

Murray Bridge Rating Review FAQ's

Q - Why are we looking to change?

A - In all aspects of operations, it is important that Council continually reviews its policies, procedures and structures to ensure they meet the unique needs of the community.

In reviewing its current Rating Policy and the Rate Payer valuation distribution, Council acknowledged that this same model has been used for some time (since amalgamation). Over the past 5 years the Rural City of Murray Bridge has seen material adjustments to property valuations across all assessments, ultimately changing the mix of assessable Capital Value across the 5 differentials.

This change in distribution of property value potentially changes a fair distribution of the rating burden across the different land uses. The proposed models will provide alternatives to consider, in an attempt to find the fairest distribution of the rate burden.

Q - What does a Fixed Charge mean? How is it different to Minimum Rate?

A - A **Fixed Charge** is an alternative to a **Minimum Rate**. Both approaches ensure that all rateable properties contribute a base amount toward the costs of administering Council activities and maintaining the services and infrastructure that support each property.

A **Fixed Charge** is a set amount applied to each property in addition to the differential rate. Currently, Council uses a Minimum Rate structure, which applies when the differential rate calculation results in annual rates below the minimum amount.

(The **differential rate** is calculated by multiplying the property's value by the applicable differential rate, which varies based on the property's land use.)

The **Minimum Rate** ensures that lower-valued properties do not pay less than the minimum amount, which is currently \$1,152.

In rating structures where a **Fixed Charge** is used, the rates generated from the differential rate calculation tend to be lower overall.

Q - What about the Rate in the Dollar?

A - In a Fixed Rate structure, the amount collected through the Differential Rate is much lower compared to a Minimum Rate structure. This is because the Minimum Rate structure sets a baseline amount that every property must pay, while the Fixed Charge structure does not. As a result, the Rate in the Dollar tends to be lower in a Fixed Charge structure.

In any Fixed Charge structure, the higher the Fixed Charge, the smaller the amount generated through the Differential Rate calculation. This means that a higher Fixed Charge leads to a lower Rate in the Dollar.

For example, comparing the \$750 Fixed Charge (Option 3) with the \$500 Fixed Charge (Option 4) highlights this relationship. Under Option 3, the Residential Rate in the Dollar is 0.003979, while under Option 4, it increases to 0.004492, reflecting the impact of the different Fixed Rates.

Q - Will a Minimum Rate still apply if we have a Fixed Charge?

A - A rating structure can only use either a **Minimum Rate** or a **Fixed Charge**, there would be no **Minimum Rate** in place should a Fixed Rating structure be used.

Q - There are other charges on my rates Notice, will these other Service Charges change?

A - This initial consultation focuses on engaging the community about the Standard Rating structure and their preferences regarding how these rates are determined. It does not address the calculation of other charges.

The Landscape SA Levy is a charge collected by Local Governments on behalf of the Regional Landscape SA Board. Council has no control over the amount set for this levy—it simply collects the amount specified by the Landscape SA Board.

Waste Collection and other Service Charges are based on the actual costs of providing specific services. These charges apply only when a property utilises a particular service. Council reviews these charges annually to ensure they cover the cost of providing the service, without generating excess revenue. Adjustments may occur each year to reflect changes in the cost of delivering these services.

For more information relating to Council rates in South Australia, please visit the LGA website at: www.localcouncils.sa.gov.au/how-councils-work/council-rates or via QR code below:



Community feedback will be collected through informal drop-in sessions, Council's Let's Talk platform and written submissions. Key Council administration staff will be available at the drop-in sessions to provide information and answer questions about the review, offering residents the opportunity to share perspectives and help shape the outcome.

Drop-in Session Details:

- Wednesday 18 December 2024 | 2:00 pm – 5:00 pm
- Monday 13 January 2025 | 10:00 am – 12:00 pm

Location: Rural City of Murray Bridge Local Government Centre

Written submissions can be sent by email to council@murraybridge.sa.gov.au or posted to:

Rating Policy Review Consultation

Rural City of Murray Bridge

PO Box 421

Murray Bridge SA 5253

Feedback closes at 5 pm on Wednesday 15 January 2025.