

WHEN WILL THE CHANGES HAPPEN

The changes will occur from 1 July 2024



City of Port Lincoln
portlincoln.sa.gov.au

When will 2024/2025 rating estimates be available?

City of Port Lincoln will be able to provide an estimate on the 2024/2025 financial year rate in the dollar as part of its Public Consultation on the Annual Business Plan during the month of May and June 2024.

Feedback can be provided to Council as part of this process through email, the YourSay website or in writing to Council. Alternatively, feel free to discuss your concerns with one of the Elected Members of the City of Port Lincoln.

Direct enquiries can be made to the Senior Rates Officer via Email: aorates@plcc.sa.gov.au or Phone: 08 8621 2300

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 COUNCIL IS CALCULATING 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).

These valuations are also used by other government agencies for example Revenue SA for the Emergency Services Levy.

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. For more information on how values are determined, please refer to the Office of the Valuer-General:

Website: www.valuergeneral.sa.gov.au
Email: OVGenquiries@sa.gov.au
Phone: 08 8423 5000

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.

The City of Port Lincoln applies a Fixed Charge which effectively reduces the RID further.

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 remaining councils in South Australia who are required to make these changes and the Local Government Association of South Australia have worked together closely to complete extensive modelling of the impact of the changes and consider mechanisms to limit the impact on ratepayers who may be significantly affected by the rating changes.

When is the change happening?

The City of Port Lincoln will transition to Capital Value as basis of rating for the 2024/25 financial year from 1 July 2024.

Once Council goes to Community Consultation with its Annual Business Plan, keep your eyes open for community drop in session days and times to see how your rates will change.

