



Government
of South Australia



**Local
Government
Association
of South
Australia**

Adelaide SA 5001

PH: 08 8224 2000

FAX: 08 8232 6336

lgasa@lga.sa.gov.au

www.lga.sa.gov.au

TO: Elected Members and CEOs

FROM: MINISTER FOR LOCAL GOVERNMENT
PRESIDENT OF THE LOCAL GOVERNMENT ASSOCIATION

DATE: 31 August 2001

RE: SIGNIFICANT CHANGES TO A COUNCIL'S RATING SYSTEM

Under the rating provisions of the Local Government Act 1999, Councils have the capacity to structure their rating system in a wide variety of ways. Using these powers a Council may, for example, determine to declare rates on the basis of capital value instead of site or annual value, change the basis of differential rates, introduce a fixed charge, or use minimum rates or adjustments for specified values to alter the rates that would otherwise be payable for up to 35% of assessments. It goes without saying that changes to a Council's rating system that significantly alter the way in which rates are distributed will have significant effects on particular ratepayers or groups of ratepayers in the Council's community.

The Local Government Act 1999 requires each Council to explain the rationale for the rating system it has chosen by preparing and adopting a rating policy and ensuring that this is available to members of the public and provided to ratepayers in a summarised form. However a Council that is contemplating significant changes to its rating system needs to plan for this well in advance and provide for community consultation and involvement as part of a program where the options being considered are modelled and the implications explained and considered, not only amongst elected members, but also with the community. In particular, Councils need to give careful consideration to using the Act provisions in a way that allows for the effect of significant changes to be phased-in over a period of time, rather than simply dealing with individual ratepayers who cannot meet the significant increases imposed under provisions relating to hardship. More flexibility does exist for Councils in this regard through the introduction of specific provisions in the 1999 Act. The capacity to levy taxes is a power available only to governments and it must be exercised with care and consideration for the individuals who are subject to it.

A Council should also ensure that any proposals that may have significant implications for the community are adequately addressed in the Council's public consultation policy so as to ensure that the community is aware of the specific consultation actions that are to be undertaken by the Council. At the end of the day, a Council must exercise its own judgement on these matters in the interests of the community to which they are accountable.

Any Council seeking more information on this matter is encouraged to contact the Local Government Association or the Office of Local Government.



MAYOR BRIAN HURN, OAM
PRESIDENT
LOCAL GOVERNMENT ASSOCIATION

HON DOROTHY KOTZ MP
MINISTER FOR LOCAL GOVERNMENT
MINISTER FOR ABORIGINAL AFFAIR

