, phone 1300 276 468, 24 hours a day 7 days per week (BPoint Number 1345263)
- By BPay: Use Biller Code 464263
- By direct debit: from savings or cheque account
- By post: P O Box 56, Mount Gambier SA 5290
- In person: at the Council Offices during Council business hours Monday to Friday excluding public holidays
- By Centrepay deductions from social security payments
- Any 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. Note, fines and interest may still be levied in accordance with the Act.

4.16 Late Payment of Rates

The Local Government Act provides that Councils impose a penalty of 2% on any payment for rates, whether instalment or otherwise, that is received late. 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 councils 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 City of Mount Gambier imposes late payment penalties strictly in accordance with the Local Government Act. The ability to remit penalties in whole or part is a power vested in Council. At the City of Mount Gambier each case will be considered on its merit based on the information provided.

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4.17 Debt Recovery

Council has determined that Rate Payments will be applied in accordance with the provisions of Section 183 of the Act.

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, 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).

4.18 Rebate of Rates - Mandatory

The Local Government Act requires councils to rebate the rates payable on some land uses. Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries, the Royal Zoological Society and educational institutions. These rebates vary from 25% to 100% and will be applied upon application and on verification.

Rate rebates do not apply to Council Waste Service Charge.

4.19 Rebate of Rates - Discretionary

The Local Government Act 1999 enables Council (upon application and subject to certain eligibility criteria) to grant discretionary rebates of up to 100% for land used for the purposes of a community benefit and that meet certain legislative and Council Policy criteria.

Council (by Policy) has agreed to grant specific Rate Rebates pursuant to the said Act.

Councils Rate Rebate Policy (incorporating Rate Rebate Application) is available from the Council website - www.mountgambier.sa.gov.au.

Rate Rebates do not apply to Council Waste Service Charge.

4.20 Rate Relief Options

- 4.20.1 Where an owner/occupier/principal place of residence property with a Category 1 (Residential) Land Use experiences an increase in general rates payable, for the preceding financial year as compare to the general rates payable for the current financial year (excluding any rebates/remissions) and where that increase, in monetary terms, is greater than 15%.

The amount of the rate rebate is the amount of gross rates for the current year over and above the calculation referred to above. I.e. the difference (in monetary terms) between the general rates imposed in the preceding financial year plus 15%. (All calculations referenced herein are gross rates figures. I.e. exclusive of any rebates/remissions/concessions).

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The rebate will not apply where:

- (a) Any such increase is due in whole or part to an increase in valuation of the land in the Assessment because of improvements made to it worth more than \$20,000. or
- (b) Any such increase is in whole or part because the zoning or land use category of the land has changed. or
- (c) Any such increase is due in full or part to the use of the land being different for rating purposes on the date the Council declared its general rates for the current financial year than on the date the Council declared its general rates for the preceding financial year. or
- (d) The ownership of the rateable property has changed since 1st July in the preceding financial year i.e. the residential property has changed ownership and the new owners have purchased the residential property at the new current market value. or
- (e) The subject property boundary(s) have been altered in some way e.g. subdivision, boundary alignment etc. i.e. the subject property is not the exact same property, for valuation purposes, as assessed in the previous financial year. or
- (f) Other factors considered relevant by the Chief Executive Officer that do not warrant the granting of the discretionary rate rebate.

The rebate will only apply to:

- (a) A ratepayer in respect of their principal place of residence only, excluding second and subsequent properties and all other non principal place of residence properties.
- (b) The current financial year only then subject to an annual review.

Where an entitlement to a Residential Rate Capping ceases or no longer applies during the course of a financial year, the Council is entitled to recover full rates for the financial year.

4.20.2 Vacant Land

The vacant land rate in the dollar is set higher than the residential rate in the dollar.

For those owners of vacant land who intend to develop that land, in the short term as their principal place of residence (as opposed to land speculation), may be entitled to a rebate on Council rates.

Applications must be in writing with the maximum rebate calculated so that the rates payable are equivalent to the average residential land use.

4.20.3 Postponement of Rates - Seniors

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.

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

4.21 Hardship

Any ratepayer experiencing difficulties in meeting rates payments or experiencing hardship will be able to access payment plans tailored to meet their particular circumstances. All arrangements will be strictly confidential.

4.22 Applications

All applications for rebates, remissions or postponements must be in writing, addressed to the Chief Executive Officer, City of Mount Gambier, P O Box 56, Mount Gambier SA 5290 and include sufficient details to identify the relevant property and support the application.

Application forms are available from Council's website www.mountgambier.sa.gov.au.

Please refer to Council's *Rate Rebate Policy* for further information.

4.23 Sale of Land for Non-Payment of Rates

The Local Government Act 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. The City of Mount Gambier enforces the sale of land for non-payment of rates after 3 years or more in accordance with the provisions of the Act.

4.24 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.

4.25 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. In the first instance contact Council's General Manager Council Business Services on (08) 8721 2555 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should write to the Chief Executive Officer, City of Mount Gambier, P O Box 56, Mount Gambier SA 5290, or email city@mountgambier.sa.gov.au.

5. REVIEW & EVALUATION

This Policy is scheduled for review by Council annually and will be reviewed as required by any legislative changes which may occur.

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 City of Mount Gambier	R105 RATING POLICY	Version No:	12.0
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6. AVAILABILITY OF POLICY

This Policy will be available for inspection at Council's principal office during ordinary business hours and on the Council's website www.mountgambier.sa.gov.au. Copies will also be provided to interested members of the community upon request, and upon payment of a fee in accordance with Council's Schedule of Fees and Charges.

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 City of Mount Gambier	R105 RATING POLICY	Version No:	12.0
		Issued:	June 2021
		Next Review:	May 2022

File Reference:	AF18/48
Applicable Legislation:	Local Government Act, 1999 - Chapter 10
Reference: Strategic Plan – Beyond 2015	Goal 5, Strategic Objective 5.
Related Policies:	R105 Rating Policy/Statement R155 Rates - Rebate Policy Statement and Application Process R130 Rates - General Policy
Related Procedures:	Nil
Related Documents:	Nil

DOCUMENT DETAILS

Responsibility:	General Manager Council Shared Services
Version:	12.0
Last revised date:	
Effective date:	
Minute reference:	
Next review date:	May 2022
<u>Document History</u>	
First Adopted By Council:	18 th October, 2011
Reviewed/Amended:	Annually

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4.4 POLICY REVIEW - R130 - RATES - GENERAL MATTERS – REPORT NO. AR21/32795

Committee:	Council
Meeting Date:	29 June 2021
Report No.:	AR21/32795
CM9 Reference:	AF20/446
Author:	Jo Scheidl, Senior Revenue Officer
Authoriser:	Darren Barber, General Manager Shared Services
Summary:	This report represents an updated Council Policy R130 - Rates General Matters.
Strategic Plan Reference:	Goal 1: Our People
	Goal 2: Our Location
	Goal 3: Our Diverse Economy
	Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage
	Goal 5: Our Commitment

REPORT RECOMMENDATION

1. That Council Report No. AR21/32795 titled 'Policy Review - R130 - Rates - General Matters' as presented on 29 June 2021 be noted.
2. That *Council Policy R130 - Rates - General Matters* as attached to Report No. AR21/32795 be adopted.



TYPE OF REPORT

Legislative

BACKGROUND

Council periodically reviews its policies over the term of the Council to ensure they remain up to date with legislative requirements, Council and community expectation and emerging practices in local government.

PROPOSAL

In February 2014 Council considered Corporate and Community Services Report No. 13/2014 in relation to the review of Corporate and Community Services Policies and resolved:

(e) Amalgamation and/or review of remaining Corporate and Community Services Policies continue to be undertaken on a prioritized and periodical basis under the direct of the Corporate and Community Services Committee.

Council Policy 'R130 - Rates - General Matters' has been reviewed with no changes. Review dates to be amended from annually to "during the next Council term.

LEGAL IMPLICATIONS

Section 10 of the Local Government Act.

STRATEGIC PLAN

Financial sustainability in local government, ensuring consideration is given to the financial effects on future generations.

COUNCIL POLICY

[R105 - Rating Policy](#)

[R130 - Rates - General Matters](#)

[R155 - Rate Rebate Policy](#)

ECONOMIC IMPLICATIONS

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.

ENVIRONMENTAL IMPLICATIONS

The proposed WSC is an environmental decision to make waste management costs visible and clear to ratepayers by highlighting the waste fee for each property on the rates notice.

SOCIAL IMPLICATIONS

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.

CULTURAL IMPLICATIONS

N/A

RESOURCE IMPLICATIONS

N/A

VALUE FOR MONEY

Rates constitutes a system of taxation for Local Government purposes.



RISK IMPLICATIONS

Nil.

EQUALITIES AND DIVERSITY IMPLICATIONS

Nil.

ENGAGEMENT AND COMMUNICATION STRATEGY

Nil.

IMPLEMENTATION STRATEGY

Nil.

CONCLUSION AND RECOMMENDATION

The reviewed Council Policy 'R130 - Rates - General Matters' be presented for consideration. It is proposed that the policy next be scheduled for review May 2024, during the next Council term.

ATTACHMENTS

1. Council Policy R130 - Rates General Matters [↓](#)



 City of Mount Gambier	R130 RATES - GENERAL MATTERS	Version No:	3
		Issued:	June 2021
		Next Review:	May 2024

1. INTRODUCTION

This document sets out the City of Mount Gambier ("Council") Policy for general matters associated with outstanding Council Rates and Assessment Valuation Appeals.

2. APPEALS AGAINST ASSESSMENTS

2.1 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.

2.2 Council shall not apply or credit any such amount overpaid against future liabilities for rates on the land subject to the rates, unless requested to do so by the ratepayer.

3. FINES ON UNPAID RATES

3.1 In respect of unpaid Council rates no fines and/or interest charges will arise where the arrears amount is less than \$40.

4. OUTSTANDING RATES

4.1 In accordance with the provisions of the Local Government 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.

4.2 The Chief Executive Officer is empowered to exempt this Policy in necessitous circumstances, in accordance with the delegated powers issued pursuant to the provisions of the Local Government Act.

4.3 The Chief Executive Officer is empowered to take the necessary action to instigate collection by legal process where principal ratepayers have made no genuine attempt to respond to the requests for payment.

4.4 The Chief Executive Officer be authorised to write off outstanding and/or bad debts provided:

- (a) The debt is considered by the Chief Executive Officer to be unrecoverable;
- (b) The outstanding debt is less than \$100.

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 City of Mount Gambier	R130 RATES - GENERAL MATTERS	Version No:	3
		Issued:	June 2021
		Next Review:	May 2024

5. REVIEW & EVALUATION

This Policy is scheduled for review by Council during the current term of Council, however, will be reviewed as required by any legislative changes which may occur.

6. AVAILABILITY OF POLICY

This Policy will be available for inspection at Council's principal office during ordinary business hours and on the Council's website www.mountgambier.sa.gov.au. Copies will also be provided to interested members of the community upon request, and upon payment of a fee in accordance with Council's Schedule of Fees and Charges.

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 City of Mount Gambier	R130 RATES - GENERAL MATTERS	Version No:	3
		Issued:	June 2021
		Next Review:	May 2024

File Reference:	AF18/48
Applicable Legislation:	Local Government Act, 1999
Reference: Strategic Plan – Beyond 2015	Goal 1: Our People Goal 2: Our Location
Related Policies:	R110 Rates-Appeals Against Assessments (superseded) R120 Rates-Fines on Unpaid Rates (superseded) R160 Rates-Outstanding (superseded) I105 Internal Controls R105 Rating Policy/Statement R155 Rates - Rebate Policy Statement and Application Process
Related Procedures:	Nil
Related Documents:	Nil

DOCUMENT DETAILS

Responsibility:	General Manager Shared Services
Version:	3.0
Last revised date:	
Effective date:	
Minute reference:	
Next review date:	May 2024
<u>Document History</u> First Adopted By Council: Reviewed/Amended:	18 February 1999 (Superseded Policies R110, R120 and R160) During the next Council Term

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4.5 POLICY REVIEW - R155 - RATE REBATE POLICY – REPORT NO. AR21/32785

Committee:	Council
Meeting Date:	29 June 2021
Report No.:	AR21/32785
CM9 Reference:	AF20/446
Author:	Jo Scheidl, Senior Revenue Officer
Authoriser:	Darren Barber, General Manager Shared Services
Summary:	This report represents an updated Council Policy R155 - Rate Rebate.
Strategic Plan Reference:	Goal 1: Our People
	Goal 2: Our Location
	Goal 3: Our Diverse Economy
	Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage
	Goal 5: Our Commitment

REPORT RECOMMENDATION

1. That Council Report No. AR21/32785 titled 'Policy Review - R155 - Rate Rebate Policy' as presented on 29 June 2021 be noted.
2. That Council *Policy R155 - Rate Rebate Policy* as attached to Report No AR21/32785 be adopted.



TYPE OF REPORT

Legislative

BACKGROUND

The introduction of the Local Government Act 1999 (the Act) resulted in significant changes being introduced to the rate rebate provisions particularly those applicable to the manner in which rate rebates are administered.

To assist with this process the Local Government Financial Management Group, with the assistance of Norman Waterhouse Lawyers, developed a *model* policy for rate rebates which is suitable for adaption by individual councils.

In May 2002, the City of Mount Gambier (the Council) adopted a Rate Rebate Policy that aimed at assisting the administration of both the mandatory and discretionary rate rebate provisions of the Act.

PROPOSAL

Council Policy '*R155 - Rate Rebate Policy*' has been reviewed in line with the Local Government Association model policy. An amendment regarding the implementation of the Waste Service Charge has been noted.

No substantive changes are proposed.

LEGAL IMPLICATIONS

Section 10 of the Local Government Act.

STRATEGIC PLAN

Financial sustainability in local government, ensuring consideration is given to the financial effects on future generations.

COUNCIL POLICY

[R105 - Rating Policy](#)

[R130 - Rates - General Matters](#)

[R155 - Rate Rebate Policy](#)

ECONOMIC IMPLICATIONS

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.

ENVIRONMENTAL IMPLICATIONS

N/A

SOCIAL IMPLICATIONS

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.

CULTURAL IMPLICATIONS

N/A

RESOURCE IMPLICATIONS

N/A



VALUE FOR MONEY

Rates constitutes a system of taxation for Local Government purposes.

RISK IMPLICATIONS

Nil.

EQUALITIES AND DIVERSITY IMPLICATIONS

Nil.

ENGAGEMENT AND COMMUNICATION STRATEGY

Nil.

IMPLEMENTATION STRATEGY

Nil.

CONCLUSION AND RECOMMENDATION

The reviewed Council Policy '*R155 - Rate Rebate Policy*' be presented for consideration.

It is proposed that the Policy next be scheduled for review in May 2022.

ATTACHMENTS

1. DRAFT - Council Policy R155 - Rates - Rebate Policy [↓](#)



 City of Mount Gambier	R155 RATE REBATE POLICY	Version No:	11.0
		Issued:	June 2021
		Next Review:	May 2022

1. INTRODUCTION

It is the policy of the City of Mount Gambier (the Council) that a rebate of rates in respect of any rateable land in the Council area will be available only when the applicant satisfies the requirements under the Local Government Act 1999 (the Act) and where appropriate, the requirements of this Policy.

2. SCOPE

- 2.1 The Act sets out in Chapter 10, Division 5 (Sections 159 to 166) those provisions applicable to the Council granting a rebate of rates to persons or bodies.
- 2.2 The Council has decided to adopt a Policy to assist it in its decision making functions relative to the operation of the rate rebate provisions contained in the Act.
- 2.3 This Policy is intended to provide guidance to the community as to the grounds upon which a person or body is, or may be entitled to receive a rebate of rates and the matters that the Council will take into account in deciding an application for a rebate.
- 2.4 In accordance with the rebate provisions contained in the Act, this Policy sets out the type of use in respect of land where the Council must grant a rebate of rates and the amount of that rebate and these types of land use where the Council has a discretion to grant a rebate of rates.

3. PURPOSE

- 3.1 Section 159(3) of the Act provides that the Council may grant a rebate of rates under the Act if it is satisfied that it is appropriate to do so.
- 3.2 The Act provides for a mandatory rebate of rates in specified cases and the amount of that mandatory rebate (see Clause 3 below).
- 3.3 The Act also provides that where the Council must grant a rebate of rates under the Act, and the amount of that rebate is fixed by the Act at less than 100%, the Council **may** increase the amount of the rebate.
- 3.4 The Act provides, at Section 166 for the Council to provide a discretionary rebate of rates in the cases set out in that Section.


4. MANDATORY REBATES

- 4.1 The Council must grant a rebate in the amount specified in respect of land uses which the Act provides will be granted a rebate.

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 City of Mount Gambier	R155 RATE REBATE POLICY	Version No:	11.0
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		Next Review:	May 2022

4.2 Rates on the following land will be rebated at **100%**:

4.2.1 Health Services

Land being predominantly used for service delivery or administration by a hospital or health centre incorporated under the Health Care Act.

4.2.2 Religious Purposes

Land containing a church or other building used for public worship (and any grounds), or land solely used for religious purposes.

4.2.3 Public Cemeteries

Land being used for the purposes of a public cemetery.

4.2.4 Royal Zoological Society of SA

Land (other than land used as domestic premises) owned by, or under the care, control and management of the Royal Zoological Society of South Australia Incorporated.

4.3 Rates on the following land will be rebated at **75%**:

4.3.1 Community Services

Land being predominantly used for service delivery or administration (or both) by a community services organisation. A "community services organisation" is defined in the Act as a body that –

- 4.3.1.1 *Is incorporated on a not for profit basis for the benefit of the public; and*
- 4.3.1.2 *Provides community services without charge or for a charge that is below the cost to the body of providing the services; and*
- 4.3.1.3 *Does not restrict its services to persons who are members of the body.*

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It is necessary for a community services organisation to satisfy all of the above criteria to be entitled to the mandatory 75% rebate.

The Act further provides that eligibility for a rebate by a community services organisation is subject to it providing one or more of the following community services:

- 4.3.1.4 Emergency accommodation;
- 4.3.1.5 Food or clothing for disadvantaged persons;
- 4.3.1.6 Supported accommodation: Local Government Act defines as:
 - (a) *Residential care facilities that are approved for Commonwealth funding under the Aged Care Act 1997 (Cwlth); or*
 - (b) *Accommodation for persons with mental health difficulties, intellectual or physical difficulties, or other difficulties, who require support in order to live an independent life; or*
 - (c) *Without limiting paragraph (b), accommodation provided by a community housing provider registered under the Community Housing Providers National Law that is incorporated on a not-for-profit basis for the benefit of the public, other than accommodation provided by such a body:*
 - (i) *that has as a principal object of the body the provision of housing for members of the body; or*
 - (ii) *that is excluded from the ambit of this paragraph by the Minister by notice published in the Gazette;*
- 4.3.1.7 Essential services, or employment support, for persons with mental health disabilities, or with intellectual or physical disabilities;
- 4.3.1.8 Legal services for disadvantaged persons;
- 4.3.1.9 Drug or alcohol rehabilitation services; or
- 4.3.1.10 the conduct of research into, or the provision of community education about, diseases or illnesses, or the provision of palliative care to persons who suffer from diseases or illnesses.
- 4.3.1.11 Disadvantaged person are persons who are disadvantaged by reason of poverty, illness, frailty or mental, intellectual or physical disability.

4.3.2 Educational Purposes

- 4.3.2.1 Land occupied by a government school under a lease or licence and being used for educational purposes; or
- 4.3.2.2 Land occupied by a non-government school registered under The Education and Early Childhood Services (Registration and Standards) Act 2011 and being used for educational purposes; or
- 4.3.2.3 Land being used by a University or University College to provide accommodation and other forms of support for students on a not for profit basis.

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- 4.4 Where the Council is satisfied from its own records or from other sources that a person or body meets the necessary criteria for a mandatory 100% or 75% rebate, the Council will grant the rebate of its own initiative. Where the Council's records or other sources do not meet the criteria, it will require the person or body to apply for the rebate in accordance with Clause 6 of this Policy.
- 4.5 Where a person or body is entitled to a rebate of 75% the Council may, pursuant to Section 159(4) of the Act, increase the rebate up to a further 25%. The Council may grant the further 25% rebate upon application or on its own initiative. In either case the Council **will** take into account those matters set out at Clauses 6.4 of this Policy and **may** take into account any or all of those matters set out at Clause 6.5 of this Policy.
- 4.6 Where an application is made to the Council for a rebate of up to a further 25% the application will be made in accordance with Clause 7 of this Policy and the Council will provide written notice to the applicant of its determination of that application.
- 4.7 Council has delegated the determination of entitlement to Mandatory Rebates to the Chief Executive Officer.


5. DISCRETIONARY REBATES

- 5.1 The Council may in its absolute discretion grant a rebate of rates or service charges in any of the following cases pursuant to Section 166 of the Act: -
- 5.1.1 *where it is desirable for the purpose of securing the proper development of the area (or a part of the area);*
 - 5.1.2 *where it is desirable for the purpose of assisting or supporting a business in its area;*
 - 5.1.3 *where it will be conducive to the preservation of buildings or places of historic significance;*
 - 5.1.4 *where the land is being used for educational purposes;*
 - 5.1.5 *where the land is being used for agricultural, horticultural or floricultural exhibitions;*
 - 5.1.6 *where the land is being used for a hospital or health centre;*
 - 5.1.7 *where the land is being used to provide facilities or services for children or young persons;*
 - 5.1.8 *where the land is being used to provide accommodation for the aged or disabled;*
 - 5.1.9 *where the land is being used for a residential aged care facility that is approved for Commonwealth funding under the Aged Care Act 1997 (Commonwealth) or a day therapy centre;*
 - 5.1.10 *where the land is being used by an organisation which, in the opinion of the Council, provides a benefit or service to the local community;*
 - 5.1.11 *where the rebate relates to common property or land vested in a community corporation under the Community Titles Act 1996 over which the public has a free and unrestricted right of access and enjoyment;*

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5.1.12 where the rebate is considered by the Council to be appropriate to provide relief against what would otherwise amount to a substantial change in rates payable due to:

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

5.1.13 where the rebate is considered by Council to be appropriate to provide relief in order to avoid a liability to pay a rate or charge that is inconsistent with liabilities that were anticipated in the annual Business Plan or a liability that is unfair or unreasonable;

5.1.14 where the rebate is to give effect to a review of a decision of the Council under Chapter 13 Part 2; and

5.1.15 where the rebate is contemplated under another provision of this Act.

5.2 A council must, in deciding whether to grant a rebate of rates or charges under Section 166, subsection (1)(d), (e), (f), (g), (h), (i) or (j), take into account:

- (a) The nature and extent of council services provided in respect of the land for which the rebate is sought in comparison to similar services provided elsewhere in its area; and
- (b) The community need that is being met by activities carried out on the land for which the rebate is sought; and
- (c) The extent to which activities carried out on the land for which the rebate is sought provides assistance or relief to disadvantaged persons; and
- (d) May take into account other matters considered relevant by the council.


The Council may take into account, but not limited to, the following:

- (i) Why there is a need for financial assistance through a rebate;
- (ii) The level of rebate (percentage and dollar amount) being sought and why it is appropriate;
- (iii) The extent of financial assistance, if any, being provided to the applicant and/or in respect of the land by Commonwealth or State agencies;
- (iv) Whether the applicant has made/intends to make applications to another Council;
- (v) Whether, and if so to what extent, the applicant is or will be providing a service within the Council area;
- (vi) Whether the applicant is a public sector body, a private not for profit body or a private for profit body;

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- (vii) Whether there are any relevant historical considerations that may be relevant for all or any part of the current Council term;
- (viii) The desirability of granting a rebate for more than one year in those circumstances identified at Clause 4.2 of this policy;
- (ix) Consideration of the full financial consequences of the rebate for the Council;
- (x) The time the application is received;
- (xi) the availability of any community grant to the person or body making the application;
- (xii) whether the applicant is in receipt of a community grant; and
- (xiii) Any other matters, and policies of the Council, which the Council considers relevant.

5.3 The Council has an absolute discretion to:

- (a) *Grant a rebate of rates or service charges in the above cases; and*
- (b) *Determine the amount of any such rebate to a maximum of 100% of the relevant rate.*

5.4 Discretionary rebates granted under this policy will be reviewed in accordance with Section 166(3) (3a) or at the time of reviewing the policy (Section 10).

5.5 Persons or bodies that or who seek a discretionary rebate will be required to submit an application form to the Council and provide such information as stipulated on the application form and any other information that the Council may reasonably require.

6. LIMESTONE COAST LANDSCAPE LEVY

From 1 July, 2020 the new *Landscape South Australia Act 2019* (the Act) replaced the *Natural Resource Management Act 2004*. Local Government continues to play a key role in collection of the Regional Landscape Levy. Councils are required under the Act to make a specified contribution to their Regional Landscape Board. Council recovers this contribution by imposing a separate rate on individual rateable properties in the Council area.

The Council will provide a concession or rebate off the Landscape levy for rateable properties who presently receive a mandatory or discretionary rebate of rates. The level of the Landscape Levy concession will be equivalent (in percentage terms) to the level of rate rebate Council has granted to those same rateable properties.

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7. SERVICE CHARGE

In accordance with Section 155 of the Act a Council may impose a service rate 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 is focused on environmentally sound waste management practices and will impose a Waste Service Charge (WSC) as a tool to become more responsive to waste management related costs and share the costs and benefits within the community.

The WSC will be charged on the basis of the service being available at the property. It will exclude vacant land and primary production where there is no dwelling on the land and will be charged irrespective if the land owner/occupier is using the service.

A rate rebate will not be available on Council Waste Service Charge.

8. APPLICATIONS

8.1 The Council will inform the community of the provisions for rate rebates under the Act by the inclusion of suitable details in the Council's Business Plan (and on the Draft Annual Business Plan) in accordance with Council's adopted Public Consultation Policy.

8.2 Application forms are available from the Council Office located at The Civic Centre, 10 Watson Terrace, Mount Gambier, telephone 8721 2555 or download from the Council website www.mountgambier.sa.gov.au.

8.3 All persons or bodies that/who want to apply to the Council for a rebate of rates must do so by completing and lodging a Rate Rebate Application on or before 31st March in each year to be considered for a rebate in the new rating year commencing 1st July of each year. The Council reserves the right to refuse to consider applications received after that date. However, applicants which satisfy the criteria for a mandatory 100% rebate will be granted the rebate at any time.

8.4 The Act provides that the Council may grant a rebate of rates or charges on such conditions as the Council considers fit.

8.5 The Council may, for proper cause, determine that an entitlement to a rebate of rates under the Act no longer applies.

Where an entitlement to a rebate of rates ceases or no longer applies during the course of a financial year, the Council is entitled to recover rates, or rates at the increased level (as the case may be), proportionate to the remaining part of the financial year.

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8.6 It is an offence for a person or body to make a false or misleading statement or representation in an application or to provide false or misleading information or evidence in support of an application made (or purporting to be made) under the Act.

The maximum penalty for this offence is \$5,000.

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

The maximum penalty for this offence is \$5,000.

8.8 The Council will, in writing, advise an applicant for a rebate of its determination of that application within sixty (60) business days of receiving the application or of receiving all information requested by the Council. The advice will state whether the application:

6.11.1 Has been granted and the amount of the rebate; or

6.11.2 Has not been granted and the reason(s) why.

8.9 A person or body that is aggrieved by a determination of Council in respect of an application for a rate rebate may seek a review of that determination by writing to the Council in accordance with Council's Internal Review of Decisions Policy.

9. DELEGATION

9.1 The Council has delegated its power, pursuant to Section 44 of the Act, to grant applications for mandatory rebates which meet the requirements of the Act.

9.2 The Council has delegated its power to refuse applications for an increase of mandatory rebates to a greater percentage than that provided by the Local Government Act.

9.3 All discretionary rebates shall be determined by the Council.

10. RATE RELIEF OPTIONS

To address any potential inequities in how rates are levied across the Council area the following rate relief options are provided:

10.1 Residential Rate Cap

Where an owner/occupier's principal place of residence property with a Category 1 (Residential) Land Use, experiences an increase in general rates payable, for the preceding financial year compared to the general rates payable for the current financial year (excluding any rebates/remissions) and where that increase, in monetary terms, is greater than 15%.

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The amount of the rate rebate is the amount of total rates for the current year over and above the calculation referred to above, i.e. the difference (in monetary terms) between the general rates imposed in the preceding financial year plus 15%.

(All calculations referenced herein are total (gross) rates figures i.e. excluding any rebates/remissions).

The rebate will not apply where:

- (a) Any such increase is due in whole or part to an increase in valuation of the land in the Assessment because of improvements made to it worth more than \$20,000, or
- (b) Any such increase is in whole or part because the zoning or land use category of the land has changed, or
- (c) Any such increase is due in full or part to the use of the land being different for rating purposes on the date the Council declared its general rates for the current financial year than on the date the Council declared its general rates for the preceding financial year; or
- (d) The ownership of the rateable property has changed since 1st July in the preceding financial year (i.e. the residential property has changed ownership and the new owners have purchased the residential property at the new current market value); or
- (e) The subject property boundary(s) have been altered in some way (e.g. subdivision, boundary alignment etc.) and the subject property is not the exact same property, for valuation purposes, as assessed in the previous financial year; or
- (f) Other factors considered relevant by the Chief Executive Officer that do not warrant the granting of the discretionary rate rebate.

The rebate will only apply to:

- (a) A ratepayer in respect of their principal place of residence and excludes second and subsequent properties and all other non-principal place of residence properties;
- (b) The current financial year only then subject to an annual review.

Where an entitlement to a Residential Rate Capping ceases or no longer applies during the course of a financial year, the Council is entitled to recover full rates for that financial year.

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10.2 For Land Use Category 8 (Vacant Land) Use

Vacant land owned by person(s) intending to be developed in the short term as their principal place of residence, may be considered for a rebate/deferral on Council rates on a case by case basis through the existing relief provisions of the Act, (i.e. hardship application). The maximum rate rebate calculated resulting in the rates payable being equivalent to the average residential land use (Category 1).

10.3 Postponement of Rates - Seniors

Section 182A of the Act provides for applications to be made to Council for a postponement of the payment of the prescribed proportion of rates for the current or future financial years if:

- (a) the person is a prescribed ratepayer, or is the spouse of a prescribed ratepayer; and
- (b) the rates are payable on land that is the principal place of residence of the prescribed ratepayer; and
- (c) the land is owned by the prescribed ratepayer and his or her spouse and no other person has an interest, as owner in the land.

The Act defines a 'prescribed ratepayer' as a person who holds a current State Seniors Card issued by the State Government; or who has the qualification(s) to hold such a card and has applied for the card but has yet to be issued with the card.

All Postponement Applications will be considered and must comply with the provisions of Section 182A of the Act and Regulation 18 of the Local Government (General) Regulations 2013.

All applications for rebates, remissions or postponements must be in writing, addressed to the Chief Executive Officer, City of Mount Gambier, 10 Watson Terrace, Mount Gambier SA 5290."

10.4 Retirement Villages

For the purpose of providing a rebate to Retirement Villages, particularly upon issues arising from circumstances where the ratepayer(s) claim to provide or maintain infrastructure that might otherwise be maintained by the Council, a rebate does not generally apply. The power to provide a rebate will be exercised as appropriate and in accordance with the Act.

11. REVIEW AND EVALUATION

This Policy is scheduled for review by the Council annually. However, the Policy will be reviewed as required by any legislative changes which may occur.

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12. AVAILABILITY OF POLICY

This Policy will be available for inspection at Council's principal office during ordinary business hours and on the Council's website www.mountgambier.sa.gov.au. Copies will also be provided to interested members of the community upon request and upon payment of a fee in accordance with Council's Schedule of Fees and Charges.

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RATE REBATE APPLICATION

1. DETAILS OF APPLICANT

Organisation Name

Postal Address

..... Postcode

Telephone Email

Please provide details of a contact person for the Applicant

Given Name Surname

Postal Address

..... Postcode

Telephone Email

2. DETAILS OF LAND

Council Assessment Number

Certificate of Title Reference

Address

.....

Owner of Land (if not you)

3. CATEGORIES OF REBATE

Please tick the category of rebate under which you are seeking a rebate.

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3.1 Mandatory - 100%

- Health Services – Land being predominantly used for service delivery or administration by a hospital or health centre incorporated under the South Australia Health Commission Act 1976 (Section 160 of the Local Government Act 1999);*
- Religious Purposes – Land containing a church or other building used for public worship (and any grounds), or land solely used for religious purposes (Section 162 of the Local Government Act 1999);*
- Public Cemeteries – Land being used for the purposes of a public cemetery (Section 163 of the Local Government Act 1999);*
- Royal Zoological Society of SA – Land (other than land used as domestic premises) owned by, or under the care, control and management of, the Royal Zoological Society of South Australia Incorporated (Section 164 of the Local Government Act 1999).*

3.2 Mandatory - 75%

- 3.2.1 Community Services – Land being predominantly used for service delivery or administration by a community services organisation (Section 161 of the Local Government Act 1999).*

To qualify as a Community Service Organisation under the rebate provisions of the Local Government Act 1999 an organisation MUST MEET ALL THREE of the following criteria. (See section 'Additional Information' at end of this form).

(a) is incorporated on a not for profit basis for the benefit of the public; and

YES NO

(b) provides community services without charge or for a charge that is below the cost to the body of providing the services; and

YES NO

(c) does not restrict its services to persons who are members of the body.

YES NO

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If you have ticked (a), (b) and (c) above which of the following services does your organisation provide from the property specified in this application. If these services apply only to part of your property, please supply additional details. You must answer these below questions in respect of your application.

- Emergency accommodation;*
- Food or clothing for disadvantaged persons (i.e., persons who are disadvantaged by reason of poverty, illness, frailty, or mental, intellectual or physical disability);*
- Supported accommodation - Local Government Act defined as:*
 - (a) Residential care facilities that are approved for Commonwealth funding under the Aged Care Act 1997 (Cwth); or*
 - (b) Accommodation for persons with mental health difficulties, intellectual or physical difficulties, or other difficulties, who require support in order to live an independent life; or*
 - (c) Without limiting paragraph (b), accommodation provided by a community housing provider registered under the Community Housing Providers National Law that is incorporated on a not-for-profit basis for the benefit of the public, other than accommodation provided by such a body that:*
 - (i) has as a principal object of the body, the provision of housing for members of the body; or*
 - (ii) is excluded from the ambit of this paragraph by the Minister by notice published in the Gazette.*
- Essential services, or employment support, for persons with mental health disabilities, or with intellectual or physical disabilities;*
- Legal services for disadvantaged persons;*
- Drug or alcohol rehabilitation services; and/or*
- Research into, or community education about, diseases or illnesses, or palliative care to persons who suffer from diseases or illnesses.*
- Disadvantaged person are persons who are disadvantaged by reasons of poverty, illness, frailty, or mental, intellectual or physical disability.*

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3.2.2 Educational Purposes - (Section 165 of the Local Government Act 1999)

Which of the following criteria apply:

- Land occupied by a government school under a lease or licence and being used for educational purposes; **or**
- Land occupied by a non-government school registered under The Education and Early Childhood Services (Registration and Standards) Act 2011 and being used for educational purposes; **or**
- Land being used by a University or University College to provide accommodation and other forms of support for students on a not for profit basis.

3.3 Discretionary - (Section 166 of the Local Government Act 1999)

The Council may in its discretion grant a rebate of rates or service charges in any of the following cases. Please indicate which of the following is applicable to your application:

- The rebate is desirable for the purpose of securing the proper development of the area (or a part of the area);
- The rebate is desirable for the purpose of assisting or supporting a business in its area;
- The rebate will be conducive to the preservation of buildings or places of historic significance;
- The land is being used for educational purposes;
- The land is being used for agricultural, horticultural or floricultural exhibitions;
- The land is being used for a hospital or health centre;
- The land is being used to provide facilities or services for children or young persons;
- The land is being used to provide accommodation for the aged or disabled;
- The land is being used for a residential aged care facility that is approved for Commonwealth funding under the Aged Care Act 1987 (Commonwealth) or a day therapy centre;
- The land is being used by an organisation which, in the opinion of the Council provides a benefit or service to the local community;

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- the rebate relates to common property or land vested in a community corporation under the Community Titles Act 1996 over which the public has a free and unrestricted right of access and enjoyment;*
- the rebate is appropriate to provide relief against what would otherwise amount to a substantial change in rates payable by a rate payer due to a change in the basis of valuation used for the purposes of rating, rapid changes in valuations, or anomalies in valuations.*

4. AMOUNT OF REBATE

4.1 If you are seeking a mandatory rebate under Clause 3.2 of this Application, for which you are entitled to a 75% rebate, are you also applying to the Council to increase that rebate?

YES NO

Please specify the amount of rebate that you are applying for: \$ _____

4.2 If you are applying for a discretionary rebate under Clause 3.3 of this Application, please specify the rebate amount you are applying for:

\$ _____

Please specify why you (or the organisation you represent) need financial assistance through a rebate and why the amount of rebate you have applied for is appropriate.

.....

.....

.....

.....

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5. ADDITIONAL INFORMATION REQUIRED

The Council requires you to attach the following additional information to this Application:

- 5.1 Where you are seeking a rebate under Clause 3.2 of this Application – Community Services:
 - 5.1.1 Evidence that the land is being used for service delivery and/or administration;
 - 5.1.2 A copy of the organisation’s Constitution and/or other documentation establishing that it is incorporated on a not-for-profit basis;
 - 5.1.3 A copy of the organisation’s latest Annual Report;
 - 5.1.4 Evidence that the organisation provides services free of charge or below cost;
 - 5.1.5 Evidence that the organisation provides services to persons other than its members.
- 5.2 Where you are seeking a rebate in any other case:
 - 5.3.1 Evidence that the land is being used for the purpose for which the rebate is being sought;
 - 5.3.2 Information as to whether, and if so, to what extent you (or the organisation you represent) will be providing a service within the Council area;
 - 5.3.3 Whether you have made or intend to make an application to another council;
 - 5.3.4 The extent of financial assistance (if any) being provided by Commonwealth or State agencies;
 - 5.3.5 Whether you are in receipt of a community grant;
 - 5.3.6 Any other information that you believe is relevant in support of this Application.

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6. APPLICATION FORMS

Application forms and all additional information must be submitted to the Council on or before the 31 March annually to be considered for a discretionary Rebate of Rates or a mandatory rebate of 75% in the new rating year commencing 1 July of each year.

The application date does not apply to applicants which satisfy the criteria for a mandatory 100% rebate.

Failure to submit application forms or to provide the additional information required by the Council to assess the application by the due date may result in the Council declining to consider the application.

IMPORTANT INFORMATION

It is an offence for a person or body to make a false or misleading statement or representation in an application or to provide false or misleading information or evidence in support of an application made (or purporting to be made) under the Act. The maximum penalty for this offence is \$5,000, (Section 159 (2) of the Local Government Act 1999).

The Council may grant a rebate of rates or charges on such conditions as the Council considers fit.

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

If a person or body fails to notify the Council that person or body is guilty of an offence and liable to a maximum penalty of \$5,000, (Section 159 (7) and (8) of the Local Government Act 1999).

The Council may, for proper cause, determine that an entitlement to a rebate of rates under the Act no longer applies.

Where an entitlement to a rebate of rates ceases or no longer applies during the course of a financial year, the Council is entitled to recover rates, or rates at the increased level (as the case may be), proportionate to the remaining part of the financial year.

I declare that the information I have provide on and attached to this application form is true and correct.

DATED this _____ day of _____ 20

Print Name

Signature

Position Title

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 City of Mount Gambier	R155 RATE REBATE POLICY	Version No:	11.0
		Issued:	June 2021
		Next Review:	May 2022

File Reference:	AF18/48
Applicable Legislation:	Local Government Act, 1999 Chapter 10, Division 5 (Sections 159 to 166)
Reference: Strategic Plan – Beyond 2015	Goal 5, Strategic Objective 5
Related Policies:	I105 Internal Controls R105 Rating Policy/Statement R130 Rates - General Matters
Related Procedures:	Nil
Related Documents:	Nil

DOCUMENT DETAILS

Responsibility:	General Manager Council Business Services
Version:	11.0
Last revised date:	
Effective date:	
Minute reference:	
Next review date:	May 2022
<u>Document History</u>	
First Adopted By Council:	May 2002
Reviewed/Amended:	Annually

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5 MEETING CLOSE

