

8.1 2024/25 RATE REBATES

Contact Person: Luke Culhane

Why is this matter confidential?

Subject to an order pursuant to Section 90(3)(b) of the *Local Government Act 1999*, this matter is confidential because Rate rebates are financial information regarding specific community groups and organisations.

A. COMMITTEE TO MOVE MOTION TO GO INTO CONFIDENCE

No action – this motion passed in the open section.

B. THE BUSINESS MATTER

8.1 2024/25 RATE REBATES

Responsible Executive Manager : Luke Culhane

Report Author : Trisca Price

Delegated Authority : Matters which cannot be delegated to a Committee or Staff

Attachments :

- 1. Attachment 1 - 2024/25 Discretionary Rebates - Confidential
- 2. Attachment 2 - Rural Residential Area
- 3. Attachment 3 - Discretionary Rebates Received after 30 June 2023
- 4. Attachment 4 - Proposed Rate Rebate Policy
- 5. Attachment 5 - Proposed Rate Rebate Procedure

PURPOSE

The purpose of this report is to seek endorsement from Council for discretionary rate rebates to apply in 2024/25.

STAFF RECOMMENDATION

1. Pursuant to Section 159(3) and 166(1) of the *Local Government Act 1999*, Council grants a discretionary rebate of general rates to those ratepayers listed in the Discretionary Rebates Schedule 2024/25 (the Rebates Schedule), (set out at Attachment 1) in respect of the rateable land for the percentages specified.
2. Pursuant to Sections 159(3) and 166(1)(m)(ii) of the *Local Government Act 1999*, Council grants a discretionary rebate of 10% of general rates in respect of rateable land located within the area identified in green on the map titled Rural Residential Rebate Map (set out at Attachment 2) and which has a land use attribution of category 1 (residential) or category 7 (primary production) and is not receiving a notional value from the Valuer General or had a fixed charge removed due to being a contiguous or single farming enterprise.

EXECUTIVE SUMMARY

The 2024/25 Discretionary Rebates Schedule requiring Council approval is provided at Attachment 1.

1. BACKGROUND

- 1.1 Under Section 159 of the *Local Government Act 1999* (the Act), Council applies rebates to certain ratepayers.
- 1.2 The Rate Rebate Policy (Attachment 4) and Rate Rebate Procedure (Attachment 5) outline Council's approach to administering rebates. The Rate Rebate Policy and Rate Rebate Procedures are reviewed and updated annually and were endorsed by Council in April 2024 for public consultation as part of the Draft 2024/25 Annual Business Plan.
- 1.3 Mandatory rate rebates are provided to certain segments of the community under Section 160 to Section 165 of the Act. For example, health services, community housing and educational institutions. These rate rebates do not require Council approval. The estimated value of mandatory rate rebates is in the order of \$4.6 million (subject to final property valuations and checking for ongoing eligibility).
- 1.4 Where a mandatory rate rebate of 75% applies, Council has discretion to increase to a higher percentage.
- 1.5 Discretionary rate rebates can also be granted to applicants pursuant to Section 166 of the Act. Eligibility is considered against agreed principles to ensure a fair and equitable outcome.
- 1.6 Discretionary rebates over 50%, or in excess of one year, require Council approval. The Chief Executive Officer has delegation to approve annual discretionary rebates below 50%. These are approved by the Chief Executive Officer as and when applications are received.

2. RELEVANCE TO STRATEGIC PLAN

Community Theme 5: Using money wisely

The Rate Rebate Policy and Procedure ensures legislative requirements are met and that Council delivers on its Finance Strategy to achieve long term financial sustainability while still delivering planned services, responsibly managing debt and promoting/managing the growth of our city.

3. PUBLIC CONSULTATION

Public consultation on the Rate Rebate Policy and Procedure is occurring as part of the 2024/25 Annual Business Planning public consultation process.

4. DISCUSSION

- 4.1 The 2024/25 discretionary rebates which require Council approval are listed in Attachment 1 with further detail provided below. The number of organisations eligible and the value of the rate rebate are estimates only which can only be

finalised once final valuation data is received from the Valuer-General (VG) and final rates modelling has been completed. Further detail of the rate rebates is detailed below.

- 4.2 Council owned, leased and licenced rate rebates of 100% have been offered to community-based organisations who lease a Council owned facility. This rate rebate is provided under Section 166(1)(j) of the Act, is consistent with past practice and helps to alleviate costs for these community groups. Ongoing eligibility for individual ratepayers is assessed each year.
- 4.3 In June 2021 Council endorsed removal of an historic Rural Rebate and introduced a 10% Rural Residential Rebate which recognises areas without ready access to some Council services and infrastructure. This rate rebate is provided under Section 166(1)(m)(ii) of the Act and only properties within the identified Rural Residential Rebate area and with a land use attribution of category 1 (rural residential) or category 7 (primary production) receive this rebate.
- 4.4 Rural Residential Properties or Primary Production Properties where they already receive a reduction of rates due to notional capital values from the VG, and/or removal of fixed charge due to contiguous or single farming enterprise, will no longer receive the rural residential rebate of 10%.
- 4.5 The Rural Residential Rebate area and associated criteria are reviewed each year to accurately represent the changes in new urban growth within the City of Playford to ensure ongoing equity across the council area. Attachment 2 provides the 2023/24 Rural Residential Rebate Map. It is estimated that 20 properties (located in the highlighted red area on the map) will no longer be eligible to receive the 10% rebate in 2024/25. The final assessment of eligibility can only be made once the full property data set for 2024/25 is received from the VG.

The criteria utilised to review the appropriateness of the Rural Residential Rebate includes:

- Land within our growth areas (including Riverlea Park) still used primarily for farming and upon which a land division has not been approved
- Land located within the Strategic Employment Zone used primarily for farming purposes
- Land located within the Employment Zone in Angle Vale & Virginia
- Land located within the Recreation Zone in Virginia, Buckland Park, Penfield and Penfield Gardens
- Land located within the Strategic Activity Centre Zone in Riverlea Park not used for commercial or residential purposes
- Land located within rural type zones (including also the Deferred Urban Zone, Open Space Zone and Residential Park Zone) with the exception of:
 - (a) Allotments under 3,000m² in area located within 200m of the Township Mainstreet Zone; and
 - (b) Allotments with direct or adjacent access to a footpath and not used for farming purposes.

- 4.6 The properties highlighted in red within Attachment 2 are properties within growth areas to which a land division has been approved since the consideration of the

rural rebate for 2023/24. Such an approval demonstrates an intent by the owner to no longer continue using the land for rural purposes. As our growth areas continue to develop, the number of properties to which the Rural Residential Rebate is applied will continue to decrease.

Released 14 April 2026



5. OPTIONS

Recommendation

1. Pursuant to Section 159(3) and 166(1) of the *Local Government Act 1999*, Council grants a discretionary rebate of general rates to those ratepayers listed in the Discretionary Rebates Schedule 2024/25 (the Rebates Schedule), (set out at Attachment 1) in respect of the rateable land for the percentages specified.
2. Pursuant to Sections 159(3) and 166(1)(m)(ii) of the *Local Government Act 1999*, Council grants a discretionary rebate of 10% of general rates in respect of rateable land located within the area identified in green on the map titled Rural Residential Rebate Map (set out at Attachment 2) and which has a land use attribution of category 1 (residential) or category 7 (primary production) and is not receiving a notional value from the Valuer General or had a fixed charge removed due to being a contiguous or single farming enterprise.

Option 2

1. Pursuant to Section 159(3) and 166(1) of the *Local Government Act 1999*, Council grants a discretionary rebate of general rates to those ratepayers listed in the Discretionary Rebates Schedule 2024/25 (the Rebates Schedule), (set out at Attachment 1) in respect of the rateable land for the percentages specified. Except for the amendments listed below.
 - _____
 - _____
 - _____
2. Pursuant to Sections 159(3) and 166(1)(m)(ii) of the *Local Government Act 1999*, Council grants a discretionary rebate of 10% of general rates in respect of rateable land located within the area identified in green on the map titled Rural Residential Rebate Map (set out at Attachment 2) and which has a land use attribution of category 1 (residential) or category 7 (primary production).

6. ANALYSIS OF OPTIONS

6.1 Recommendation Analysis

6.1.1 Analysis & Implications of the Recommendation

Discretionary rebates provide rates relief to community groups who provide important services to the Playford community. Without rate relief these community groups would be required to find the additional funds elsewhere, to continue to provide their services to our community.

Discretionary rebates also ensure we manage and incentivise the development of our growing city.

The Rural Residential Rebate was implemented in June 2021. The rebate aims to recognise that these ratepayers do not have the same ready access to some Council services and infrastructure. The objective of Council's rating structure is to ensure fairness and equity in the distribution of rates. The Rural Residential Rebate provides a suitable mechanism for delivering on this objective with regards to the identified Rural Residential ratepayers.

Risk Appetite

Regulatory Compliance

Council has a zero tolerance for non-compliance with applicable legislation including but not limited to: Local Government Act (LGA) 1999; Independent Commissioner Against Corruption (ICAC) Act 2012; Work Health & Safety (WHS) Act 2012; Environment Protection Act (EPA) 1993; Development Act 1993; Equal Employment Opportunity legislation; and Public Consultation legislation.

This decision will ensure compliance with relevant legislation.

Financial Sustainability

Council has a low appetite for short-term financial risk that adversely impacts on the delivery of the long-term financial plan and the Council's overall stability and sustainability.

This decision will contribute to fairness and equity and minimises further financial implications.

6.1.2 Financial Implications

The approval of rebates does not generally create a further financial implication as rebates are already anticipated/known and taken into account when setting rates and managing the Council budget.

6.2 Option 2 Analysis

6.2.1 Analysis & Implications of Option 2

Should Council amend rebates this would need to be communicated to the relevant community organisations and impacted ratepayers. Any amendments should consider principles of equity in application to these ratepayers.

6.2.2 Financial Implications

Any amendment to rebates has the potential to change overall rate revenue and the Council's operating position.

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C. COMMITTEE TO DECIDE HOW LONG ITEM 8.1 IS TO BE KEPT IN CONFIDENCE

PURPOSE

To resolve how long agenda item 8.1 is to be kept confidential.

STAFF RECOMMENDATION

Pursuant to Section 91(7) of the *Local Government Act 1999*, the Committee orders that the following aspects of Item 8.1 be kept confidential in accordance with Committee's reasons to deal with this item in confidence pursuant to Section 90(3)(b) of the *Local Government Act 1999*:

- Report for Item 8.1
- Attachments 1, 2 and 3 for Item 8.1
- Minutes for Item 8.1

This order shall operate until the next scheduled annual review of confidential items by Council at which time this order will be reviewed and determined in accordance with Section 91(9)(a) of the *Local Government Act 1999*.

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