



## STRAT0015- ECONOMIC DEVELOPMENT RATES INCENTIVE POLICY

<b>Policy Type:</b>	Strategic Policy
<b>Responsible Department:</b>	Business Support & Improvement
<b>Responsible Officer:</b>	Manager Finance & Procurement
<b>Related Policies and Procedures</b>	Rates Rebate Policy (Community)
<b>Date Adopted:</b>	C1118- 26 March 2018
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### 1. POLICY STATEMENT

The *Local Government Act 1999* ("the Act") provides at Chapter 10, Division 5, Section 166(1)(a) that a council may grant a rebate of rates where the rebate is desirable for the purpose of securing the proper development of the area (or part of the area).

Consistent with this provision, Council has implemented this policy to stimulate economic development to assist economic growth in the City by providing financial incentives for certain development types and within identified areas/precincts within the City of Unley, through granting rate rebates.

This Policy seeks to encourage and support only mixed use development that is consistent with Council's Development Plan.

This Policy excludes the rebates of rates granted under Sections 160 to 165, and S166(1)(b) to (j) in the Act.

### 2. COMMUNITY GOAL

#### **Economic Prosperity**

Goal 3: Our businesses are valued because of the range of goods, services and facilities they provide, and new businesses are supported, not burdened with bureaucracy.

#### **Civic Leadership**

Goal 4: Council will listen to the community and make transparent decisions for the long term benefit of the City.

### 3. POLICY OBJECTIVES

The primary objectives of this policy are to:

- Facilitate economic growth within the City that results in thriving main streets and corridors;
- Encourage medium density dwellings along main corridors and in key strategic locations consistent with the State Government Planning Strategy and the Greater Adelaide 30 Year Plan.
- Encourage mixed use development that is consistent with the City of Unley Development Plan.

### 4. PRINCIPLES

The following principles relating to the application of rates on communities across the local government sector have informed the development of this policy:

- Equity - rating responsibility should be distributed in an equitable manner across and within our communities;
- Benefit - ratepayers should receive some benefits from paying tax, but not necessarily to the extent of the tax paid;
- Ability-to-pay - in raising rates the ability of the taxpayer to pay the rates must be taken into account;
- Efficiency – Council's rates are currently designed to be neutral in its effect on ratepayers and therefore it is considered efficient unless it changes ratepayer behaviour;
- Simplicity – the application of rates should be understandable, hard to avoid and easy to collect.

In applying this policy, these principles will be balanced with the policy objectives of rating, the need to raise revenue, the effect of rates on the community and delivery of strategic outcomes.

### 5. POLICY

#### **Eligible Development**

An application for a rate rebate in accordance with this Policy may be made, subject to the following criteria being met:

The development that is the subject of the application must:

- be located within the area designated in the City of Unley Development Plan as District Centre Zone;
- be mixed use, whereby the development consists of at least 50% (based on value) residential development;
- have a minimum development cost of \$10 million as per the Development Application;
- be consistent with Council's Development Plan.

## Applications

- Applications must be made on the required form and/or in the required manner and must provide to the Council the information as stipulated and any other information that Council may reasonably require in order to determine the application.
- Applications received on or before 1 March prior to the rating year will be processed and any rate rebate determined will take effect from the commencement of the next rating year. Applications received after 1 March will be processed and any rate rebate determined will take effect from the following rating year.

## Rates Incentives

As part of Council's commitment to achieving high quality economic development in the appropriate areas of the City Council will offer two types of rates related incentives.

An application for a rates rebate will be considered entirely separate to the Development Application process.

### Developer Rebate of Rates

The provision of a rebate on general council rates during the construction phase of an eligible development (exclusive of the full NRM levy, which must be paid by the owner).

- The period of application of any rate rebate granted under this Policy will commence once the Valuer General categorises the assessment as vacant land, however, any approved rate rebate will only be applied to whole rating years.
- A Developer Rebate of Rates granted under this Policy will apply for a maximum of three (3) years.
- During construction of the development, the assessment(s) will be exempt from payment of the *Separate Rate for Marketing Purposes* (if applicable).
- The required application and declaration must be completed and accompanied by a signed copy of the Development Schedule.

### Residential Rebate of Rates

**Eligible owners** may receive a 75% rebate on their general council rates for a maximum period of up to three (3) years (exclusive of the full NRM levy, which must be paid by the owner).

- An **eligible owner** is a purchaser of a residential apartment/dwelling within an **eligible development** within the City of Unley where the purchase contract is signed for an **off-the-plan** apartment/dwelling.
- An apartment/dwelling will be considered **off-the-plan** up to the day the building (or residential stage) reaches practical completion.
- The applicable rate rebate period commences from the settlement date and continues for a period not exceeding three (3) years.
- Any approved rate rebate will apply to the original purchaser/owner only and will cease to take effect in the event of a change of ownership of the apartment/dwelling.
- An **eligible owner** must submit the required application and declaration, accompanied by a signed copy of the purchase contract/schedule.

- Where an **eligible owner** is also entitled to receive a Pensioner or Self-Funded Retiree remission, the rate rebate will reduce the total rebate to nil after any remissions have been applied.

#### Cessation of entitlement for Rebate of Rates

In accordance with the requirements of section 159(7) of the Act, 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 an entitlement to a rebate ceases or no longer applies during the course of a financial year, Council will recover rates proportionate to the remaining part of the financial year.

#### Determination and Review

Council will advise an applicant in writing of its determination of an application for Rebate of Rates under this Policy. The advice will state:

- (i) If the application has been granted, the amount of the rebate and the rating year to which the rebate will be applied; or
- (ii) If the application has not been granted, the reasons why.

Any person or body who is aggrieved by a determination in respect of an application for a rebate may seek a review of that decision in accordance with Council's Procedure for Internal Review of a Council Decision. There is no statutory entitlement to rebates of rates under this policy. Every decision to grant a rate rebate is at the discretion of Council, and any application may be declined at the absolute discretion of Council.

## 6. DEFINITIONS

**Discretionary Rebate:** A rebate which has been applied under the Local Government Act 1999, Section 166.

**An 'eligible owner':** A purchaser of a residential apartment within an 'eligible development' within the City of Unley where the purchase contract is signed for an 'off-the-plan' apartment.

**Apartment 'off-the-plan':** The apartment will be considered 'off-the-plan' up to the day the building (or residential stage) reaches practical completion.

**Valuer General:** is the state's independent authority on property valuations and oversees all significant government property valuations and council rating valuations.

**Economic Growth:** how much more the City's economy produces than it did in the prior period (removing the effects of inflation). Gross domestic product will be used to measure economic growth.

## 7. LEGISLATION/REFERENCES

Local Government Act 1999 Division 5 – Rebates of Rates  
Section 166 – Discretionary rebates of rates

## 8. POLICY DELEGATIONS

The power to grant discretionary rebates of rates is retained by the Council.

## 9. ROLES/RESPONSIBILITIES

This policy will be administered on behalf of Council by the Finance & Procurement area.

Decision making in relation to application of this Policy will rest with Council.

## 10. AVAILABILITY

The policy is available for viewing, download and printing free of charge from the Council's website, [www.unley.sa.gov.au](http://www.unley.sa.gov.au)

It is also available for public inspection during normal office hours at the Civic Centre, 181 Unley Road Unley SA 5061

A copy may be purchased for a fee as determined annually by Council and as published in the Fees and Charges document.

## 11. DOCUMENT HISTORY

<b>Date:</b>	<b>Council/Committee/Internal</b>	<b>Comment:</b>
26 March 2018	Full Council- Item C1118	
	Council item / year	