

Adoption of valuations and declaration of rates 2025/26

Tuesday, 24 June 2025
Council

Strategic Alignment - Our Corporation

Program Contact:
Natalie Johnston, Associate
Director Finance & Procurement

Public

Approving Officer:
Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

Council adoption of valuations is required to enable the declaration of rates for 2025/26 in accordance with Section 167 of the Act. The Annual Value comprised within the Assessment Record amounts to a total of \$1,470,175,261 of which \$1,173,692,416 represents the total value of the rateable land within the area of the Council.

It is proposed that Council's rate revenue is generated through differential general rates in the dollar for residential, non-residential and vacant land property, namely \$0.115205 for residential property, \$0.141126 for non-residential property, and \$0.230409 for vacant land

The *Landscape South Australia Act 2019* (SA) imposes the duty on councils to charge a levy as though it were a separate rate under Chapter 10 of the Act, on rateable land in the defined area of the Green Adelaide Board. It is proposed to set a separate rate of \$0.001678 to recover this amount on behalf of the Board.

Council approval of the proposed Rundle Mall differential separate rate of \$0.031792 is required to ensure the marketing and management of the Rundle Mall Precinct can continue during 2025/26, including actions and initiatives to promote Rundle Mall as a destination for shopping and to enhance the vibrancy of the precinct.

The above are required to enable Council to adopt the 2025/26 Annual Business Plan and Budget.

RECOMMENDATION

THAT COUNCIL

Part 1 – Adoption of Valuations

1. Adopts for rating purposes for 2025/26, the valuations of land within the Council's area based on Annual Value, pursuant to Section 167 (2)(b) of the *Local Government Act 1999* (SA) (the Act). The Annual Value comprised within the Assessment Record amount to a total of \$1,470,175,261 of which \$1,173,692,416 represents the total value of the rateable land within the area of the Council.

Part 2 – Declaration of Rates

2. Declares the following differential general rates for the year ending 30 June 2026, to apply to all rateable land within the Council area (having considered and taken into account the general principles of rating outlined in Section 150 of the Act, and in accordance with Section 153 (2) of the Act, issues of consistency and equity across Council areas in the imposition of rates on various sectors of the business and wider community, the Council pursuant to sections 152(1)(a), 153(1)(b) and 156(1)(a) of the Act and Regulation 14 of the *Local Government (General) Regulations 2013*):
 - 2.1. \$0.115205 in the dollar of the \$331,774,116 value for all rateable land with a Category 1 (residential land) use.
 - 2.2. \$0.141126 in the dollar of the \$837,914,150 value for all rateable land use with category 2 (commercial shop), category 3 (commercial office), category 4 (commercial other), category 5 (industry light) and category 6 (industry other), category 7 (primary production), and category 9 (other) land uses

2.3. \$0.230409 in the dollar of the \$4,004,150 value for all rateable land with a Category 8 (vacant land) use.

3. Declares pursuant to Section 69 of the Landscape South Australia Act 2019 and Section 154 of the Act, a separate rate of \$0.001678 in the dollar on the \$1,173,692,416 value of all land within the City of Adelaide, which falls within the Green Adelaide Region, so as to reimburse the Council for the amount contributed or to be contributed by the Council to the Green Adelaide Board.
 4. Declares pursuant to Sections 154 (1), and (2)(a) of the Act, a separate rate of \$0.031792 in the dollar (to be known as the Rundle Mall separate rate) for the period 1 July 2025 to 30 June 2026, on the annual value of all rateable land within the Rundle Mall Precinct (except land within the Rundle Mall Precinct, which has a residential land use) being the area bounded by the:
 - 4.1. Southern alignment of North Terrace between Pulteney and King William Streets.
 - 4.2. Eastern alignment of King William Street between North Terrace and Grenfell Street.
 - 4.3. Northern alignment of Grenfell Street between King William and Pulteney Streets.
 - 4.4. Western alignment of Pulteney Street between Grenfell Street and North Terrace.
 5. Notes that the Rundle Mall differential separate rate will generate approximately \$4.169 million in 2025/26.
 6. Determines pursuant to Section 153 (3) of the Act, that it will not apply a maximum increase on general rates on rateable land that constitutes the principal place of residence of a principal ratepayer, given the rate relief to be provided under Section 166 through a 'Special Discretionary Rate Rebate' in accordance with Council's Rating Policy.
 7. Approves pursuant to the provisions of Section 181 of the Act, all rates and charges which have been imposed for the financial year ending 30 June 2026 will fall due in four equal or approximately equal instalments on the following days or if these days fall on a weekend or public holiday on the next business day: 1 September 2025; 1 December 2025; 2 March 2026; 1 June 2026.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Effective and compliant rating helps ensure responsible financial management through the principle of intergenerational equity while delivering quality services.
Policy	Rates and Valuations have been prepared in accordance with Council's Rating Policy.
Consultation	Community consultation on the draft 2025/26 Business Plan & Budget commenced at 9.00am on Tuesday 6 May 2025 and concluded on midnight Tuesday 27 May 2025, which reflected the expected revenue to be raised contingent upon valuations and declaration of rates.
Resource	Rate revenue, as Council's revenue source, underpins the 2025/26 Business Plan & Budget, which identifies how Council's resources will be allocated in meeting the 2025/26 deliverables and objectives of the Strategic Plan and other related plans and strategies.
Risk / Legal / Legislative	Sections 151 (3) and 167 (1)-(8) of the Act detail the legislative requirements in relation to Council adopting a valuation. The raising of rates is in-line with Sections 150 and 153 (2) of the Act. Sections 167 (6) and 170 of the Act requires Council to publish the appropriate notices in the Government Gazette and local Newspapers, within 21 days of the adoption of valuations and declaration of rates for 2025/26.
Opportunities	Not as a result of this report
24/25 Budget Allocation	Not as a result of this report
Proposed 25/26 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
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

Valuations

1. Council adoption of valuations is required to enable the declaration of rates for 2025/26 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 2025/26.
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 if 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. For the 2025/26 rating year, valuations have been prepared for all properties including new developments, and additions and alterations, by an independent external provider. The valuations for 2025/26 have been prepared based on the 'Annual Assessed Value' methodology.
5. The total of the valuation for 2025/26 is the valuation applying to the land within the area of the Corporation of the City of Adelaide.
6. The total valuation is \$1,470,175,261 and the total annual value of rateable land is \$1,173,692,416. The total annual value for land exempt from council rates is \$296,482,845.

Rates

7. The general principles of rating are contained within Section 150 of the Act. A Council should, when making and adopting policies and determinations concerning rates under this Act, consider the following principles:
 - 7.1. Section 150(a) rates constitute a system of taxation for local government purposes (generally based on the value of land).
 - 7.2. Rating policies should make reasonable provision with respect to strategies to provide relief from rates (where appropriate), and any such strategies should avoid narrow or unreasonably restrictive criteria and should not require ratepayers to meet onerous application requirements.
 - 7.3. The Council should, in making any decision, consider the financial effects of the decision on future generations.
8. Consideration has been given to issues of consistency and equity across Council areas in the imposition of rates on various residential and business sectors, and the wider community, as required in accordance with Section 153 (2) of the Act.
9. Section 156 (1) (a) of the Act allows Council to impose differential rates according to the use of the land as prescribed in Regulation 14 (1) of the *Local Government (General) Regulations 2013* (SA). The categories of land use for the purposes of imposing differential general rates are as follows:
 - 9.1. Residential
 - 9.2. Commercial – Shop
 - 9.3. Commercial – Office
 - 9.4. Commercial – Other
 - 9.5. Industrial – Light
 - 9.6. Industrial – Other
 - 9.7. Primary Production
 - 9.8. Vacant Land
 - 9.9. Other

10. It is proposed that Council's rate revenue is generated through differential general rates in the dollar for residential, non-residential and vacant land property, namely:
 - 10.1. \$0.115205 for residential
 - 10.2. \$0.141126 for non-residential
 - 10.3. \$0.230409 for vacant land
11. Section 181 of the Act enables all rates and charges which have been imposed for the financial year ending 30 June 2026 to fall due in four equal or approximately equal instalments on the following days or if these days fall on a weekend or public holiday on the next business day: 1 September 2025; 1 December 2025; 2 March 2026; 1 June 2026.

Rates – Separate Rates: Landscape Levy and Rundle Mall Levy

12. From 1 July 2020, the *Landscape South Australia Act 2019* (SA) replaced the *Natural Resources Management Act 2004* (SA). The previous Natural Resource Management Levy was replaced with a Landscape Levy commencing from the 2020/21 financial year.
13. The amount to be collected from ratepayers on behalf of the Green Adelaide Board (the Board) in the 2025/26 financial year is \$1,880,673.
14. The *Landscape South Australia Act 2019* (SA) imposes the duty on councils to charge a levy as though it were a separate rate under Chapter 10 of the Act, on rateable land in the defined area of the Board. Such a rate must be fixed and calculated to raise the same amount as the Council's share to be contributed to the Board (considering any rebates/remissions in Division 5, Chapter 10). As such, it is proposed to set a separate rate of \$0.001678 to recover this amount on behalf of the Board.
15. Council approval of the proposed Rundle Mall differential separate rate of \$0.031792 is required to ensure the marketing and management of the Rundle Mall Precinct can continue during 2025/26, including actions and initiatives to promote Rundle Mall as a destination for shopping and to enhance the vibrancy of the precinct.
16. The Rundle Mall Precinct refers to an area bordered by King William Street, North Terrace, Pulteney Street and Grenfell Street, as follows:
 - 16.1. Southern alignment of North Terrace between Pulteney and King William Streets.
 - 16.2. Eastern alignment of King William Street between North Terrace and Grenfell Street.
 - 16.3. Northern alignment of Grenfell Street between King William and Pulteney Streets.
 - 16.4. Western alignment of Pulteney Street between Grenfell Street and North Terrace.
17. The Rundle Mall differential separate rate is contributed by non-residential ratepayers within the defined Rundle Mall Precinct.
18. The Rundle Mall differential separate rate is declared pursuant to Section 154 (1) and (7) of the Act.
19. The Adelaide Economic Development Agency (AEDA), a Council subsidiary, has full responsibility for Rundle Mall management, operations, marketing and business development. Council's Administration provides corporate support, including cleaning, insurance, finance, audit and governance services, with the direct cost of these services reimbursed by AEDA.
20. The Rundle Mall differential separate rate is collected by Council on behalf of AEDA.
21. AEDA has advised its budget for 2025/26 assumes separate rate revenue of \$4.139 million, as approved by the AEDA Board. Any variation following the finalisation of the valuations for 2025/26 will be brought to Council in the first budget review for 2025/26.

Rates – Exemptions

22. Council's practice is to identify and value all land in the Council area. Once identified, rateability of each separate piece of land is assessed. Section 147 of the Act specifies those types of properties that shall be exempt from council rates. The City of Adelaide has the highest proportion of 'rate-exempt' properties of any Council in South Australia. In 2025/26 approximately \$41.8 million of rates revenue will be foregone in respect of 'rate exempt' properties.
23. Unalienated Crown land and land used or held by the Crown, or an instrumentality of the Crown is exempt from council rates if it is used for a public purpose (including an educational purpose), except any land held or occupied by the Crown under lease or licence, or where the property is used for domestic purposes.

24. University land is exempt from council rates when the University has been established by statute, excepting any residential or domestic land use.
25. The Recreation Grounds Rates and *Taxes Exemption Act 1981* (SA) specifies that recreation grounds shall be exempt from council rates where the land is occupied under a lease, licence or permit granted by the Council and is used by the occupier for the purposes of sport and recreation.
26. Council land is exempt from council rates where it is occupied or held by the Council, except where any such land is held from the Council under a lease or licence.
27. The *Fire and Emergency Services Act 2005* (SA) specifies that land occupied or held by an emergency services organisation will be exempt from council rates.
28. There are several Acts of Parliament which specifically exempt certain properties from paying council rates.
29. Council is mindful that wherever properties are exempt from paying council rates, or where a rebate is applied, those rates foregone must be contributed by the rest of the community. The principles of equity dictate that Council remains diligent in only awarding exemptions where they are warranted.

ATTACHMENTS

Nil

- END OF REPORT -