

Council Rate Rebates 2023-24

Tuesday, 27 June 2023

Council

Strategic Alignment - Enabling Priorities

Program Contact:

Anthony Spartalis, Manager
Finance & Procurement

Public

Approving Officer:

Michael Sedgman - Chief
Operating Officer

EXECUTIVE SUMMARY

This report is for Council to note the mandatory rate rebates that will be applied in accordance with Sections 161 to 165 of the Local Government Act 1999 (the Act), and to approve the discretionary rebates to be applied in accordance with Section 166 of the Act for 2023-24.

The Local Government Act 1999 (the Act) requires Council to grant mandatory rebates, pursuant to Section 161 – 165 of the Act. The Act also enables Council to grant discretionary rebates, pursuant to Section 166 of the Act, and in accordance with Council’s Rebate Policy, to ensure there is consistency across the community by applying rebates in a fair and equitable manner. In accordance with Section 159 (4) Council has the discretion to increase a mandatory rebate to 100 per cent where the rebate in accordance with the Act is less than 100%.

At the City of Adelaide, the administration has delegation to approve mandatory and discretionary rebates, and this has resulted in the current list of rebate recipients provided in this report. Applications for rate rebates (mandatory and discretionary) are submitted and are assessed against eligibility criteria as outlined in the Act. For discretionary rate rebates, the level of the rate rebate determined considers various weighted criteria.

RECOMMENDATION

THAT COUNCIL

1. Notes the mandatory rebates detailed in Item 10.2 on the Agenda for the meeting of Council held on 27 June 2023, to be applied for 2023-24.
2. Notes the discretionary rebates detailed Item 10.2 on the Agenda for the meeting of Council held on 27 June 2023, to be applied for 2023-24

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities The deliverables and objectives set out in the BP&B 2023/24 are indicative of Council's Strategies, Plans and resolutions.
Policy	Rebates are applied in accordance with Council's following policies and guidelines: <ul style="list-style-type: none"> • Rating Policy (Link 1 view here) • Rate Rebate Policy (Link 2 view here)
Consultation	A public consultation process on the Draft BP&B 2023/24, which included the currently approved Rating Policy, commenced at 9.00am on Friday 26 May 2023 and concluded on midnight Sunday 18 June 2023. Council's Finance and Governance Committee received a report containing the results of the consultation at its meeting on 20 June 2023.
Resource	Administered in-house through the Rates and Receivable Team
Risk / Legal / Legislative	Application of rebates is governed by s160 to s166 of the Act. Reputation/community expectation: Failure to apply or inconsistently apply rebates could lead to a financial, legal and reputational risk to Council. Rebates are applied in accordance with Local Government Act and Council's Rate Rebate Policy. Mandatory rate rebate applications are assessed for eligibility and compliance with Sections 161 to 165 of the Local Government Act 1999.
Opportunities	Rebates are one mechanism that Council has as its disposal to provide support and provide equitable outcomes in regards to the way it rates the community, particularly in instances where the ratepayer provides valuable community and related services.
22/23 Budget Allocation	Not as a result of this report
Proposed 23/24 Budget Allocation	This report summarises the amount of rebates incorporated into the 2023/24 Budget (refer below).
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
22/23 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

1. The Rate Rebate Policy assists in determining community eligibility for rate rebates in accordance with the requirements of the *Local Government Act 1999* (the Act).
2. The Act requires:
 - 2.1. Council to grant a mandatory rebate upon the applicant satisfying the requirements under Sections 159 to Section 165 of the Act.
 - 2.2. Applications for discretionary rebates lodged under Section 166 of the Act will be considered under Council's Rate Rebate Policy.
3. Council's Rate Rebate Policy, included at Link 2 view [here](#), in accordance with the Act, governs the applications of rate rebates.
4. Under the rebate provisions of Sections 159 to 166 of the Act, there are three key categories of rebates available:
 - 4.1. mandatory 100% rebates
 - 4.2. mandatory 75% rebates (with a discretionary option to increase rebates up to 100%)
 - 4.3. discretionary rebates.
5. Under each of the above listed categories, the Act specifies the criteria under which a rebate can be granted.
6. This report deals with those sections of the Act relating to mandatory rebates and seeks consideration of proposed discretionary rebates.

Mandatory Rebates

7. In accordance with the Act, 100% mandatory rebates apply to properties subject to the following specific land uses:
 - 7.1. Health Services – Section 160
 - 7.2. Religious Purposes – Section 162
 - 7.3. Royal Zoological Society of SA – Section 164.
8. A 75% mandatory rebate applies to rates on the following land uses:
 - 8.1. Community Services – Section 161, subject to specific criteria being met with an additional 25% rebate at Council's discretion
 - 8.2. Educational Purposes – Section 165, subject to specific criteria being met with an additional 25% rebate at Council's discretion.
9. On an annual basis, Council applies the land use code assigned to each property as proposed by the Valuer General. The land use code is used as a general guide to assess eligibility.
10. Council also requires the property owners/tenants to complete a rebate application form to assess eligibility for a rebate.
11. The following tables provide an analysis of mandatory rebates (excluding the Landscape Levy component) to be provided during the 2023–24 financial year by rate rebate category and will be finalised following declaration of the rates, scheduled for 27 June 2023.

Mandatory Rate Rebates	Number of Properties	Value of Rebates
100% Health Services Rebate	10	\$1,497,563
100% Religious Purposes Rebate	91	\$1,146,288
100% Zoological Society Rebate	2	\$441,408
75% Community Services Rebate	777	\$1,555,474
75% Education Purposes Rebate	132	\$1,250,266
Total	1,012	\$5,891,000

12. The following provides details of the proposed mandatory rebates for 2023–24. Details of individual assessments receiving a rebate have been scheduled under the appropriate sections as described with the *Local Government Act 1999* for clarity.

Mandatory Rebates 100%: Health Services S160

13. Section 160 of the Local Government Act 1999 provides that the rates on land being predominantly used for service delivery or administration by a hospital or health centre incorporated under the South Australian Health commission Act 1976 will be rebated at 100%.
14. Link 3 (view [here](#)) lists those ratepayers that have been identified as eligible for a mandatory rebate of rates under this section.

Mandatory Rebates 75%: Community Services as per S161

15. Section 161 of the Local Government Act 1999 provides that the rates on land being predominately used for service delivery or administration (or both) by a community service organisation will be rebated at 75%.
16. Link 4 (view [here](#)) lists those ratepayers that have been identified as eligible for a mandatory rebate of rates under this section.

Mandatory Rebates 100%: Religious Purposes S162

17. Section 162 of the Local Government Act 1999 provides that the rates on land containing a church or other building used for public worship (and any grounds), or land used solely for religious purposes, will be rebated at 100%.
18. Link 5 (view [here](#)) lists those ratepayers that have been identified as eligible for a mandatory rebate of rates under this section.

Mandatory Rebates 75%: Educational Purposes S165

19. Section 165 of the Local Government Act 1999 provides that the rates on land
 - 19.1. Occupied by a government school under a lease or licence and being used for educational purposes; or
 - 19.2. Occupied by a non-government school registered under Part 5 of the Education Act 1972 and being used for education purposes,will be rebated at 75% (or, at the discretion of the council, at a higher rate).
20. Link 6 (view [here](#)) lists those ratepayers that have been identified as eligible for a mandatory rebate of rates under this section.

Mandatory Rebates 100%: Zoological Society S164

21. Section 162 of the Local Government Act 1999 provides that the rates on land containing a church or other building used for public worship (and any grounds), or land used solely for religious purposes, will be rebated at 100%.
22. Link 7 (view [here](#)) lists those ratepayers that have been identified as eligible for a mandatory rebate of rates under this section.

Discretionary Rebates

23. Section 166 of the Act allows Council to grant rebates for a range of purposes and activities, and the obligation on Council is to apply equity to similar applications and to consider any social, political or environmental implications of granting or denying rebates. Each application is to be assessed in accordance with Section 166 of the Act and Council's Rebate Policy.
24. Under the Act, a provision for those ratepayers provided a rebate in 2022–23 can be automatically issued with the same rebate for 2023-24.
25. The following ratepayer groups, pursuant to meeting the criteria specified under Section 166 of the Act, continue to receive a discretionary rebate.

26. The following tables provide an analysis of discretionary rebates (excluding the Landscape Levy component) to be provided during the 2023–24 financial year by rate rebate category and will be finalised following declaration of the rates, scheduled for 27 June 2023.

Discretionary Rate Rebates	Number of Properties	Value of Rebates
100% Discretionary Rebate	1	\$3,238
75% Discretionary Rebate	28	\$116,990
25% Discretionary Rebate	17	\$265,904
5 Year Rate Free	152	\$372,332
Vacant Land	13	\$59,559
10% Cap	13,119	\$2,026,835
Total	13,330	\$2,844,858

Discretionary Rebates 100%

27. Link 8 (view [here](#)) lists those ratepayers that have been identified as eligible for a mandatory rebate of rates under this section.

Discretionary Rebates 75%

28. Link 9 (view [here](#)) lists those ratepayers that have been identified as eligible for a mandatory rebate of rates under this section.

Discretionary Rebates 25%

29. Link 10 (view [here](#)) lists those ratepayers that have been identified as eligible for a mandatory rebate of rates under this section.

Discretionary Rebates 100%: 5-Year Rate Free (apartment purchase off-the-plan)

30. To support growth in the City, this discretionary rebate was introduced and applies to owner/occupier purchasers of a residential off-the-plan apartment who have signed a contract between 1st July 2017 and June 30 2019.
31. Link 11 (view [here](#)) lists those ratepayers that have been identified as eligible for a mandatory rebate of rates under this section.

Discretionary Rebates: Vacant Land

32. To discourage land banking and promote development, if a vacant land parcel has been owned for less than 5 years or has been vacant land for less than 5 years, Council applies a rate rebate that reduces the amount payable back to a non-residential rate.
33. 5 years was adopted to reflect the usual timeframes associated with development of property.
34. Link 12 (view [here](#)) lists those ratepayers that have been identified as eligible for a mandatory rebate of rates under this section.

Discretionary Rebates 10%: Rate Capping

35. To protect ratepayers against rapid changes in valuation, Council applies a 10% rate capping discretionary rebate where rates have increased by greater than 10% from the prior year.
36. This excludes where the valuation increase resulted from an improvement to the property or new development.
37. Valuing all properties for the first time since 2019 has given rise to larger valuation increases resulting in more than 13,000 recipients of this rate rebate. As such, no attachment or link is provided.

New Applications

38. At the City of Adelaide, the administration has delegation to approve mandatory and discretionary rebates. This is to be reviewed at an appropriate time.
39. This has resulted in the current list of rebate recipients referred to in the above sections.

40. Applications for rate rebates (mandatory and discretionary) must be submitted for assessment.

Mandatory Rate Rebates

41. Applications for mandatory rate rebates are assessed against eligibility criteria as outlined in the Act.

42. Applicants can lodge an objection under s270 if they are unsuccessful in being granted a rate rebate.

Discretionary Rate Rebates

43. Applications for discretionary rate rebates are assessed against eligibility criteria as outlined in the Act.

44. The level of the rate rebate to be applied is determined according to the rate rebate guideline with reference to an assessment tool which considers various weighted criteria.

45. Applicants can lodge an objection under s270 if they are unsuccessful in being granted a rate rebate.

DATA AND SUPPORTING INFORMATION

Link 1 – Rating Policy

Link 2 - Rate Rebate Policy

Link 3 – Mandatory Rebates: 100% for Health Services (s160)

Link 4 – Mandatory Rebates: 75% for Community Services (s161)

Link 5 – Mandatory Rebates: 100% for Religious Purposes (s162)

Link 6 – Mandatory Rebates: 75% for Educational Purposes (s165)

Link 7 – Mandatory Rebates: 100% for Royal Zoological Society (s164)

Link 8 – Discretionary Rebates: 100% (s166)

Link 9 – Discretionary Rebates: 75% (s166)

Link 10 – Discretionary Rebates: 25% (s166)

Link 11 – Discretionary Rebates: 100%: 5-Year Rate Free (apartment purchase off-the-plan) (s166)

Link 12 – Discretionary Rebates: Vacant Land (S166 (l) (i))

ATTACHMENTS

Nil

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