



1.1.10: RATING POLICY 2019/2020	
	Statutory Policy
TRIM Reference	AR19/17649
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Next Review	XX July 2020

1. POLICY STATEMENT

1.1 The Rating Policy sets out the guidelines that the Port Augusta City Council adheres to when setting and collecting rates from its community. Rates are not a fee for services. They constitute a system of taxation for Local Government purposes.

1.2 ANNUAL ADOPTION OF THE POLICY

1.2.1 Section 123 of the Local Government Act 1999 (the Act) requires a Council to prepare and adopt each year an Annual Business Plan and Budget. Section 123 (2)(d) of the Act, states the Annual Business Plan must set out the rates structure and policies for the financial year. A summary of the Annual Business Plan must be included with the first rates notice. The Annual Business Plan (as adopted) must be available for inspection (without charge) or purchase (on payment of a fee fixed by the Council).

This policy is available for inspection at the Customer Service Counter of the Council Office, 4 Mackay Street, Port Augusta SA 5700 or on Council's website www.portaugusta.sa.gov.au

2. PURPOSE

2.1 Purpose

To provide a clear understanding of the process for determining rates on an annual basis.

2.2 Scope

The policy covers:

- Method used to value land
- Adoption of valuations
- Notional values
- Rates impact statement
- Council's Revenue Raising Powers
- Minimum rate
- Service charges
- Natural Resource Management Levy
- Concessions
- Payment of rates
- Late payment of rates & debt recovery
- Remission and postponement of rates
- Rebate of rates
- Sale of land for non-payment of rates

2.3 Definitions

In this Policy:

2.3.1 *Act* means *Local Government Act 1999* and reference to a *section(s.)* means a section of that Act.

2.3.2 *Council* means this Council.

2.4 Strategic Reference

Strategic Objective 6 - We Achieve

(6.5) We use and manage our financial resources in the best interests of our community and to ensure financial sustainability and organisational efficiency, now and into the future.

3. PRINCIPLES

3.1 METHOD USED TO VALUE LAND

Councils may adopt one of three valuation methodologies to value the land in its area. They are:

- a) Capital Value - the value of the land and all of the improvements on the land;
- b) Site Value - the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements;
- c) Annual Value - a valuation of the rental potential of the land.

Council has decided to continue to use site value for the purpose of valuing land within the council area for the 2019/2020 financial year.

3.2 ADOPTION OF VALUATIONS

The Council is required to adopt the most recent valuations made by the Valuer-General for the 2019/2020 financial year prior to declaration of rates.

If a ratepayer is dissatisfied with the valuation made by the Valuer-General then they may object to the Valuer-General in writing within 60 days of receiving the first notice of the valuation, explaining the basis for the objection - provided they have not:

- a) previously received a notice of this valuation under the Local Government Act, in which case the objection period is 60 days from the receipt of the first notice; or
- b) previously had an objection to the valuation considered by the Valuer-General.

Further information is available at:

<https://www.sa.gov.au/topics/planning-and-property/owning-a-property/objecting-to-a-property-valuation>

The contact details for the Valuer General are:
Office of the Valuer General
GPO Box 1354
ADELAIDE SA 5001
E-mail: ls objections@sa.gov.au
Telephone: 1300 653 346.

NOTE - The Council has no role in this process. It is also important to note that the lodgement of an objection does not change the due date for payment of rates.

If an objection is upheld and a new value issued by the Valuer-General, rates will be adjusted accordingly for the current financial year and an amended rate notice will be issued. Retrospective adjustments will not be made for prior financial years.

3.3 NOTIONAL VALUES

Certain properties may be eligible for a “notional value” under the Valuation of Land Act 1971. This may apply if the property is your principal place of residence and its value is enhanced by unrealised subdivision potential or a different potential land use. A notional value is generally less than the site value and therefore would result in reduced rates. An application for a notional value must be made to the State Valuation Office.

3.4 RATES IMPACT STATEMENT

The Council has considered the impact of rates on business and associated activity in the area. In considering the impact, Council assessed the following matters:

- a) Council’s Policy on “Rebates of Rates” (2.6.01).
- b) The support provided for Regional Development Australia Far North, which in turn support business operations in the City and adjoining areas.
- c) Council’s Purchasing, Contracts & Tendering Policy (1.1.09), which provides preference for local suppliers if certain criteria are met.
- d) Continuing Council support for the two major tourist facilities, the Australian Arid Lands Botanic Garden and the Wadlata Outback Centre, that provide broad economic benefit across the community and the region.
- e) The equity of the distribution of the rate burden between classes of ratepayers based on land use and occupation.
- f) Issues of equitability that over a number of years has been created as a result of wide and varied fluctuations in land value across the various localities within the City.
- g) The provisions of the Local Government Act pertaining to mandatory rebates.
- h) Current local, state and national economic conditions.
- i) Council’s Asset Management Plans, Long Term Financial Plan and desire to achieve ‘break even’ at year 10 of the Long Term Financial Plan (2028).

3.5 COUNCIL'S REVENUE RAISING POWERS

The Local Government Act provides for a Council to raise revenue for the broad purposes of the Council through a general rate which applies to all rateable land. In accordance with the Local Government Act 1999 the following practices apply:

- a) All land within a council area is rateable, except for land specifically exempt (e.g. crown land, council occupied land and others as prescribed in the Local Government Act).
- b) The Local Government Act provides for rates to be assessed against any piece or section of land subject to separate ownership or occupation and requires that the division of land for the purposes of establishing separate ownership and occupation be made fairly and in accordance with principles and practices that apply on a uniform basis across the area of the council.
- c) When determining the basis for rating, Council is required under the provisions of the Local Government Act to take into account the following principles:
 - i. that rates constitute a system of taxation for Local Government purposes;
 - ii. strategies to provide relief from rates where appropriate;
 - iii. take into account the financial effects of the decision on future generations.
- d) Council has set differential general rates in the dollar to raise the necessary revenue, by way of locality and utilising the 9 different categories of land use incorporated under the Local Government (General) Regulations, namely:

Locality - town planning zones including residential, residential (Davenport), Highway Services, Bulky Goods, Residential (Stables), Neighbourhood Centre, Urban Coastal, District Centre, Local Centre, Industry, Airport, Recreation, Public Purposes, Defence, Conservation, Rural Living, Coastal Conservation, Primary Industry, Coastal Holiday Settlement and All Other Areas.

Land use:	1	Residential
	2	Commercial - Shop
	3	Commercial - Office
	4	Commercial - Other
	5	Industry Light
	6	Industry Other
	7	Primary Production
	8	Vacant Land
	9	Other

- e) The locality and the use to which the land is put may govern the differential rate. If a land owner is of the opinion that the locality or land use attribution is incorrect, they may object. The objection must be in writing and lodged within 60 days after the objector receives notice of the attribution of the particular land use or locality to which the objection relates and addressed to:-

admin@portaugusta.sa.gov.au or
*Port Augusta City Council,
PO Box 1704,
PORT AUGUSTA SA 5700.*

It is important to note that the lodgement of an objection does not alter the due date for payment of rates.

Where there is a shed or structure located on otherwise vacant land, the land can no longer be deemed to be 'vacant' and the land use attributed will be 'other' provided that there is no commercial use of the land.

Where two residences exist on the one allotment and the residences are occupied by the occupiers children and/or their parent/s and additional or separate property services are not provided, Council will consider that the site is occupied by a single occupier being an extended family.

In addition, Council can raise separate rates, for specific areas of the Council or service rate or charges for specific services.

The Council also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and any equity issues. The list of applicable fees and charges is available at the Port Augusta City Council Civic Centre, 4 Mackay Street, Port Augusta or on Council's website at www.portaugusta.sa.gov.au. A Goods and Services Tax at a rate determined under the Goods and Services Tax Act 1999 will be charged on those fees not given exemption under the Act.

3.6 MINIMUM RATE

Section 158 of the Act permits a Council to impose a minimum amount payable by way of rates, provided that it has not imposed a fixed charge.

Where two or more contiguous properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer.

If 2 or more pieces of rateable land within the area of a council constitute a single farm enterprise, a minimum amount may only be imposed against 1 of the pieces of land. The owner of the land must apply to Council on the relevant form for this to be processed.

Where a Council imposes a minimum rate, it must not apply to more than 35% of the total number of properties in the Council area subject to the separate assessment of rates.

The Council has decided to continue with a minimum rate the reasons being:

- a) It is considered appropriate that all rateable land owners make a contribution to the cost of administering the Council's activities and creating and maintaining the physical infrastructure that supports land.
- b) Minimum rates have been applied for many years and their continuation together with the rating impacts/trends that apply provide a consistent approach to rating levels.

For the 2019/2020 financial year, Council has decided to impose a minimum rate of \$1,325 which will affect 32% of rateable properties.

3.7 SERVICE CHARGES

Council provides specific services for the benefit of specific properties for which service charges are applied. Services charges may be raised to cover the cost of establishing, operating, maintaining, improving and replacing such services. Funds raised may not be immediately required until future capital expenditure is necessary for renewing or replacing assets used in the provision of the service.

Council will impose the following service charges for the 2019/2020 financial year:

Kerbside Waste Collection & Recycling Charge

In order to recover the cost to Council of establishing, operating and maintaining a kerbside waste collection/recycling service in its area, a service charge will apply to all households, businesses and occupancies that receive or are capable of receiving a service.

In 2019/2020 financial year, the service charge will be \$228 per service.

In areas where the kerbside waste collection is only available on a fortnightly basis such as Blanche Harbour and Miranda, properties will be charged \$114.

Community Wastewater Management Scheme (Effluent Drainage Scheme)

In some areas in the City of Port Augusta, Council manages a Community Wastewater Management Scheme. Other areas are serviced and charged through SA Water on a quarterly basis for sewerage systems.

In the 2019/2020 financial year, the Community Wastewater Management Scheme (CMWS) service charge will be \$463 per property unit on all land to which the Council provides or makes available the service.

3.8 NATURAL RESOURCE MANAGEMENT LEVY

Councils are required by the State Government to collect an NRM levy on all rateable properties. Collection occurs on behalf of the Northern and Yorke Natural Resource Management Board which uses the funds to manage and protect the natural resources of the region. The Minister for Environment determines the share of contributions required by Council and gazettes those contributions on an annual basis. This cost is then divided by the number of rateable assessments in the Port Augusta Council area to determine the service charge per assessment.

In the 2019/2020 financial year, the levy will be \$38 per assessment.

3.9 CONCESSIONS

Cost of Living Concession

The State Government replaced rate concessions with a 'cost of living concession' that is paid directly to pensioners and concession card holders. Information is available at:

<http://www.sa.gov.au/topics/care-and-support/financial-support/concessions/cost-of-living-concessions>

E-mail: Costoflivingconcession@sa.gov.au

Phone: ConcessionsSA Hotline - 1800 307 758

If you have a hearing or speech impairment - TTY 8226 6789

If you require interpreting and translating services, please call 1800 280 203

Water and Sewerage Rate Concessions

Water and Sewerage Rate Concessions will also be paid directly by the South Australian Government to eligible pensioners and concessional card holders.

Further details are available at :

<http://www.sa.gov.au/topics/care-and-support/financial-support/concessions/water-and-sewerage-rate-concession>

Please contact the State Government at:

E-mail: concession@sa.gov.au

Phone: ConcessionsSA Hotline - 1800 307 758

If you have a hearing or speech impairment - TTY 8226 6789

If you require interpreting and translating services, please call 1800 280 203

3.10 PAYMENT OF RATES

Rates levied for the year may be paid in four quarterly instalments, due and payable in the months of September, December, March and June of the financial year for which they are declared. Alternatively, the total amount of rates due may be paid in full at any time during the financial year.

Separate notices relating to each instalment will be issued to land owners at least 30 days prior to the due date of each instalment (unless paid in full by the due date of the first instalment).

Rate Notices are issued to the principal ratepayer either by post or by electronic communication to an electronic address nominated by the Principal Ratepayer. To register to receive rates notices electronically, ratepayers are required to log into: www.portaugusta.sa.gov.au and click on the ezybill portal.

Rates may be paid at the Civic Centre, 4 Mackay Street Port Augusta between the hours of 9am and 5pm, Monday to Friday. EFTPOS facilities are available. Payments by post can be made to PO Box 1704 Port Augusta SA 5700.

Rates may also be paid by:-

- Internet www.portaugusta.sa.gov.au
(Select 'Make a Payment' from the Fast Find menu, then "Online Transactions, then 'Rate Payment';
- Telephone on **1300 276 468**, enter the Biller Code **1351915**, your Customer Reference Number, amount and card details to complete the payment. At the end of the call they are provided with a unique payment receipt number.
- Australia Post (Post Billpay)
Payment may be made in store at Australia Post or by phone on 13 18 16 quoting Billpay code 2808;
- BPay and BPay View
Quote biller code 27961 and Customer Reference Number
- Centre Pay (if you receive a payment from Centrelink)
- Direct Debit (by providing council with an authorisation to deduct regular payments of a fixed amount from your bank account). An administrative fee of \$5 will be incurred when a payment rejection occurs.

If paying through an external agency, ratepayers need to be mindful that it can take up to 72 hours for funds to be transferred to Council. It is the ratepayer's responsibility to ensure payment is received and receipted by Council on or before the due date of each instalment.

Any ratepayer who may experience difficulty with meeting the standard payment arrangements is invited to contact the Rates Coordinator on 86419100 to discuss alternative payment arrangements. Such enquiries will be dealt with in confidence.

3.11 LATE PAYMENT OF RATES & DEBT RECOVERY

The Local Government Act provides that Councils impose a penalty of 2% on any late payment of rates. The initial fine will be applied to the outstanding balance three (3) business days after the due date. Each month thereafter interest is added to the arrears of rates balance. The interest rate is set each year according to a formula in the Local Government Act. -

The purpose of this penalty is -

- to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time,
- to allow Councils to recover the administrative cost of following up unpaid rates, and,
- to cover any interest cost the Council may meet because it has not received the rates on time.

Written applications for remission of fines are to be forwarded to the Rates Coordinator. Each case will be considered on its merit based on the information provided.

When rates are in arrears Council pursues legal recovery of rates.

The Council first issues an overdue notice for payment of rates when rates are overdue i.e. unpaid by the due date. Should rates remain unpaid for more than 14 days after the issue of the overdue notice then the Council refers the debt to a debt collection agency for collection unless contact is otherwise made.

Should a ratepayer fail to either pay overdue rates on the debt collection agency demand notice, or establish a payment plan, the Council will commence legal action to recover the debt. Where legal action occurs, it is a requirement of Council that all costs associated with the debt recovery process be reimbursed by the principal ratepayer.

When the Council receives a payment in respect of rates the Council applies the money received as follows:

- a) first - to satisfy any costs associated with debt collection processes;
- b) second - to satisfy any interest costs;
- c) third - in payment of any fines imposed;
- d) fourth - in payment of rates, in chronological order (starting with the oldest account first).

3.12 REMISSION AND POSTPONEMENT OF RATES

Section 182 of the Local Government Act permits a Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship.

Where a ratepayer is suffering hardship in paying rates he/she is invited to contact the Rates Coordinator on 8641 9100 to discuss the matter. Although arrangements for late payment of rates are negotiable, remission of rates in whole or in part is rarely approved due to the inequitable outcome for the rest of the community.

Separate provisions in the Local Government Act pertain to the postponement of rates for Seniors.

Also refer to policy 2.6.14 Rates - Hardship Policy

3.13 REBATE OF RATES

Division 5 of the Local Government Act requires Councils to rebate rates payable on some land. Mandatory rebate provisions are made for land used for health services, community services including community housing, religious purposes, public cemeteries, the Royal Zoological Society and educational institutions.

Discretionary rebates may be applied by the Council under Section 166 of the Act. Council currently provides discretionary rebates to a large number of sporting bodies and community organisations.

Council will consider on merit all applications made on the relevant form for rebate received under Section 166 of the Act.

Rate Capping

For the 2019/2020 financial year, Council considered it appropriate to grant pursuant to Section 166(1)(I)(ii) of the Local Government Act a rebate of the general rate in order to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer.

Consequently, rebates will be granted (subject to conditions) to limit the increase of the 2019/2020 general rate over the amount of the general rate payable in the 2018/2019 financial year as follows:

- (a) on residential land use - increase will be limited to 6% over the general rate payable in the 2018/2019 financial year
- (b) on all other land uses - increase will be limited to 15% over the general rate payable in the 2018/2019 financial year.

The conditions referred to above are as follows:

- (i) any such increase is not due in full or in part to the use of the land being different for rating purposes on the date the Council declared its general rates for 2018/2019 financial year than on the date Council declared its general rates for the 2019/2020 financial year; or
- (ii) the ownership of the rateable land has not changed in the preceding 18 months; or

- (iii) subdivision of the land has not occurred since 1st July 2018: or
- (iv) a notional value has not been assigned to the land by the Valuer-General; or
- (v) a new valuation assessment has not been provided by the Valuer-General for the purpose of incorporating contiguous land.

3.14 SALE OF LAND FOR NON-PAYMENT OF RATES

Where rates have been in arrears for three (3) years or more, and Council has unsuccessfully pursued all reasonable attempts to secure payment, Council will invoke Section 184 of the Local Government Act 1999 to pursue recovery of outstanding rates through the sale of land. The Council will provide the principal ratepayer and the owner (if not the same person) and any registered mortgagee with details of the outstanding amounts, and advise them of its intention to sell the land if payment of the outstanding amount is not received within a given timeframe.

3.15 APPLICATION OF THE POLICY

A copy of this Council policy is available from the Rates Coordinator, either telephone on 8641 9100, by written request to the Port Augusta City Council, PO Box 1704, Port Augusta SA 5700, or via Council's website www.portaugusta.sa.gov.au

Where a ratepayer believes that the Council has failed to properly apply this policy it should raise the matter with the Council. In the first instance contact the Rates Coordinator on 8641 9100 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should write to the Chief Executive Officer, Port Augusta City Council, PO Box 1704, Port Augusta SA 5700.

A rate cannot be challenged on the basis of non-compliance with this policy and must be paid in accordance with the required payment provisions.

4. RESPONSIBILITY & REVIEW

4.1 Responsible Officer

Director Corporate & Community Services

Rates Coordinator

4.2 Availability

This policy will be available on Council's website.

4.3 Review

Reviewed annually in June/July of each year.

5. REFERENCES

5.1 Legislation

Local Government Act 1999

5.2 Other References

Hardship Policy for Residential Customers of Minor & Intermediate Water Retailers 2.6.15
Purchasing, Contracts & Tendering - 1.1.09
Rebate of Rates Policy 2.6.01
Rates - Hardship Policy 2.6.14