

WHEN WILL THE CHANGES HAPPEN

For these Councils, the changes will occur from 1 July 2023



City of Port Lincoln
portlincoln.sa.gov.au



District Council of Ceduna
ceduna.sa.gov.au



District Council of Kimba
kimba.sa.gov.au



District Council of Streaky Bay
streakybay.sa.gov.au



District Council of Tumby Bay
tumbybay.sa.gov.au

For the City of Whyalla, the changes will occur from 1 July 2024



City of Whyalla
whyalla.sa.gov.au

KEY CHANGES

Property rate calculations will no longer be based on site value, they can only be based on capital value.



**SITE
VALUE**

**CAPITAL
VALUE**



Some property rates will go down, and some will go up.



2 GENERAL ST

SITE VALUE
\$50,000

**CAPITAL
VALUE**
\$150,000

**RATES
DECREASE**



4 GENERAL ST

SITE VALUE
\$50,000

**CAPITAL
VALUE**
\$300,000

**RATES
INCREASE**



IMPORTANT CHANGES

TO COUNCIL PROPERTY RATING SYSTEMS

THE WAY SOME COUNCILS CALCULATE PROPERTY RATES IS CHANGING

Why is this happening?

The State Government has made changes to the Local Government Act which is the legislation that specifies the manner in which a Council raises property rates.

What is changing?

The key change that impacts property rates is that councils will no longer be able to use site value when calculating rates and will need to use capital value. Most councils already use capital value, but a few still use site value.

What is the difference between site and capital value?

Site value uses the value of the land to calculate property rates. Capital value uses the value of the land plus the value of buildings and other improvements to the land to calculate property rates.

How are property values determined?

Property values are calculated by comparing properties to similar properties recently sold, with appropriate adjustments made for any differences.

Each year, the Valuer-General of South Australia independently and objectively determines site and capital values for every rateable property in the state (referred to as the General Valuation).

Property valuations may increase or decrease each year depending on changes to the property and other market influences. Most councils in SA use capital value and adopt valuations from the Valuer-General.

How are rates calculated?

There are some variations to this, however in general Councils work out how much revenue they need to raise in total from property rates, then divide this by the total valuations of all the properties in the Council, and the result is a Rate in the Dollar (RID). The RID is multiplied by the property value to calculate the property rates.

What happens when we change to capital value?

Capital valuations are higher than site valuations however Council will still need the same amount of rate revenue in total. The rate revenue needed divided by the total capital valuations will result in a lower RID. If a property's increase in value due to using capital value is the same as the average for the Council, property rates will not be higher with capital value for that property. However not all properties will change by the average, and some will have higher property rates and some lower property rates.

What is the process for making this change?

The six councils in South Australia who are required to make these changes will work together closely and with the Local Government Association of South Australia to complete extensive modelling of the impact of the changes, consider mechanisms to limit the impact on ratepayers who may be significantly affected by the rating changes and undertake a comprehensive community awareness program relating to the changes.

When is the change happening?

The City of Port Lincoln, District Council of Streaky Bay, District Council of Kimba, District Council of Tumby Bay and

the District Council of Ceduna are planning to commence the change for the rating system for the 2023/24 financial year which comes into effect from the 1 July 2023.

The City of Whyalla is planning to commence the change for the rating system for the 2024/25 financial year from the 1 July 2024.

What do I need to do now or what if I have a question?

This information is advance notice of the changes. There is no action required of property owners. Further information will be provided closer to the proposed transition dates for the changes.

Although we welcome queries from our community, at this stage, the Councils cannot provide any indication of individual impact on ratepayers, so we can't tell you how you're likely to be impacted.

This is a part of the modelling process that Councils will need to undertake over the next 12 months.

Once this process is completed, Councils will contact ratepayers and provide them with further information.

