

Rate Rebate Policy Review

Strategic Alignment - Our Corporation

Public

Tuesday, 17 June 2025

City Finance and Governance
Committee

Program Contact:

Natalie Johnston, Associate
Director Finance & Procurement

Approving Officer:

Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

The purpose of this report is to seek Council adoption of an updated Rate Rebate Policy and approval of the Discretionary Rate Rebates for 2025/26.

The Rate Rebate Policy (the Policy) provides guidance to the community for the grounds on which a person, body, or person representing a body, may be entitled to receive a rebate of rates and the matters that Council will consider when assessing an application.

Council adopted the current Policy in June 2022. The current Policy is shown in [Link 1](#).

This report proposes the following changes to the Policy:

- Authorise the Chief Operating Officer to grant Mandatory Rebates, per the eligibility criteria defined in the Act.
- Council to grant Discretionary Rate Rebates, per the eligibility criteria defined in the Act and Policy, to be approved by Council on an annual basis.
- Timeframes associated with application of Rebates - namely that rebate applications are accepted up until 31 March of the current financial year, to take effect from the start of the following financial year.
- Review timeframes for eligibility of existing Rate Rebates
- Other minor amendments to wording and dates

The proposed Rate Rebate Policy is shown in **Attachment A**, and a version with changes tracked is shown in [Link 14](#).

In addition, this report asks Council to note the Mandatory Rate Rebates that will be applied in accordance with Sections 161 to 165 of the *Local Government Act 1999 SA* (the Act), and to approve the Discretionary Rate Rebates to be applied in accordance with Section 166 of the Act for 2025/26, as outlined in the draft 2025/26 Business Plan and Budget.

In 2025/26 1,031 properties are expected to receive Mandatory Rate Rebates (total \$6.411m), and 6,694 are expected to receive Discretionary rate Rebates (total \$3.062m).

RECOMMENDATION

The following recommendation will be presented to Council on 24 June 2025 for consideration

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS TO COUNCIL
THAT COUNCIL

1. Notes the table summarising changes made to the Rate Rebate Policy as contained in Attachment B to Item 7.5 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 June 2025.
2. Adopts the updated Rate Rebate Policy as per Attachment A to Item 7.5 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 June 2025.

3. Authorises the Chief Executive Officer (or delegate) to make minor, typographical, syntactical and technical updates to the Rate Rebate Policy as contained in Attachment A to Item 7.5 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 June 2025 to finalise this document.
 4. Notes the Mandatory Rate Rebates approved for the 2025/26 financial year under the current 2024/25 Rate Rebate Policy.
 5. Authorises the Chief Operating Officer to approve any new applications for Mandatory Rate Rebates commencing from the 2025/26 financial year.
 6. Approves the discontinuation of the Vacant Land Rate Rebate, effective from the 2025/26 financial year.
 7. Approves the removal of the 25% Discretionary Rate Rebate from properties, where it was provided as a top up to a 75% Mandatory rebate to provide a total rebate of 100%.
 8. Notes that Administration will write to impacted ratepayers following the recommendation of the City Finance and Governance Committee meeting held on 17 June 2025 notifying them of the intention to remove the relevant Discretionary Rebates.
 9. Notes the automatic application of the Discretionary Rates capping rebate of 10% for 2025/26.
 10. Approves the existing Discretionary Rate Rebates (as at 6 June 2025) for the 2025/26 financial year.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Council's ability to raise rates, provide rebates and a respectful debt collection process are all aligned to enable the delivery of its services to the community and delivery of its Strategic Plan.
Policy	This report proposes both minor and major amendments to the Rate Rebate Policy.
Consultation	Community consultation for the proposed introduction of a minimum rate was conducted from 9am Tuesday 6 May 2025 and concluded at midnight on Tuesday 27 May 2025.
Resource	The Rate Rebate Policy identifies how Council will provide rebates on rates revenue. This is administered in-house through the Rates and Receivable Team.
Risk / Legal / Legislative	Chapter 10, sections 151-170 of the <i>Local Government Act 1999</i> (SA) (the Act) provide the requirements for Council to raise rates, and consider items such as rateability, basis of rating, valuations of land, provision of rebates and mechanisms for collection. Section 132A of the Act requires Council to have appropriate policies, practices and procedures implemented and maintained in order to: 1. ensure compliance with any statutory requirements; and 2. achieve and maintain standards of good public administration
Opportunities	Rebates are one mechanism that Council has at its disposal to provide support and equitable outcomes in regards to the way it rates the community, particularly in instances where the ratepayer provides valuable community and related services.
24/25 Budget Allocation	Not as a result of this report
Proposed 25/26 Budget Allocation	This report summarises the amount of rebates incorporated into the 2025/26 Budget with Mandatory Rebates of approximately \$6.411m based on 2024/25 Discretionary Rebates of approximately \$3.062m.
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
24/25 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

Rate Rebate Policy

1. The Rate Rebate Policy is scheduled for review every two years. The most recent review of the Policy was undertaken in 2022 as shown in [Link 1](#).
2. The Policy will now be reviewed every four years in line with the term of Council.
3. The Rate Rebate Policy assists in determining community eligibility for Rate Rebates in accordance with the requirements of the *Local Government Act 1999* (SA) (the Act).
4. The Act requires:
 - 4.1. Council to grant a Mandatory Rate Rebate upon the applicant satisfying the requirements under Sections 159 to Section 165 of the Act.
 - 4.2. Applications for Discretionary Rate Rebates lodged under Section 166 of the Act will be considered under Council's Rate Rebate Policy.
5. This report proposes the following changes to the Policy:
 - 5.1. Authorise the Chief Operating Officer to grant Mandatory Rate Rebates, per the eligibility criteria defined in the Act.
 - 5.2. Council to grant Discretionary Rate Rebates, per the eligibility criteria defined in the Act and Policy, to be approved by Council on an annual basis.
 - 5.3. Application of Rebates timeframes – namely that rebate applications are accepted up until 31 March of the current financial year, to take effect from the start of the following financial year.
 - 5.4. Review timeframes for eligibility of existing Rate Rebates.
 - 5.5. Other minor amendments to wording and dates
6. The proposed Rate Rebate Policy is shown in **Attachment A**, and a version with changes tracked is shown in [Link 14](#).
7. A table of key changes and comments is attached in **Attachment B**.
8. Under the rebate provisions of Sections 159 to 166 of the Act, there are three key categories of rebates available:
 - 8.1. mandatory 100% rebates
 - 8.2. mandatory 75% rebates (with a discretionary option to increase rebates up to 100%)
 - 8.3. discretionary rebates.
9. The following sections of the Report detail the criteria of the Act for which a rebate can be granted, as well as the application of the Policy for the granting of the rebates.

Mandatory Rebates

10. Rebates provided for under Sections 160 to 165 of the Act are considered mandatory. Where the criteria for a mandatory rebate is met, Council is obligated to grant the rebate of rates.
11. In accordance with the Act, 100% mandatory rebates apply to properties subject to the following specific land uses:
 - 11.1. Health Services – Section 160
 - 11.2. Religious Purposes – Section 162
 - 11.3. Public Cemeteries – Section 163
 - 11.4. Royal Zoological Society of SA – Section 164.
12. A 75% mandatory rebate applies to rates on the following land uses:
 - 12.1. Community Services – Section 161, subject to specific criteria being met
 - 12.2. Educational Purposes – Section 165, subject to specific criteria being.
13. 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.

14. Council also requires the property owners/ occupiers to complete a rebate application form to assess eligibility for a rebate.
15. The following table provides an analysis of Mandatory Rebates rebates (excluding the Landscape Levy component) provided during the 2024/25 financial year by rate rebate category. Rate rebates will be finalised following declaration of the rates.

Mandatory Rebates	Number of Properties (2024/25)	Value of Rebates (2024/25)	Number of Properties (2025/26)	Value of Rebates (2025/26)
100% Health Services	10	-\$1,514,518	10	-\$1,610,369
100% Religious Purposes	92	-\$1,213,872	90	-\$1,237,945
100% Zoological Society	2	-\$441,221	2	-\$469,630
75% Community Services	776	-\$1,591,033	797	-\$1,696,039
75% Educational Purposes	133	-\$1,355,751	132	-\$1,397,245
Total	1,013	-\$6,116,395	1,031	-\$6,411,228

16. The following provides details of the proposed mandatory rebates for 2025/26. Individual properties receiving a rebate have been identified in the files linked below according to the relevant section of the Act.

Mandatory Rebates 100%: Health Services

17. Section 160 of the Act 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%.
18. [Link 2](#) lists those ratepayers that meet the eligibility criteria for a mandatory rebate of rates under this section.

Mandatory Rebates 100%: Religious Purposes

19. Section 162 of the Act 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%.
20. [Link 3](#) lists those ratepayers that meet the eligibility criteria for a mandatory rebate of rates under this section.

21. Mandatory Rebates 100%: Zoological Society

22. Section 164 of the Act provides that the rates on land (other than land used as domestic premises) owned by, or under the care, control and management of, the Royal Zoological Society of South Australia Incorporated will be rebated at 100 per cent.
23. [Link 4](#) lists those ratepayers that meet the eligibility criteria for a mandatory rebate of rates under this section.

Mandatory Rebates 75%: Community Services

24. Section 161 of the Act 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% (or, at the discretion of the council, at a higher rate).
25. [Link 5](#) lists those ratepayers that meet the eligibility criteria for a mandatory rebate of rates under this section.

26. Mandatory Rebates 75%: Educational Purposes

27. Section 165 of the Act provides that the rates on land being used for the following purposes will be rebated at 75% (or, at the discretion of the council, at a higher rate):

27.1. Occupied by a government school under a lease or licence and being used for educational purposes; or

27.2. Occupied by a non-government school registered under Part 5 of the *Education Act 1972* and being used for education purposes; or

27.3. The rates on land being used by a university or university college to provide accommodation and other forms of support for students on a not-for-profit basis.

28. [Link 6](#) lists those ratepayers that meet the eligibility criteria for a mandatory rebate of rates under this section.

Discretionary Rebates

29. Section 166 of the Act allows Council to grant rebates for a range of purposes and activities, and the obligation on Council is to treat similar applications equitably, 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 Rate Rebate Policy.
30. To ensure applications are reviewed and approved equitably, each application is reviewed against Section 166 of *the Act* to determine eligibility. Where eligibility is confirmed a discretionary rebate matrix is used to objectively calculate the percentage of rebate to be applied based on a set number of property attributes.
31. Under the Act, a rebate provided for those ratepayers in 2024/25 can be automatically issued with the same rebate for 2025/26, subject to Council approval of the rebate for 2025/26.
32. The following table provides an analysis of discretionary rebates (excluding the Landscape Levy component) provided during the 2024/25 financial year by Rate Rebate category, for which Council approval is sought for the continuation of the rebate for 2025/26. The rebates are based on current modelling and are subject to the approvals sought in this report and the declaration of rates.

Discretionary Rebates	Number of Properties 2024/25	Value of Rebates 2024/25	Number of Properties 2025/26	Value of Rebates 2025/26
Pensioner	0	\$0.00	53	-\$5,300
100% Discretionary	5	-\$19,016	5	-\$20,358
75% Discretionary	24	-\$105,667	31	-\$270,715
40% Discretionary	1	-\$5,035	1	-\$5,259
25% Discretionary	225	-\$264,999	216	-\$255,931
10% Discretionary	3	-\$2,599	3	-\$2,731
5 Year Rate Free	95	-\$272,216	45	-\$144,390
10% Rate Cap	9,406	-\$3,284,039	6,340	-\$2,357,440
Vacant Land	22	-\$197,904	13	-131,132
Total	9,781	-\$4,151,477	6,694	-\$3,062,124

Pensioner Rebate

33. The Pensioner Rebate applies to ratepayers that have been identified as eligible for a discretionary rebate of rates under Section 166(1)(o) of the Act, where the rebate is contemplated under Section 182(1)(b) on the basis that:
- 33.1. A council is satisfied on the application of a ratepayer that payment of rates in accordance with this Act would cause hardship, the council may remit the rates in whole or part.

Discretionary Rebates 100%

34. [Link 7](#) lists those ratepayers that have been identified as eligible for a discretionary rebate of rates under Section 166(1)(m)(ii) of the Act, on the basis that:
- 34.1. Council considers it to be appropriate to provide relief in order to avoid what would otherwise constitute a liability that is unfair or unreasonable.
35. Due to the Central Market Development, a rebate of 100% has been approved for the District Court's Sallyport, overriding the 75% maximum rebate policy position, on a temporary basis as the retail shops cannot be leased through no fault of the owners, because of necessary Sallyport relocation.

Discretionary Rebates 75%

36. [Link 8](#) lists those ratepayers that have been identified as eligible for a discretionary rebate of rates under Section 166(1)(d), (g), (i), (j) of *the Act*.
37. The appropriate subsections of Section 166(1) are:
- 37.1. (d) where the land is being used for educational purposes; or

- 37.2. (g) where the land is being used to provide facilities or services for children or young persons; or
- 37.3. (i) where the land is being used for a residential aged care facility that is approved for Commonwealth funding under the Aged Care Act 1997 (Cwlth) or a day therapy centre; or
- 37.4. (j) where the land is being used by an organisation which, in the opinion of the council, provide a benefit or service to the local community.

Discretionary Rebates 40%

- 38. [Link 9](#) lists the ratepayer that has been identified as eligible for a discretionary rebate of rates under Section 166(1)(c), (g) and (j) of the Act.
- 39. The appropriate subsections of Section 166(1) are:
 - 39.1. (c) Where the rebate is conducive to the preservation of buildings or places of historic significance; or
 - 39.2. (g) where the land is being used to provide facilities or services for children or young persons; or
 - 39.3. (j) where the land is being used by an organisation which, in the opinion of the council, provide a benefit or service to the local community.

Discretionary Rebates 25%

- 40. [Link 10](#) lists those ratepayers that have been identified as eligible for a discretionary rebate of rates under Section 166(1).
- 41. Prior to the 2021/22 financial year, Council's Discretionary Rate Rebate Policy provided that where a mandatory Community rebate has been granted under one of the following sections, an additional 25% Discretionary rebate per Section 166(1)(f),(g),(h),(i) and (j) of the Act *may* be granted under Administration's delegation to bring the total rebate to 100%:
 - 41.1. emergency accommodation;
 - 41.2. food or clothing for disadvantaged persons (i.e., persons who are disadvantaged by reason of poverty, illness, frailty, or mental, intellectual or physical disability);
 - 41.3. supported accommodation (i.e., residential care facilities in receipt of Commonwealth funding;
 - 41.4. or accommodation for persons with mental health, intellectual, physical or other difficulties who require support in order to live an independent life);
 - 41.5. essential services, or employment support, for persons with mental health disabilities, or with intellectual or physical disabilities;
 - 41.6. legal services for disadvantaged persons;
 - 41.7. drug or alcohol rehabilitation services; or
 - 41.8. the conduct of research into, or the provision of community education about, diseases or illnesses, or the provision of palliative care to persons who suffer from diseases or illnesses.
- 42. The appropriate subsections of Section 166(1) under which the discretionary rebate was approved are:
 - 42.1. where land is being used for a hospital or health centre (f)
 - 42.2. where the land is being used to provide facilities or services for children or young persons (g)
 - 42.3. where the land is being used to provide accommodation for the aged or disabled (h)
 - 42.4. where the land is being used for a residential aged care facility that is approved for Commonwealth funding under the Aged Care Act 1997 (Cwlth) or a day therapy centre (i)
 - 42.5. where the land is being used by an organisation which, in the opinion of the council, provides a benefit or service to the local community (j).
- 43. The policy's overriding principle is that all ratepayers should contribute an amount to basic service provision (unless mandated by legislation) except in circumstances of financial hardship impacting on service delivery.
- 44. This report recommends Council approve the removal of the 216 instances of the Discretionary 25% rebate applied in addition to the 75% Community Services Rebate, as:
 - 44.1. the 25% rebate has not historically been applied consistently or equitably (that is, other similar community services may not receive the rebate).
 - 44.2. financial hardship may not apply in these cases (objections received can be reviewed subsequently).

Discretionary Rebates 10%:

45. [Link 11](#) lists those ratepayers that have been identified as eligible for a discretionary rebate of rates under this section 166(1)(d), (g) and (j).
46. The appropriate subsections of Section 166(1) under which the discretionary rebate was approved are:
 - 46.1. where the land is being used for educational purposes (d)
 - 46.2. where the land is being used to provide facilities or services for children or young persons (g)
 - 46.3. where the land is being used by an organisation which, in the opinion of the council, provides a benefit or service to the local community (j).

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

47. To support growth in the City, this discretionary rebate was introduced as per Section 166(1)(a) of the Act and applies to owner/occupier purchasers of a residential off-the-plan apartment who signed a contract between 1 July 2017 and June 30 2019.
48. The application of this rebate is applied under section 166(1)(a) of the Act:
 - 48.1. Where the rebate is desirable for the purposes of securing the proper development of the area (or a part of the area).
49. The rebate is applied once property settlement has occurred, and a rebate application is received and approved.
50. This discretionary rebate applies to ratepayers that have been identified as eligible for a discretionary rebate of rates under this section. Around 40 such rebates are still in place.

Discretionary Rebates 10%: Rate Capping

51. To protect ratepayers against rapid changes in valuation, Council applies a discretionary rate-capping rebate where rates have increased by greater than 10% from the previous year.
52. The rebate is applied under Section 166(1)(l)(ii) of the Act:
 - 52.1. where the rebate is considered by the council to be appropriate to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to change to the basis on which land is valued for the purpose of rating, rapid changes in valuations, or anomalies in valuations.
53. Valuation increases resulting from property improvement or new development, where there has been a change of ownership, or resulting from the application of a minimum rate, are excluded from this provision.
54. Valuing all properties in 2023/24 for the first time since the last full valuation in 2019 resulted in a large number of valuation increases above 10%, and consequently more than 13,000 recipients of this Rate Rebate.
55. For 2025/26, the number of recipients will be approximately 6,340 based on current modelling. In line with the Rating Policy, Council applies the rebate automatically to all eligible properties.

Discontinuation of Discretionary Rebates: Vacant Land

56. At its meeting held on 8 June 2021, following community consultation of its Rating Policy, Council adopted a differential rate in the dollar for property meeting the land-use definition of vacant land.
57. The differential vacant land rate was put in place to:
 - 57.1. Provide a disincentive to withholding land from development
 - 57.2. Discourage land banking
 - 57.3. Recognise the cost of surrounding infrastructure and services.
58. Acknowledging the expected timeframes associated with development of land, a discretionary rebate was approved on 29 June 2021 to rebate the (higher) vacant land rate down to the (lower) non-residential rate for property that had been vacant land for less than 5 years, or in the current ownership for less than 5 years.
59. Council requested on 13 May 2025 that “*the Administration prepare a report for a Special Meeting of the City Finance and Governance Committee to be held on 3 June 2025 on the impacts of withdrawing the discretionary rebate from June 30, 2025*”. The Recommendation in the current report to remove the rebate is based on the impacts outlined above, and effectively reverts to Council’s 8 June 2021 intention to disincentivise withholding land from development and discourage land banking.

60. The rebate is applied under Section 166(1)(l)(i) of the Act:
- 60.1. where the rebate is considered by the council to be appropriate to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to a redistribution of rates burden within the community arising from a change to the basis or structure of the council's rates.
61. A number of small parcels of vacant land currently exist on separate titles, which for example form part of a rear garden, a side gate entrance or other small piece of adjacent land that may not be able to be developed in their own right. Where it is clear the land cannot be developed the rebate entitlements under Section 166 of the Act are currently applied to them.
62. When development of a property commences, the land use changes from Vacant Land to Other for non-residential developments and to Residential for residential developments. This triggers a change in the rate in the dollar from the increased vacant land rate to the lower non-residential rate where the property is assessed as a development site for the next financial year.
63. In response to a decision of Council at the 13 May 2025 Council Meeting, a report on Discretionary Rate Rebates on Vacant Land was submitted to a Special Meeting of the City, Finance and Governance Committee on 3 June 2025.
64. The report outlined the impact of removing the Discretionary Rate Rebate for Vacant Land ([Link 12](#)).
65. Vacant land properties currently identified to receive the vacant land rebate for the 2025/26 year can be viewed at [Link 13](#).

New Applications

66. At the City of Adelaide, the administration currently has delegation to approve mandatory and discretionary rebates. Through the review of this Policy, it is intended that rebates are approved as follows:
- 66.1. Applications for Mandatory Rebates can be submitted to council at any time and will be considered for the current and future financial years.
- 66.2. Mandatory Rate Rebates are approved by the Chief Operating Officer following assessment against the eligibility criteria as outlined in the Act.
- 66.3. Applications for Discretionary Rebates must be submitted to council by 31 March of each year and will be considered for approval for next financial year
- 66.4. The level of the Rate Rebate to be applied to discretionary Rate Rebates is determined according to the Rate Rebate guideline with reference to an assessment tool which considers various weighted criteria.
- 66.5. Discretionary Rate Rebates, following the assessment of eligibility and level of rebate will be provided to Council on an annual basis for approval.
- 66.6. Applications for Discretionary Rebates will not be considered for the current financial year in which they have been received.
67. Applicants can lodge an objection under s270 of the Act if they are unsuccessful in being granted a Rate Rebate.

DATA AND SUPPORTING INFORMATION

Link 1 – [Current Rate Rebate Policy \(2022\)](#)

Link 2 – [Mandatory Rebates 100% - Health Services](#)

Link 3 – [Mandatory Rebates 100% - Religious Purposes](#)

Link 4 – [Mandatory Rebates 100% - Zoological Society](#)

Link 5 – [Mandatory Rebates 75% - Community Services](#)

Link 6 – [Mandatory Rebates 75% - Educational Purposes](#)

Link 7 - [Discretionary Rebates 100%](#)

Link 8 – [Discretionary Rebates 75%](#)

Link 9 – [Discretionary Rebates 40%](#)

Link 10 – [Discretionary Rebates 25%](#)

Link 11 – [Discretionary Rebates 10%](#)

Link 12 - [Discretionary Rate Rebate for Vacant Land Council Report](#)

Link 13 - [Discretionary Rate Rebates for Vacant Land](#)

Link 14 – [Rate Rebate Policy Revised – Tracked changes](#)

ATTACHMENTS

Attachment A – Rate Rebate Policy (2025) – No tracked changes

Attachment B – Rate Rebate Policy - Table of key changes

- END OF REPORT -