

Fact Sheet 06

Council Rates Rebates



Local
Government
Association
of South
Australia

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www.lga.sa.gov.au

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Each year South Australian Councils provide assistance to pensioner concessions and self funded retirees through State funded concessions. Additional assistance is available to ratepayers through mandatory and discretionary rebates, remissions and postponement of rates.

Pensioner Concessions

Under the Rates and Land Tax Remission Act 1986 the State Government provides concessions on Council rates to individuals who:

- own or part own their home and occupy it as their principal place of residence on the date the Council rates account is payable for the relevant financial year;
- are responsible for paying the rates on that property; and
- meet the State Government's definitions of low and/or fixed income.

A maximum concession of up to \$190 is available if the owner-ratepayer is:

- a pensioner and has a current Pensioner Concession Card or Department of Veterans' Affairs (DVA) Gold Card (TPI, EDA, WW) or receives an eligible Centrelink Allowance; or
- a low income wage earner who meets the DCSI low income threshold.

A maximum of up to \$100 is available if the owner-ratepayer is a Self-Funded Retiree who holds a State Seniors Card.

Postponement of Council Rates

The postponement of Council rates allows a ratepayer who holds or is in the process of applying for a State Seniors Card to postpone a portion of their rates

if the property is their principal place of residence and if no other person other than their spouse has an interest as owner of the property. The portion of rates which is postponed is payable when title to the relevant land is transferred to another person (eg sold), or there is a failure to comply with a condition that is imposed by Regulations under the Act.

In postponing rates, at least \$500 of the total annual bill must be paid. The minimum amount of \$500 will be reduced by any State Seniors card concession and/or Council remissions if applicable unless agreed otherwise.



Postponement of Rates Example Calculation:

Total rates amount	\$1,500
Minimum amount payable	\$500
Concession/Remission	\$190
Payment due	\$310
	(\$77.50/quarter)

Total amount postponed \$1,000



Interest is calculated and compounded monthly on the postponed rates debt. The interest rate is prescribed by the Act and is amended annually on 1 July in line with general movements in interest rates.

On Saturday morning, you wake up and decide to cycle down the **road** to the **beach** for a quick swim and take a walk along the **jetty**. Heading home along the **bike-path**, you decide to stop by your **local library** and browse on the **internet** and check out that **book** you have been meaning to read. Later on you head down to the local **oval** to watch a game of footy and use the **community grill** to have a BBQ with a few friends as the kids play on the **playground** in the **park** nearby.



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Interest on Postponed Council Rates Example Calculation

The amount of Mr Senior's Council rates amount for the 2011-2012 Rating Period is \$1,500.00. The Council deducts Mr Sernior's pensioner concession of \$190 from the amount of \$500 he must pay. That means he will pay \$310, and postpone the remaining balance of \$1,000.

Mr Senior then pays the \$310 over four quarterly instalments.

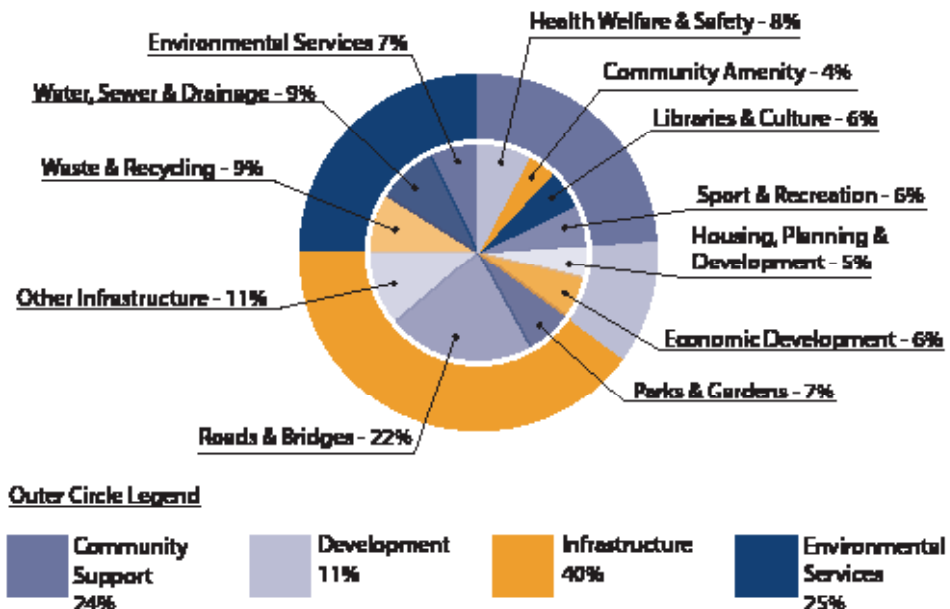
The interest charge on the \$1000 rates postponed for the 2012-13 Rating Period will be, say, 4.0% per annum or 0.33333% monthly (that is, 4.0% divided by 12). Interest will be compounded on a monthly basis. At the end of June 2013 the amount of interest accrued on the postponed rates amount of \$1,000 will be \$40.74, and the total amount of the postponed rate debt as at that date will be \$1,040.74.

If Mr Senior decides to postpone rates in the subsequent year, the interest charge would be applied to \$1040.74 (the initial \$1,000 rate postponed plus \$40.74 interest accrued in the 2012-13 rating period) plus the amount or rates postponed in the 2013-2014 rating period.

Remissions of Council Rates

Ratepayers experiencing ongoing or extreme financial hardship may apply to

Council Outlays (Operating and Capital) by Function



their Council for a remission of rates and charges. Each application is considered on its own merits and is assessed subject to evidence of ongoing extreme hardship criteria determined by each Council. The LGA also has developed assessment of hardship guidelines to assist Councils.

Mandatory/Discretionary Council Rates Rebates

The Local Government Act 1999 (the Act) provides for mandatory and discretionary rebates for rates in certain circumstances. The Act stipulates where rebates are a mandatory requirement while further provisions allow for Councils to determine discretionary rebates.

Mandatory rebates provide partial or full rebates on Council rates to various organisations, associations and institutions. Sections 159-165 of the Act lists those that must receive rebates and include:

- health services;
- community services;
- religious purposes;
- public cemeteries; and
- educational purposes.

Individual Councils may provide discretionary rebates under Section 166 of the Act. These rebates often are based on ratepayers' ability to pay.

For the 2010-11 financial year, Councils provided over \$28.5 million in rate mandatory and discretionary rebates.