



Separate Rate Operating Guideline

Approved: **Noted by Council on 24 September 2013**

Owner: **Program Manager, City Growth & Investment**

Trim: **ACC2013/161109**

1. Introduction

- 1.1 Separate rates are a transparent and equitable means, widely used by Councils in SA and beyond, to generate revenue to deliver projects and activities of particular benefit to target areas.
- 1.2 The levying of separate rates provides a sustainable source of funding to support placemaking, activation and revitalisation. It is consistent with Council's preference for partnerships, co-creation and reducing reliance on Council through identifying and implementing sustainable funding methods.
- 1.3 The process of establishing a separate rate is complex and there are important considerations at each step. This Operating Guideline outlines those considerations.
- 1.4 This Operating Guideline supports the content and intent of Council's Separate Rate Policy.

2. Strategic Context

- 2.1 This Operating Guideline supports the achievement of The City of Adelaide Strategic Plan especially Outcome 1 – City of Great Places and Outcome 5 – Prosperous City by providing guidance around an option for funding placemaking, promotion, marketing and business development initiatives in precincts.
- 2.2 This Operating Guideline also supports the Corporation Plan's key objective of being a *trusted partner* through engaging with Associations to develop and implement sustainable funding models for precinct development.

3. Objectives

This Operating Guideline aims to provide:

- 3.1 A transparent and consistent approach to developing and considering proposals for separate rates;
- 3.3 A clear statement of the roles and responsibilities of the Council and Corporate Programs involved in developing and assessing separate rate proposals, and in implementing and managing any separate rate.
- 3.4 A description of the steps to be followed in developing and considering a separate rate proposal, and in declaring and managing separate rates.

4. Definitions

Proponent – the Association making the approach to Council about considering the declaration of a separate rate or Council if Council initiates the proposal.

Separate Rate – a rate declared under section 154 of the *Local Government Act 1999* (SA). Separate rate revenue must be applied to activities of "particular benefit" to the land, or the occupiers of the land, or to visitors to the geographic area to which the rate applies. Separate rate revenue is "ring fenced" and not general revenue.

Target area – a defined geographic area in which some or all rateable properties are proposed to be subject to a separate rate.

Target rate – the amount proposed to be raised by the proposed separate rate.

5. Roles and Responsibilities

- 5.1 The Program Manager, City Growth & Investment is responsible for overseeing the application of this operating guideline.
- 5.2 As a general statement of roles and responsibilities the:
- 5.2.1 City Growth & Investment Program is available to meet with proponents to provide, guidance, advice and support at any stage
 - 5.2.2 Finance & Risk Program provides rating information, advice on the basis of rating, the proposal's alignment with Council's general principles of rating, and scenario modelling as required
 - 5.2.3 Proponent is responsible for preparing the initial separate rate proposal and engaging with its stakeholders at all steps in the process
 - 5.2.4 Strategy & Innovation Program has an advisory role in preparing the consultation pack and in managing the consultation process.
 - 5.2.5 Marketing & Creative Services Program may have a role in the preparation of the consultation pack
 - 5.2.6 Media & Communications may have a role in communicating the declaration of a separate rate (or not) and managing media enquiries
- 5.3 The particular responsibilities of each Program and the Proponent are detailed in section 6 of this Operating Guideline.

6. Operating Guideline

The following Council and Corporate Programs have a role in developing and considering separate rate proposals and in declaring and managing separate rates:

- City Growth & Investment
- Finance & Risk (Rates & Valuation Services)
- Strategy & Innovation (Community Engagement Team)
- Marketing & Creative Services
- Media Relations

Tables 1 and 2 summarise the steps involved in developing and considering a separate rate proposal and in declaring and managing a separate rate.

Table 1 describes the desirable *preliminary steps* being those actions that the Proponent is expected to have taken prior to approaching Council about a separate rate.

Table 2 describes the *process steps* being those activities between and including Council receiving a separate rate proposal and Council disbursing separate rate funds.

Alignments to Council's Draft Separate Rate Policy and relevant provisions in the Local Government Act 1999 (SA) are noted as needed.

Table 1 – Preliminary steps

	Task
A	Proponent engages with stakeholders to develop a Strategic Plan/Business Plan for the area
B	Proponent adopts a Strategic Plan/Business Plan that contemplates a separate rate as a funding method
C	Proponent engages stakeholders in dialogue around the purpose of a separate rate, identified and communicates the benefits anticipated as a result of the separate rate, the amount to be raised, who would pay, and the geographic area proposed to be subject to the rate and drafts a separate rate proposal based on the consultation

Table 2 – process steps

Step	Task	Who and How
1	Council Administration receives and assesses a preliminary separate rate proposal	<ul style="list-style-type: none"> • Proposals are received by the City Growth & Investment Program • Program staff undertake an initial assessment of the proposal to ensure that it contains the basic information required by 9.1.4 of Council's Separate Rate Policy • Program staff check the incorporated status of the proponent and that the proponent meets the requirements of section 9.1.1 to 9.1.3 inclusive and 9.1.5 of Council's Separate Rate Policy, seeking documentary evidence and further information from the Proponent as appropriate.
2	Council Administration works with the Association to refine and finalise a proposal for Council's consideration	<ul style="list-style-type: none"> • Staff of the City Growth & Investment Program will work with the Proponent to refine the proposal and to raise and discuss other options if appropriate • Staff from the Finance & Risk Program are likely to be involved at this step providing rating information, advice on the basis of rating and the proposal's alignment with Council's general principles of rating, and scenario modelling.
3	Council Administration prepares a report to Council seeking approval to release the separate rate proposal for public consultation	<ul style="list-style-type: none"> • The report to Council will be prepared by the City Growth & Investment Program engaging with other Council and Corporate Programs as appropriate. • As the report will be on the public record it should be prepared in accordance with section 151 of the <i>Local Government Act 1999</i> (SA). • The report should include advice to Council about how to assess support or objection to the proposal, and address the considerations of section 9.3 of Council's Separate Rate Policy. • Questions to consider in determining how to assess support and objection may include: <ul style="list-style-type: none"> ○ who will be consulted? ○ how will support and objection be measured? ○ what nature and level of objections will indicate poor support? ○ what weight will various submissions be given? For example if commercial property owners and tenants in the target area are those who will have to pay the rate, it is appropriate that their feedback is given more weight than the feedback of others (such as property owners outside of the target area, or residential ratepayers) • The report must be submitted to Council for consideration within a reasonable time of Step 2 concluding.

Step	Task	Who and How
4	<p data-bbox="443 255 703 286">COUNCIL DECISION</p> <ul data-bbox="443 309 703 815" style="list-style-type: none"> • Council resolves not to progress the proposal to public consultation; or • Council proposes amendments to the proposal; or • Council resolves to commence the public consultation process; and • Council determines how it will assess support or objection to the proposal. 	<ul data-bbox="799 255 1437 600" style="list-style-type: none"> • If Council resolves not to progress a separate rate proposal to public consultation, the process ends here. • If Council resolves to progress a separate rate proposal to public consultation, the process continues to Step 5. • If Council chooses to propose amendments to the draft separate rate proposal, the amendments must be negotiated with the Proponent before proceeding to Step 5.
5	<p data-bbox="443 828 703 860">Statutory consultation</p>	<ul data-bbox="799 828 1437 2027" style="list-style-type: none"> • City Growth & Investment prepares a communication and consultation strategy. Consideration should be given to extending the consultation period beyond the statutory 21 days to allow more time for stakeholder input. • City Growth & Investment in association with the Proponent prepares the consultation material including the consultation pack with guidance from Strategy & Innovation and Marketing & Creative Services as required. The consultation pack must include sufficient information for stakeholders, including information as required by section 151(6) of the <i>Local Government Act 1999</i> (SA). • In preparing the consultation pack, care should be taken to ensure that the proposal is concise, clear on intent (including clear connections between the proposal and the strategic plan for the area), business-friendly, free of jargon and well laid out. • Consultation material should include a statement to the effect that separate rate revenue can only be applied to the purposes for which it is raised and cannot be used by Council for other purposes. • The proposal will most likely have the support of a Business Association representing the area to which the separate rate is proposed to apply. It is desirable that the consultation pack be “branded” to reflect that support and to demonstrate the business led nature of the proposal. • The consultation process is conducted according to the requirements of section 151 of the <i>Local Government Act 1999</i> (SA) and Council’s Public Communication & Consultation Policy. • City Growth & Investment handles all enquiries regarding the consultation. • The Proponent is expected to be active in building

Step	Task	Who and How
		<p>support for the proposal (perhaps by holding a meeting on the separate rate proposal with Council, distributing a promotional brochure and walking the area visiting businesses who have requested further information).</p>
6	Council Administration receives and considers submissions	<ul style="list-style-type: none"> • City Growth & Investment receives and summarises all submissions ahead of preparing a report to Council.
7	Council Administration prepares a report and recommendation to Council	<ul style="list-style-type: none"> • City Growth & Investment prepares a report and recommendations to Council. • The report should be prepared in communication with the Proponent and with the Finance & Risk Program as needed. • In preparing the report regard should be paid to the prior determination as to how support and objection to the proposal will be assessed. • The report should recommend either declaration of the separate rate or its refusal. Any variation would need to be very soundly based on the submissions received. If a suitable variation is identified that still allows the objectives of the separate rate to be met, it is appropriate for Council to make that variation. A significant variation should be the subject of further consultation. • The report should be submitted to Council for consideration within a reasonable time of Step 6 concluding.
8	COUNCIL DECISION – Council resolves to declare the separate rate or not	<ul style="list-style-type: none"> • Council accepts or rejects the recommendation contained in the report prepared at Step 7 above. • The decision is notified to the proponent by the City Growth & Investment Program. • Media & Communications may have a role in managing media enquiries and Finance & Risk may have a role in communicating (via City Growth & Investment) the impact of the decision.
9	If Council resolves to declare a separate rate, the Association signs a formal agreement with Council	<ul style="list-style-type: none"> • The agreement will be prepared by staff of the City Growth & Investment Program in close consultation with staff of the Finance & Risk Program. • The agreement will include at least those items specified by section 8.9 of Council's Separate Rate Policy. • City Growth & Investment prepares a report to Council attaching the proposed agreement and recommending that Council enter into the agreement with the Proponent.
10	Council collects the separate rate	<ul style="list-style-type: none"> • The Finance & Risk Program will issue the rates notices in compliance with section 154(9) of the

Step	Task	Who and How
		<i>Local Government Act 1999 (SA).</i>
11	The Association receives and expends separate rate funds in accordance with the signed agreement	<ul style="list-style-type: none"> The agreement will specify when, and under what conditions, the proponent will be paid separate rate funds by Council The Proponent is to ensure that the requirements are met
12	Evaluation and review	<ul style="list-style-type: none"> The implementation of the separate rate should be evaluated annually, including a statement from the Proponent as to the benefits derived from the area as a result of the separate rate.

7. Legislative Requirements

- 7.1 The declaration of separate rates is governed by section 154 of the *Local Government Act 1999 (SA)*.
- 7.2 Requirements for public consultation on proposals affecting the basis of rating are governed by section 151 of the *Local Government Act 1999 (SA)*.

8. Restrictions and Limitations

- 8.1 This Operating Guideline should be read in conjunction with ACC's Separate Rate Policy and with sections 154 and 151 of the *Local Government Act 1999 (SA)*
- 8.2 This Operating Guideline does not take precedence over any legislative responsibilities assumed by Council or Administration in its role as a Local Government.
- 8.3 This Operating Guideline does not apply to the Rundle Mall Differential Separate Rate (the 'Rundle Mall Marketing Levy').
- 8.4 This Operating Guideline does not apply to the Natural Resources Management Levy Separate Rate.

9. Key Performance Indicators

Performance measures are the extent to which the Operating Guideline:

- 9.1 Provides clear guidelines for Council and stakeholders on the tasks and responsibilities associated with all stages of considering the introduction of a separate rate.
- 9.2 Contributes to the increased consistency of decision-making around separate rates.

10. Monitoring and Implementation

- 10.1 The City Growth & Investment Program is accountable for the monitoring and implementation of this Operating Guideline.

11. Review

- 11.1 This Operating Guideline will be reviewed on an ongoing basis to ensure continuous improvement, and may be conducted in the event of a change to legislation or related

policies, or an externally driven change to the environment in which separate rate proposals are considered.

11.2 This Operating Guideline will be reviewed at least every two years.

12. Revision History

<i>Revision Summary</i>	<i>Approval Date</i>	<i>ELG Council or Committee</i>	<i>Decision #</i>	<i>TRIM Reference</i>	<i>Related policy documents</i>
<i>Noted</i>	<i>25/9/13</i>	<i>Council</i>	<i>13454</i>	<i>COCO2013/2204</i>	<i>Separate Rate Policy</i>