

Deputy Lord Mayor, Councillor Noon - QoN - Mandatory Statutory Exemptions and Rebates from Council Rates

Tuesday, 12 May 2026
Council

Council Member
Deputy Lord Mayor, Councillor
Carmel Noon

Public

Contact Officer:
Anthony Spartalis, Chief Operating
Officer

QUESTION ON NOTICE

Deputy Lord Mayor, Councillor Carmel Noon will ask the following Question on Notice:

'At the LGA Ordinary General Meeting held on 30 April 2021, an item of business submitted by the City of Adelaide and approved by the GAROC Committee was considered in relation to seeking a comprehensive State Government review of mandatory statutory rebates and exemptions from payment of local government rates.

The LGA Ordinary General Meeting resolved to call for the State Government to undertake a comprehensive review of statutory rate rebates and exemptions; requested that the LGA urgently progress the relevant action in the LGA Advocacy Plan 2019–2023 by working with interested councils to prepare an issues paper; and requested that, following preparation of the issues paper and consultation with interested councils, the LGA seek to engage an appropriate economic advisory consultant to prepare a report for government advocating for changes to statutory rate rebates and exemptions in South Australia.

The LGA's Issues Paper on Mandatory Statutory Rebates and Exemptions from Council Rates was subsequently approved in February 2024, with the LGA indicating it would consult councils shortly.

Can Administration advise:

1. What further communication, consultation or action has occurred between the City of Adelaide and the LGA since the Issues Paper was approved?
2. Has the City of Adelaide provided a formal response to the LGA Issues Paper? If so, can this be provided to Council Members?
3. Has the LGA advised the City of Adelaide of the outcome of consultation with councils and any subsequent advocacy to the State Government?
4. Has an economic advisory consultant been engaged to prepare a report for government, as contemplated in the 2021 LGA resolution?
5. What advocacy has occurred with the State Government since the Issues Paper was approved, and has the State Government provided any response or indication that it will undertake a review?
6. What is the current estimated annual value of statutory rate exemptions and mandatory rebates affecting the City of Adelaide, including exemptions for Crown land, universities, educational institutions, community housing providers and other relevant categories?
7. What is the estimated impact of these exemptions and mandatory rebates on the City of Adelaide's rate base and on other ratepayers?
8. What further steps are proposed by Administration to ensure this matter remains a priority for Council, the LGA and the State Government?
9. Will Administration provide a briefing or report to Council on the current status of this issue, including options for renewed advocacy?

10. Can Administration provide a list of all properties, government departments, agencies, statutory authorities, organisations and other entities within the City of Adelaide that currently receive statutory rate exemptions or mandatory rate rebates, including the annual value of rates foregone or rebated?

REPLY

1. CoA initially provided feedback to the development of the LGA Issues Paper via the SA Local Government Finance Managers Group and contributed by supplying information that was requested. A subsequent research report commissioned by the LGA on Cost Shifting (2025, but as yet unpublished) reflected on the specific impact of mandatory statutory rebates and exemptions on local government revenues. The City of Adelaide had substantial feedback and discussion with LGA on the draft report to ensure the disproportionate impact of mandatory statutory rebates and exemptions on the City of Adelaide as the capital city was foregrounded and strengthened.
2. A formal response to the final February 2024 LGA issues paper was not made by the City of Adelaide.
3. The CoA has not received any advice regarding the outcome of consultation with other councils or any advocacy efforts with State Government. We have reached out to the LGA to confirm that no advice had been provided however at the time of writing, this has not been received. It will be provided to Council Members via E-News when received.
4. SGS Economics prepared the Cost Shifting report. We have reached out to the LGA to confirm this however at the time of writing, this has not been received. It will be provided to Council Members via E-News when received.
5. It is unclear what advocacy, if any, has been undertaken by the LGA. It is also unclear if the State Government has provided a response regarding a review. We have reached out to the LGA for a response however at the time of writing, this has not been received. It will be provided to Council Members via E-News when received.
6. The Capital City Committee is the principal forum for high level discussions between the City of Adelaide (represented by Lord Mayor and CEO) and the State Government (represented by Premier and Minister for Adelaide). The issue of Mandatory Rebates and Exemptions remains a central priority in this forum and is also the subject of regular high level discussions between the Lord Mayor and senior government figures, and the CEO and senior state administrators.
7. The estimated value of rate revenue forgone in the 2025/26 financial year, due to statutory requirements under the *Local Government Act 1999* ("the Act"), is set out below:

Division 5 of the Act	Estimated Value
s147 Rate Exempt Land <i>(excluding occupied or held by Council)</i>	\$33.7m
s160-165 Mandatory rate rebates	\$6.5m
Total	\$40.2m

- 7.1. While land owned or occupied by the City of Adelaide Council is exempt from rates under the Act, these properties have not been included in the figures above. However, where Council-owned land is leased to third-party occupiers, those properties are rated in the usual manner.
8. The exemptions and mandatory rebates reduce the City of Adelaide's overall rate base, meaning the Council must recover the foregone revenue from the remaining ratepayers. As a result, the cost burden is redistributed, increasing the annual rates payable by other property owners to compensate for the foregone income. In approximate terms, commercial rate payers collectively end up contributing an additional \$28m, and residential ratepayers the remaining \$12m (based on the approximately 70/30 proportion of rates contributed by the City of Adelaide's commercial and residential ratepayers).
9. The Capital City Committee continues to be the most influential forum for these discussions, alongside regular meetings between the Lord Mayor and senior government figures.

- 9.1. The impact of mandatory rebates and exemptions is greater on the capital city than other council areas due to the concentration of civic institutions, universities and community organisation headquarters here. An LGA research report from 2025 (unreleased) illustrates this dynamic:

Mandatory rebate/ exemption	Revenue foregone (all SA LG)	Revenue foregone (CoA)	CoA proportion of total foregone
Crown land (exemption)	\$21.0m	\$15.9m	76%
Universities (exemption)	\$8.7m	\$7.8m	90%
Adelaide Oval (exemption)	\$1.7m	\$1.7m	100%
Community Service organisations inc community housing providers (rebate)	\$6.3m	\$1.4m	24%
Education service providers (rebate)	\$5.4m	\$1.1m	20%
Religious services (rebate)	\$3.2m	\$1.0m	31%
Health service providers (rebate)	\$2.1m	\$1.4m	71%
Renewal SA (exemption)	\$1.8m	\$1.7m	94%
Sports and recreational facilities (exemption)	\$0.8m	\$0.5m	63%
Emergency services organisations (exemption)	\$0.5m	\$0.2m	40%
Royal Zoological Society SA (exemption)	\$0.4m	\$0.4m	100%
Public cemeteries (rebate)	\$0.2m	\$0.0m	0%

Analysis based on 2022/23 data

- 9.2. Given the disproportionate impact on the CoA, engagement of the LGA is likely to be less impactful for the CoA than direct influence and advocacy from the City of Adelaide, which is considered the most appropriate and effective avenue.
10. Administration can provide a briefing or report to Council on the current status of this issue, including options for renewed advocacy.
11. The following tables summarise the rate revenue forgone in 2025/26 as a result of mandatory rate rebates and exemptions.

Mandatory Rebates	# Assessments	Total Rebate Value
100% Hospital/Health Rebate	10	\$1,607,490
100% Religious Rebate	90	\$1,236,045
100% Zoo Society Rebate	2	\$468,791
75% Comm Serv Rebate	802	\$1,797,644
75% Education Rebate	132	\$1,396,840
Grand Total	1,036	\$6,506,810

Exemption Reason	# Assessments	Exempt Rates
Instrument of Crown Public Purpose	62	\$13,042,824
Occupied by University	69	\$10,747,508
Crown and used for Public Purpose	78	\$7,954,498
Occupied or held by Council	403	\$7,686,816
By Virtue of another Act	41	\$1,235,615
Unalienated Crown Land	15	\$504,452
Recreation Grounds Rates & Taxes Act	42	\$201,812
Crown Commonwealth	1	\$4,798

Exemption Reason	# Assessments	Exempt Rates
Common Property Incidental use	4	\$4,583
Grand Total	715	\$41,382,905
Excluding City of Adelaide properties		\$33,696,089

Staff time in receiving and preparing this reply	To prepare this reply in response to the question on notice took approximately 7.5 hours.
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