

Councillor Couros - QoN - Council Rates

Tuesday, 23 April 2024
Council

Council Member
Councillor Mary Couros

Public

Contact Officer:
Anthony Spartalis, Acting Chief
Operating Officer

QUESTION ON NOTICE

Councillor Mary Couros will ask the following Question on Notice:

'Can administration advise

1. Advise what the percentage of "new" rates did the City of Adelaide incurred for the years 2014 – 2024?
2. Please provide information on the percentage increase in rates from 2014 – 2024. Additionally, could clarification be provided on which of these years valuations was not used as a method to assess rates.
3. What is the percentage split of rates between each ward and/or postcodes within the CoA?
4. The percentage of rates attribute to residential and commercial properties within the CoA?
5. In light of recent reports that approximately \$1billion worth of residential buildings are presently under construction within the CoA how does the administration anticipate this contributing to an increase in "new" rate revenue?'

REPLY

| | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Percentage "new" rates from total | 14.1% | 3.2% | 1.0% | 1.9% | 2.3% | 1.7% | 1.3% | 1.6% | 1.0% | 1.2% |
| Total rate revenue increase (inc. growth) | 3.2% | 4.7% | 2.1% | 3.0% | 4.3% | 6.2% | 2.5% | 2.4% | 3.0% | 8.1% |

1. "New" rates are defined as rates revenue arising from new developments, and alterations and modifications to existing buildings. Yearly increase in rates revenue from this source outlined in the table above.
2. The annual increase in total rates revenue is outlined in the table above.
Valuations are used every year to derive individual council rates. Valuations were put on hold for existing properties from 2020/21 to 2022/23 (ie. rates for existing unchanged properties did not increase).

3. Rates revenue (2014-15 – 2023-24) by postcode is summarised below:

| Rates revenue | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 5000 postcode | 86.5% | 86.9% | 87.3% | 87.3% | 87.5% | 88.2% | 88.5% | 88.7% | 89.0% | 88.9% |
| 5006 postcode | 13.5% | 13.1% | 12.7% | 12.7% | 12.5% | 11.8% | 11.5% | 11.3% | 11.0% | 11.1% |

4. 25% of rates are attributed to residential property and 75% to commercial property.
5. *The Advertiser* on 23 March 2024 reported that residential buildings worth \$1bn are currently under construction in Adelaide’s CBD, equating to approximately 1,000 new residences. These properties don’t yet exist and are, therefore, not able to be valued. However, assuming the current average rate per residential property in the City of Adelaide (\$2,213), approximately \$2.2 million in additional rates revenue could be expected annually from these developments.

| | |
|--|---|
| Staff time in receiving and preparing this reply | To prepare this reply in response to the question on notice took approximately 4 hours. |
|--|---|