

Adoptions of Valuations 2022/23

Tuesday, 28 June 2022

Special Council

Strategic Alignment - Enabling Priorities

Program Contact:

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Public

Approving Officer:

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EXECUTIVE SUMMARY

The adoption of valuations occurs every year for rating purposes in accordance with Section 167 of the *Local Government Act 1999 (SA)* (the Act). For the 2022/23 rating year, valuations have been prepared in-house by the City of Adelaide Rates and Valuation team for all properties including all new developments, additions, and alterations. The valuations have been prepared based on Annual Value.

At its meeting on 27 January 2022, Council resolved to hold valuations given the instability of a market still managing the impacts of COVID.

The City of Adelaide's practice is to identify and obtain valuations for all land in the Council area. Once identified, each separate piece of land is assessed for rateability. Section 147 of the Act specifies those types of properties which are not rateable and are exempt from council rates.

The total valuation of the land within the area of the Corporation of the City of Adelaide has been determined to be \$1,187,258,452, and the total annual value of rateable land is \$940,447,250.

The total annual value for land exempt from council rates as determined by the *Local Government Act 1999 (SA)* is \$246,811,202.

RECOMMENDATION

THAT COUNCIL

1. Adopts the valuations for 2022/23, which have been prepared based on Annual Value, pursuant to Section 167 (2) of the *Local Government Act 1999 (SA)*. The Annual Value comprised with the Assessment Record amount to a total of \$1,187,258,452 of which \$940,447,250 represents the total value of the rateable land, prepared in-house by the City of Adelaide Rates and Valuation team, for the land within the area of the Corporation of the City of Adelaide for rating purposes.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities The adoption of Valuations is for rating purposes. Council rates fund delivery of Strategic Plan Actions outlined in the 2022/23 Business Plan and Budget.
Policy	The valuation methodology is in accordance with Council's Rating Policy (Link 1 view here).
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Sections 151 (3) and 167 (1)-(8) of the <i>Local Government Act 1999 (SA)</i> (the Act) detail the legislative requirements in relation to Council adopting a valuation.
Opportunities	Not as a result of this report
21/22 Budget Allocation	Not as a result of this report
Proposed 22/23 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
21/22 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. Council adoption of valuations is required to enable the declaration of rates for 2022/23 in accordance with Section 167 of the Act.
2. Rates revenue provides a significant source of the funding required for Council to achieve its business plan objectives for 2022/23.
3. Adoption of the valuation is prescribed by sections within Chapter 10 of the Act. The following provisions of the Act apply:
 - 3.1. *Section 151 (3) - Council may declare rates on the basis of the annual value or site value of land if –*
 - 3.1.1. *the Council declared rates in respect of that land on that basis for the previous financial year.*
 - 3.2. *Section 167 (1) - Council must not declare a rate for a particular financial year without first adopting the valuations that are to apply to land within its area for rating purposes for that year.*
 - 3.3. *Section 167 (3) (a) (ii) in relation to the adoption of valuations under subsection (2)(b)—the valuations may be up to five years old.*
 - 3.4. *Section 167 (6) - Notice of the adoption of valuations must be published in the Gazette within 21 days after the date of the adoption.*
4. At its meeting on 27 January 2022, Council resolved to hold valuations given the instability of a market still managing the ongoing impacts of COVID. As a result, the increase in valuations is limited to new developments, additions and alterations.
5. For the 2022/23 rating year, valuations have been prepared for all properties including new developments, additions and alterations by the City of Adelaide Valuers. The last full valuation cycle was completed in 2019 for the 2019/20 rating year by Westlink Consulting on behalf of the Valuer-General. The valuations for 2022/23 have been prepared based on 'Annual Value' methodology.
6. The total of the valuation for 2022/23 is the valuation applying to the land within the area of the Corporation of the City of Adelaide.
7. The total valuation is \$1,187,258,452, and the total annual value of rateable land is \$940,447,250. The total annual value for land exempt from council rates is \$246,811,202.

DATA AND SUPPORTING INFORMATION

Link 1 – Rating Policy

ATTACHMENTS

Nil

- END OF REPORT -