

DISTRICT COUNCIL OF CLEVE

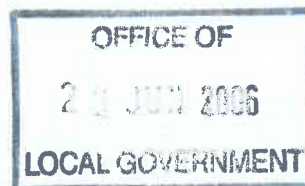
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Your Reference: OSLGR 215/04

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Dear Shane

Recommendations on Differential Rates

The District Council of Cleve has received a copy of the Recommendations Paper regarding amendments to Section 156 (7) of the Local Government Act (and proposed amendments to regulation), in particular relating to differential rating. This Council is one of those identified in the report as using zones to structure some of its rates, and it also continues to utilise site values for rating purposes.

When setting rates, the Council has historically been keen to take reasonable steps to minimise the effect that large variations on property valuations may have on individual rate payers. The Council believes that differential rates are also necessary for reasons of equity, benefit and ability to pay given the nature, mix and significant site valuation variations of land between the different rating areas. For the 2006/07 financial year, differential rates have been adopted for the following areas:-

	<u>Cent Rate in \$</u>
Arno Bay - Town	1.7840
Arno Bay - Coastal	0.7835
Cleve - Town	3.1302
Cleve - Rural Living/Fringe Zone	2.0325
Other Towns - Rudall, Darke Peak	50.0000
Outside Towns - Rural	0.7835
Special Industry Zone (Ausbulk Silos)	21.7612

The Council has utilised zones to achieve what it believes is a more equitable rating system, for example the site values of foreshore areas in the township of Arno Bay have dramatically increased (up to \$80,000), when compared to the values of allotments in the "town square" (approximately \$26,000) in recent years. Council has set differential rates in the dollar to best reflect ability to pay, while recognising that general services provided for the two areas are similar. It must be stressed that separate zones are not declared specifically for rating purposes, however the Council has determined that in some cases the fairest way to set rates is to utilise the ability to differentially rate separate areas in different zones, within or adjacent to townships.

The Council currently rebates a significant amount of rates under the provisions of the Act, however the reports suggestions that rebates can be utilised to amend anomalies in general rating are not