



Port Augusta

CITY COUNCIL

MEDIA RELEASE

Rating review planned

Port Augusta City Council is planning a review of its current rating system as the next stage of its ongoing work to embed strong financial management systems across Council.

And while any recommendations won't apply to this year's rates, CEO John Banks said Council is prepared to work with the small number of ratepayers who have had significant general rate increases to address their concerns.

Mindful of the economic climate, Council was faced with delivering a minimum average rate increase while also having to absorb a significant loss in rate revenue from industry closure. This was achieved with no reduction in services and one of the lowest average general rate increases (4%) in recent years.* The 4% increase in the general rate refers to an increase in the total general rate collectable. However because of variations in land valuation this does not translate to a flat increase across all individual assessments. Some pay less while others pay more.

For the 2016/17 Budget, the complex issue of calculating the rate in the dollar was further complicated by a significant drop in property valuations in one section of the City, while in other areas property values remained the same, or increased**.

Of the **7317** rateable properties in the Port Augusta Council area:
Rates fell on 2320 (31.71%) properties;
For 471 (6.44%) property rates remained the same as 2015/16;
2862 (39.10%) of properties received an increase between 0-5%;
1156 (15.8%) properties increased between 5-10%;
297 (4.06%) properties received a rate rise between 10-14.9%;
27 (.37%) properties received a rate increase between 15-19.9%; and
184 (2.52%) properties higher than 20%. Of the 184 properties, approximately 74 (1.02%) are urban residential.

The main changes this year that led to a small number of residential properties (about 1%) having a rate increase larger than 20% rate were:

- the removal of the capping rebate on residential properties that were not the primary place of residence for the property owner (*As per the Local Government Act, a council, must in declaring a general rate under this section, determine whether it will fix a maximum increase in the general rate to be charged on any rateable land within its area that constitutes the principal place of residence of a principal ratepayer*); and
- the abolition of a maximum rate that had previously been applied to larger parcels of land or of higher value land in select localities, in order to limit their general rates which has been seen as inequitable to all other ratepayers.

Mr Banks said the complexities of the rating system highlights the need for a full review, which is the next step in the current Council's work which has seen significant improvements to its financial management, transparency and governance through a number of measures including:

- Implementing a planned debt reduction strategy;
- Implementing a programmed review of Council's Services and reduce services as appropriate;
- Development of an Asset Management Plan;
- A revised Strategic Plan & Community Vision;
- Invited independent assessment and advice in the formulation of its budgets;
- Initiation of a Rating Review;
- Developing a draft Long Term Financial Plan 2016-2026; and
- Implemented a rigorous review process upon a staff position becoming vacant.

"As a Council and a community we have some difficult decisions we need to make," Mr Banks said.

"We run one of the highest number of community services of any Council in the State, and while we attract 60% of our operational revenue of \$41 million from external funds, the remaining 40% is funded by a relatively small ratepayer base.

"In all likelihood that rate payer base is not going to increase in the near future and we also face the prospect of losing a further \$1.3million in rate income if the State Government transfers its housing stocks to not-for-profit organisations as Local Government is then required to rebate 75% of the declared rate to these organisations."

Mayor Sam Johnson said while the current Council has implemented a number of measures to improve its financial position, he said it will continue to look at ways to further achieve savings and ongoing sound financial management.

Mayor Johnson said part of that is a review of the rating system, which will include consultation with the community prior to formal adoption by Council.

"As a Council we are transparent in our financial management which includes public consultation processes and community information sessions," Mayor Johnson said.

Mayor Johnson said Council welcomes buy-in from the community in regards to delivering services and funding annual budgets and invites community groups and individuals to meet with him to discuss issues around rating and service delivery into the future.

Anyone who has questions about their rates is encouraged to contact Council's rating officers on 8641 9100, which includes those experiencing financial hardship.

Anyone wishing to appeal the valuation of their property as set by the Valuer General, can contact the State Valuation Office.

www.sa.gov.au/topics/property-and-land/buying-a-home-or-property/owning-a-property/objecting-to-a-property-valuation

**This is separate to any increases in the waste collection and effluent drainage service charges (if applicable) and the Natural Resources Levy, which is collected for the State Government.*

***Under Council's current rating system the same rate in the dollar must be applied to all properties of the same land use within the same planning zone. This sees the property valuation (set by the Valuer General) multiplied by the set rate in the dollar for rates.*

ENDS

For further information contact Council's Manager of Media and Communications, Cherie Gerlach, on 0427 413345 or email cherie.gerlach@portaugusta.sa.gov.au.

JOHN BANKS

CEO

Date 30/8/2016