

Rates Early Payment Discount

FAQs

Why is there a discount?

Council provides a rate discount under section 181(11) of the Act to encourage the payment of instalments of rates in advance or prompt payment of rates.

What is the discount?

Mitcham offers a 1% discount for those ratepayers who pay the full year rates on or prior to the quarter 1 due date.

What is the cost of the discount?

In 2020/21, 6,130 residential ratepayers received the discount at a cost of \$106,000 (\$17 average per property) and 310 Commercial / Vacant Land ratepayers at a cost of \$13,000 (\$42 average per property) at an approximate cost of \$120,000 to all ratepayers.

Who is receiving the discount?

Capital value distribution analysis show that those who decide to pay the full year rates are not significantly different to the overall distribution, i.e. it is neither benefiting more for those with lower value properties or higher valued properties.

How will we share the discount with all ratepayers?

Those who currently pay their rates in full at the start of the year would no longer receive 1% off their rates, (an average of \$17). The money saved as a result of this proposal would be redistributed to all properties as part of the 2021/22 Annual Budget (an average of \$3 per property across 30,000 properties).

To continue to recognise the early payment of rates, Council is proposing to offer six randomly drawn rates discount of up to \$2,500 presented to one ratepayer from each ward.

It is proposed that Elected Members and Council Employees who are ratepayers are not eligible to receive the randomly drawn discount.

Council will consider submissions that will be provided in a report in April 2021, prior to adopting the 2021/22 rating policy in June 2021.

What are the average residential rates for 2020/21?

\$1,800.

How to provide feedback

The community is invited to provide feedback on the proposal by completing an online form at www.mitchamcouncil.sa.gov.au/rates-discount by 5pm Sunday 14 March 2021.

