

CONFIDENTIAL REPORT



REPORT FOR:	Strategic Management Committee		
MEETING DATE:	17 th September 2012		
REPORT FROM:	Manager Rates & Property		
REPORT TITLE:	Application for Rebate of Rates – AM & PW Seagrim		
FILE NAME:	F12/702	RECORD NO:	AR12/20745

STRATEGIC PLAN SUB GOAL/S

1.3 Optimise the use & management of the council's financial & physical resources.

PURPOSE

To consider a rate rebate application and other comments included in correspondence submitted by AM & PW Seagrim (PR12/3083). The rebate application pertains to land owned by Messrs Seagrim comprised in assessment numbers 3168, 3315 and 7309.

RECOMMENDATION

Strategic Management Committee recommends Council:

1. Receives and notes the report AR12/20745 dated 13th September 2012, submitted by the Manager – Rates & Property, concerning "Application for Rebate of Rates – AM & PW Seagrim".
2. Resolves not to provide any additional rebate of rates on assessments 3168, 3315 and 7309 owned by Messrs AM & PW Seagrim as significant rebate strategies have been implemented over a number of years to alleviate the rate impost on the land owned by them.

1. BACKGROUND

Correspondence submitted by Mr & Mrs Seagrim was tabled as late correspondence at the Council Meeting held on 27th August 2012 (refer to Appendix 1). The City Manager advised the meeting that the issues raised would be investigated for a response.

2. DISCUSSION

2.1 Land Owned by Messrs Seagrim

2.1.1 *Assessment 3168 – 12 Marryatt Street – Offices – Commercial Land Use*
Site Value - \$270,000 - (Value unchanged in the financial years 09/10, 10/11, 11/12 and 12/13) Site Value in 2006/2007 was \$90,000.

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On this land in the last four years, the general rate increase has been limited to a 15% increase in each of these years in order to phase in a 300% increase in the site value of the land in the previous 6 year period eg:

2009/2010	General Rate	\$7,830.00	
	Less 'Capping' Rebate	<u>\$3,121.56</u>	\$4,708.44
2010/2011	General Rate	\$7,884.00	
	Less 'Capping' Rebate	<u>\$2,469.29</u>	\$5,414.71
2011/2012	General Rate	\$7,930.98	
	Less 'Capping' Rebate	<u>\$1,704.06</u>	\$6,226.92
2012/2013	General Rate	\$8,229.60	
	Less 'Capping' Rebate	<u>\$1,068.64</u>	\$7,160.96

The capping rebates provided to land with a commercial or industrial land use has been and continues to be significant. In this current year general rates raised on Commercial & Industrial Urban land totalled \$2,983,950 and of that amount \$291,760 (approx 10%) was rebated through the capping rebate strategy.

Capping Rates to a 15% increase each year has been a strategy to gradually exclude the capping rebates and this is why the capping value decreases each year on a stable valuation.

2.1.2 Assessment 3315 – 5 Chapel Street – Residential Land Use

Site Value \$175,000 – (Valuation stable for last four years – eg: 2009/10, 2010/11, 2011/12 and 2012/13) however had increased from \$40,000 in 2005/06.

Since 2005/2006 rates on this assessment have been capped at the maximum rate – eg:

2005/2006	-	\$1,825.00
2006/2007	-	\$1,935.00
2007/2008	-	\$1,935.00
2008/2009	-	\$1,995.00
2009/2010	-	\$2,095.00
2010/2011	-	\$2,235.00
2011/2012	-	\$2,290.00
2012/2013	-	\$2,330.00

This equates to approx a 28% increase in the general rate in the last 8 years on this land – eg average of 3.5% per year – which could not be described as a significant increase in rates given the valuation increase during that period.

Additionally, to put this into perspective - in the current financial year rates without the maximum rate strategy would be –
\$175,000 @ 1.758c in \$ = \$3,076.50 – capped at \$2,330.00 this represents a rebate of \$746.50.

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- 2.1.3 *Assessment 7309 – 5 Allen Court, Commissariat Point – Residential Land Use – Site Value \$225,000 – Rates \$1,365.69.*
Site value in the 2005/2006 year was \$85,000 – Rates were \$695.
In this 6 year period the land value has increased approx 165% and rates approx 96%.

However with the progressive sealing of the Shack Road, increase in rates in this locality has been a pre-determined strategy of the Council to reduce the inequality of rates levied in this locality with the other residential rates within the Council area.

It must be acknowledged that allotments in this locality are among the highest land values in the Council area and traditionally have been paying the least amount of rates – an inequality that is now slowly and progressively being addressed.

The maximum non-urban residential rate is capped at \$1,823 – this locality is still well below that rate.

- 2.2 The exceptionally rapid changes in valuation over a short period of time (as can be seen from the above examples) compelled the Council to implement strategies to reduce the impact of those valuation increases – these strategies involved - ‘rate capping’ – maximum rates – a wide range of other rebates – additional pensioner & low-income concessions.

All strategies that are implemented to circumvent the ‘ad-valorem’ method of rating – eg rates based on valuation x rate in \$ - mean that some ratepayers have to pay more so that other rate-payers may pay less.

Unfortunately the majority of the general public neither acknowledge nor recognise the value of these strategies as an effort to provide a measure of equity and fairness to the rating system that Council must work within.

- 2.3 In investigating the issues raised in this correspondence, attention was paid to the applicants comment that *“this year in particular we have been rated unfairly and unjustly”*. Throughout this investigation no evidence can be found to substantiate this claim – rates have been applied across the whole assessment in the same manner, in accordance with the Local Government Act and in accordance with the rates declared by Council .

- 2.4 Section 166 of the Local Government Act provides a broad range of circumstances in which Council have the discretion to grant a rebate of rates. As quoted in the correspondence these include:

“(b) where the rebate is desirable for the purpose of assisting or supporting a business in its area”

© where the rebate will conduce to the preservation of buildings or places of historic significance.”

- 2.5 Council rebate policy (Policy 2.6.01) sets out the criteria for providing a rebate to a ‘new’ business setting up within the City – however there is no policy pertaining to a rebate for an existing business.

A number of years ago the commercial land within the Port Augusta CBD was subject to a rapid change in valuation and at that time, Council implemented a rate rebate strategy to limit the effect of the rapid valuation increase on rates. These rebates were provided to commercial/industrial land uses across the board within the CBD and not to individual business owners.

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In relation to this application, to provide a rebate on request with no substantiation of how a rebate would 'assist or support' a single business would establish an undesirable precedent that would be inequitable to all other existing businesses in the Council area and should therefore be rejected.

2.6 Building of heritage significance:

2.6.1 there are no heritage controls on any of the buildings covered in this report.

2.6.2 to consider a rebate on an isolated building is inequitable and unfair to any other owner of a building of historic significance.

2.6.3 nothing in this correspondence provides evidence that a rebate would '*conduce to the preservation of a building of historic significance*'.

For these reasons the application for a rebate pursuant to Section 166 (1) (c) should be rejected.

2.7 The rate comparisons within the table contained in the correspondence are superficial. Each Council raises rates to fund programs and services contained within their budget and without any knowledge of either the services or programs provided by those other Councils – no comparison has true relevance.

CONFIDENTIALITY PROVISIONS

It is considered that pursuant to Section 90(3)(a) of the Act, the information to be received, discussed or considered in relation to this report is information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead), being AM & PW Seagirm.

It is considered necessary to discuss this report in confidence and that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of personal information pertaining to AM & PW Seagrim will be discussed.

It is recommended that the confidential provisions for the **report & discussions** only remain in force until **the matter is resolved by Council.** The outcome (**minutes**) will not be retained in confidence and will be included in the ordinary minutes of the meeting.

RISK MANAGEMENT

1. Financial/Budget

There needs to be a systematic structured approach with applications for rate rebates to ensure that –

- (a) the cost of rebates are within budget constraints
- (b) Council funds are managed fairly and equitably
- (c) rebates are distributed to provide benefit to all ratepayers and not to individuals upon request.

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2. Legal

2.1 Section 150 of the Local Government Act defines the general principles for the basis of rates and states:

"A council should, when making and adopting policies and determinations concerning rates under this Act, take into account the following principles:

- (a) rates constitute a system of taxation for local government purposes (generally based on the value of land);*
- (b) rating polices should make reasonable provision with respect to strategies to provide relief from rates (where appropriate), and any such strategies should avoid narrow or unreasonably restrictive criteria and should not require ratepayers to meet onerous application requirements;*
- (c) the council should, in making any decision, take into account the financial effects of the decision on future generations."*

2.2 Port Augusta City Council rates are declared in accordance with its powers under the Local Government Act and in accordance with the principles of section 150.

3: Environment

n/a

4: Community

4.1 General

Section 8 of the Local Government Act establishes the principles to be observed by a Council in performance of its roles and functions and among these is the requirement to *"ensure that council resources are used fairly, effectively and efficiently"*.

To provide a rebate to individual ratepayers on the basis that rates are more than paid in another Council area would not be either an effective or efficient expenditure of Council resources nor fair to the community in general.

4.2 OPAL Program

n/a

PHYLLIS ROBINSON

13/09/2012

CONFIDENTIAL REPORT

21st August 2012



Mayor Joy Baluch and Council Members
Port Augusta City Council
Mackay Street
PORT AUGUSTA SA 5700

Dear Madam and Elected Members

Re Rates for City of Port Augusta – Assessment Numbers 3315, 7309 and 3168

For over 30 years now we have been Ratepayers in this Council area – paying Commercial, Residential and Shack Rates. We also pay rates for properties in City of Holdfast Bay, Copper Coast, City of Port Lincoln and the Corporation of the City of Whyalla.

We have been monitoring our increases here in Port Augusta over the years as have many other ratepayers and cannot understand the extreme rise for this year given the current economic climate.

Whilst we have no problem in paying Rates for services provided, we feel that this year in particular we have been rated unfairly and unjustly. Council appears to be covering their liabilities to the extreme. We outline below some examples of payments we are making. In comparison the Rates charged for this Council are far and above others of the same size and in the way they rate.

Council	Valuation method	Rates Charged	Number of Ratepayers
Port Augusta	Site Value – Comm - \$270k	\$7390	8000
Port Augusta	Site – Shack - \$225k	\$1495.00	
Port Augusta	Site – Resid - \$175k	\$1932	
Holdfast Bay	Capital – Resid - \$620k	\$1627.60	20,038
Copper Coast	Capital – Comm - \$320k	\$3844.20	11363
City of Port Lincoln	Site – Comm - \$184k	\$1633.15	8101
Whyalla Council	Site – Comm - \$125k	\$3233.70	11086

Our concern is between Councils such as Port Lincoln and Port Augusta – why would the difference be so vast ?? Similar Ratepayer numbers, and areas, comparing sites of foreshore Tasman Terrace foreshore to Marryatt Street?

We also understand that under Section 166 of the Local Government Act that certain rebates are applied to properties for diverse reasons.

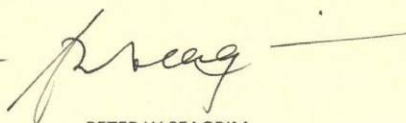
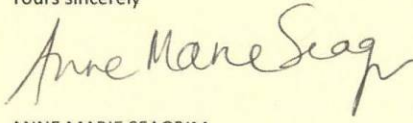
Section 166 (1) (b) where the rebate is desirable for the purpose of assisting or supporting a business in its area; and (c) where the rebate will conduce to the preservation of buildings or places of historic significance;

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For this reason we then apply for a Discretionary Rebate for our Office at 12 Marryatt Street, Port Augusta under Section 166 (1) (b) and a Discretionary rebate of 75% for our home at 5 Chapel Street which is on the Historical Trail and listed in the local guides and noted by Council under Section 166 of the Local Government Act Section 166 (1) (c).

We await your favourable reply.

Yours sincerely



ANNE MARIE SEAGRIMS

PETER W SEAGRIMS

CONFIDENTIAL REPORT



CITY OF PORT LINCOLN

Municipal Office:
60 Tasman Terrace, Port Lincoln SA 5606
Postal Address:
PO Box 1787, Port Lincoln SA 5606
Ph: (08) 8621 2300 Fax: (08) 8621 2399
Email: plcc@plcc.sa.gov.au
Office Hours: Monday to Friday 9am—5pm
ABN 80 776 127 243

30 JUL 2012

RATE NOTICE 2012/2013

Rates & Charges for Period 1st July 2012 to 30th June 2013
Rates declared on **18 JUNE 2012**

ANNUAL NOTICE 1ST QUARTER

Quarterly Payment
including arrears if applicable

Last Day for Payment

\$422.15

Including Arrears

14.09.12

Assessment Number

Date of Notice

A8561

20.07.12

048-5700 (4724)
PW & A SEAGRIM
PO BOX 70
PORT AUGUSTA SA 5700

Property Details

Address: **U1/100 TASMAN TERRACE**

CT Reference: 595960

Allotment: C22789 1 SEAGRIMS

Valuation Number: 934386600*

Site Value: **\$184,000.00**

COUNCIL RATES ARE EXEMPT FROM GST

Rates & Charges	RATE IN \$	VALUATION	AMOUNT
Differential General Rate	0.00574	\$184,000.00	\$1,056.15
Fixed Charge			\$340.00
Waste & Recycling Service Charge			\$175.00
TOTAL COUNCIL RATES LIABILITY 2012/2013			\$1,571.15
Eyre Peninsula Natural Resources Management Board Levy (For EPNRM Levy enquiries phone: (08) 8682 7555)			\$62.00
LESS State Government Pensioner Concession			\$0.00
LESS Rebate as per section 159-166 of the Local Government Act 1999			\$0.00
TOTAL LIABILITY 2012/2013			\$1,633.15
B/FWD Arrears	\$13.00		
Fines & interest	\$0.00		
Payments received to date	\$0.00		
Balance 2012/2013	\$1,633.15		
		AMOUNT NOW DUE	\$1,646.15

1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
\$422.15	\$408.00	\$408.00	\$408.00
Due By: 14/09/2012	Due By: 14/12/2012	Due By: 8/03/2013	Due By: 14/06/2013

Assessment No: **A8561**

Address: **U1/100 TASMAN TERRACE**

PAYMENT METHODS



Biller Code: 9639

Ref: 1000085613



portlincoln.sa.gov.au



Pay in person at the Council Office



Post Cheque or Money Order

ARREARS DUE IMMEDIATELY:	\$13.00 <i>in credit</i>
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Quarterly Amount:	\$409.15
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Last day for payment	14/09/12
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Early Payment Amount	\$1,618.20
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If received by	14.09.12
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Having difficulty paying your rates?

If you are experiencing difficulties in paying your rates, please contact the Rates Officer on 8621 2316 to discuss payment options. These enquiries are treated confidentially

FINES APPLY FOR PAYMENTS NOT RECEIVED BY THE DUE DATE

Want to know what you get for your rates? Visit www.lga.sa.gov.au/goto/Rates

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4 Mackay Street (PO Box 1704)
Port Augusta, South Australia, 5700
admin@portaugusta.sa.gov.au
www.portaugusta.sa.gov.au

Telephone (08) 8641 9100
Facsimile (08) 8641 0357
ABN 73 625 993 182



Port Augusta

CITY COUNCIL

Rate Notice 2012/2013 Instalment 1

Notice Dated 7 August 2012

Assessment No.: 3168

e Council No.: 31682

Council Rates were declared on
5 July 2012 and are due in four
instalments.

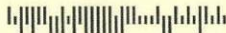
Instalment 1: \$1,849.95
Due: 14 September 2012

Instalment 2: \$1,847.00
Due: 4 December 2012

Instalment 3: \$1,847.00
Due: 4 March 2013

Instalment 4: \$1,847.00
Due: 4 June 2013

COUNCIL RATES ARE EXEMPT FROM GST



P W Seagrim & A M Seagrim
5 Chapel Street
PORT AUGUSTA SA 5700



048
1003293

Property Details:

12 Maryatt Street PORT AUGUSTA SA 570
Lot: 4 DP: 65036 CT: 5928/146

Land Use: Commercial / Industrial Zone: District Centre
Valuation No.: 6610290006 Site Value: \$270000

Rates & Charges:

General Rate: \$270000 @ 3.048 c in \$
Less Capping Rebate
Kerbside Collection/Recycling Service Charge
Natural Resource Management Levy
Total Annual Rates & Charges 2012/2013
B/Fwd Arrears/Credits

\$8,229.60
-\$1,068.64
\$200.00
\$30.00
\$7,390.96
-\$0.01

Big drop why?

5% Discount will apply if paid in
full by 14 September 2012

Discount: \$369.55
Discounted Amount: \$7,021.40

Total Payable **\$7,390.95**

increased by 12.71%

Payments received after 5 August 2012 may not have been credited to this assessment.

Please return this portion with postal payments to: PORT AUGUSTA CITY COUNCIL
PO BOX 1704, PORT AUGUSTA 5700



Bill Code: 27961
Ref: 31682



Assessment No: 3168

Instalment 1: \$1,849.95



Billpay Code: 2808
Ref: 31682

Pay in person at any Post Office,
by phone 13 18 16, or go to
www.postbillpay.com.au

POST billpay



*2808 31682

Discounted amount if paid in full by
14 September 2012
\$7,021.40

DUE DATE: 14 September 2012

Full details of payment methods are located on the reverse of this form.

CONFIDENTIAL REPORT

4 Mackay Street (PO Box 1704)
Port Augusta, South Australia, 5700
admin@portaugusta.sa.gov.au
www.portaugusta.sa.gov.au

Telephone (08) 8641 9100
Facsimile (08) 8641 0357
ABN 73 625 993 182



Port Augusta

CITY COUNCIL

Rate Notice 2011/2012

COUNCIL RATES ARE EXEMPT FROM GST



P W Seagrim & A M Seagrim
5 Chapel Street
PORT AUGUSTA SA 5700



048
003501

Property Details:

12 Marryatt Street PORT AUGUSTA SA 5700
Lot: 4 DP: 65036 CT: 5928/146

Land Use: Commercial / Industrial Zone: District Centre
Valuation No.: 6610290006 Site Value: \$270000

Rates & Charges:

General Rate: \$270000 @ 2.9374 c in \$	\$7,930.98
Less Capping Rebate	-\$1,704.06
Kerbside Collection/Recycling Service Charge	\$188.00
Natural Resource Management Levy	\$36.00
Total Annual Rates & Charges 2011/2012	\$6,450.92
B/Fwd Arrears/Credits	-\$0.02

Assessment No.: 3168

e Council No.: 31682

Council Rates were declared on 25 July 2011 and are due in four instalments.

Instalment 1: \$1,614.90

Due: 30 September 2011

Instalment 2: \$1,612.00

Due: 2 December 2011

Instalment 3: \$1,612.00

Due: 2 March 2012

Instalment 4: \$1,612.00

Due: 1 June 2012

5% Discount will apply if paid in full by 30 September 2011

Discount: \$322.55

Discounted Amount: \$6,128.35

Total Payable **\$6,450.90**

Notice Dated 25 August 2011 - Payments received on or after this date may not have been deducted.

Please return this portion with postal payments to: PORT AUGUSTA CITY COUNCIL
PO BOX 1704, PORT AUGUSTA 5700



Billor Code: 27961
Ref: 31682



Assessment No: 3168

Instalment 1: \$1,614.90



Billpay Code: 2808
Ref: 31682

Pay in person at any Post Office,
by phone 13 18 16, or go to
www.postbillpay.com.au

POST billpay



*2808 31682

Discounted amount if paid in full by
30 September 2011
\$6,128.35

DUE DATE: 30 September 2011