



A Review of the Basis of Rating Consultation Paper Rural City of Murray Bridge

This paper is presented to the community to provide information and invite feedback on possible changes to the Council's basis of rating.

Consultation Period

**Thursday 27 February to
Tuesday 25 March 2025**

Information Sessions

**Two Drop-In Sessions
At the Local Government Centre
2 Seventh Street, Murray Bridge**

**11 March 2025 at 2:00pm to 5:00pm
18 March 2025 at 9:00am to 12:00pm**

Public Meeting

**At the Council Chamber
Local Government Centre
2 Seventh Street, Murray Bridge**

**Monday 24 March 2025
At 7:00pm**

Submissions

Written submissions to:

**Chief Executive Officer
Rural City of Murray Bridge
PO Box 421
Murray Bridge SA 5253**

Email: council@murraybridge.sa.gov.au

Written submissions will be accepted at the Public Meeting

February 2025

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1. Introduction

Councils are responsible for delivering a broad range of services to their communities. Each community is unique and has different priorities. Councils receive income from several sources to pay for their services, with the largest revenue source being rates.

The Rural City of Murray Bridge (RCMB) is considering making changes to the basis upon which rates are charged. When considering making these changes, a council is required to undertake a rating review and consider the best way for the Council to distribute the rate burden against the properties within its community.

Section 151(5) of the *Local Government Act 1999 (Act)* requires that the Council must produce a public report that addresses the following when changing their basis of rating and to follow their public consultation policy:

- The reasons for the proposed change.
- The relationship of the proposed change to the Council's overall rates structure and policies.
- As far as practicable, the likely impact of the proposed change on ratepayers.
- Issues concerning equity within the community.
- Any other issues that the Council considers relevant.

2. Reason for Proposed Changes

The Council's current rating system has been in place for many years. During the past 5 years, there have been material increases in property valuations, which have been uneven across the Council's rating categories.

Due to these material changes and forward-looking growth impacts, the Council is undertaking this rate review to ensure that the rates raised are appropriate and relevant for our community in the present day, with the ability to adjust accordingly going forward. Through this process, it is intended to address any issues about the equity of the impact of rates on all ratepayers.

In reviewing the current rating system against the changing valuation and assessment mix, the Council has considered a range of local issues such as:

- Increase in the number of assessments across different rating categories
- Changes in property valuation mix
- Townships and rural areas
- High-valued residential properties
- Owner-occupied and investment property mix
- Level of discount given to the primary production sector
- Disparity between commercial and industrial differential rates
- Industry attraction and job creation for a growing community
- Impact of vacant properties in the ever-changing environment

3. Proposed Changes to Rates

The Elected Members have considered the information that is contained in this paper over a number of workshops. Rating methods available, proposed changes and likely impacts are detailed in this paper and are now provided for public consultation.

Note that the changes in this paper are proposed changes. The Council will make a decision after receiving feedback from the community. The proposed changes may be altered after the Council considers feedback received.

The changes proposed in this paper are:

- Changing from a Minimum Rate to a Fixed Charge of \$750. The Minimum Rate for 2024/25 is \$1,151
- The Differential Percentage to be set as per the following table. A differential compares the Rate in the Dollar (RID) for each rating category to the Residential RID.

Rating Category	Rate in the Dollar (RID) compared to the Residential RID	
	Current Differential	Proposed Differential
Residential	100%	100%
Commercial Shop	160%	140%
Commercial Office	160%	140%
Commercial Other	160%	140%
Industry Light	140%	120%
Industry Other	140%	120%
Primary Production	90%	90%
Vacant Land	130%	150%
Other	100%	100%

The proposed changes and their likely effect on Ratepayers are detailed in section 18 of this paper.

4. Support for Ratepayers

Changes to the way the Council sets its rates will result in some ratepayers paying higher rates than previously and some paying lower rates.

There is assistance for ratepayers who need help paying their rates due to these changes, and the following support is available:

- Payment Plans for ratepayers who apply for assistance.
- Seniors can postpone a portion of rates. The postponed portion would not require payment until a property is sold. Interest would still apply.
- Residents experiencing financial hardship may be eligible for further support based on the recommendation of a financial counsellor, whose services are available free of charge.
- The Council currently provides a capping rebate for ratepayers who live on their properties (principal place of residence). The capping rebate is currently 15% and 7.5% for pensioners. This means that if a property's rates increase by more than 15% (or 7.5% for pensioners), a rebate will be applied to 'cap' the increase. The rebate is not available if the increase in rates is due to capital works, and ratepayers must apply for the rebate in writing.

5. Consultation

It is important for the Council to receive feedback from the community when making decisions that affect ratepayers. The council is required to consult when reviewing rating methods, and your comments are very useful to help the Council understand the community and make decisions that soundly reflect your current and future needs.

Note that the changes in this paper are proposed changes. The Council will make a decision after receiving feedback from the community. The proposed changes may be altered after the Council considers feedback received.

The consultation will be open for the following period:
Thursday 27 February to Tuesday 24 March 2025

5.1. Information Session

There will be two drop-in sessions at the Local Government Centre, 2 Seventh Street, Murray Bridge. Ratepayers can meet with council staff to look up their property's details and see the likely effect of the proposed changes.

Information Sessions

Local Government Centre
2 Seventh Street, Murray Bridge
Tuesday 11 March 2025 at 2:00pm – 5:00pm
Tuesday 18 March 2025 at 9:00am to 12:00pm

5.2. Public Meeting

There will be a Public Meeting held. During this meeting, members of the community can ask questions and make written submissions.

Public Meeting

Council Chambers, Local Government Centre
2 Seventh Street, Murray Bridget

Monday 24 March 2025 at 7:00pm

5.3. Submissions

Community members are invited to write submissions expressing their views on the future structure of the Council's basis of rating and the information contained within this consultation paper. Submissions will be accepted until 5.00 pm Tuesday, 25 March 2025.

Written Submissions to:

Chief Executive Officer
Rural City of Murray Bridge
PO Box 421
Murray Bridge SA 5253

Let's Talk – there will be a link to the Council's Let's Talk Platform on the Council's website: www.murraybridge.sa.gov.au

Email: council@murraybridge.sa.gov.au

Written Submissions will also be accepted at the Public Meeting.

5.4. Further Information

Ratepayers can contact the Council and speak to a staff member to see the possible changes for their properties.

Email: Brad Warncken - council@murraybridge.sa.gov.au with any questions.

6. The Purpose of this Consultation Paper

The purpose of this consultation paper is to provide our community with information concerning the following, which the Council has considered as background to the proposed changes:

- Why Councils collect rates.
- Council's current rating methodology.
- The legislative framework for setting Council rates.
- Rating options available.
- The right option for the Rural City of Murray Bridge.
- Consultation Requirements.

7. Why Councils Collect Rates

Councils are responsible for delivering a broad range of services to the community. The range of services continues to grow.

To support the provision of services and to improve the quality of life for the community, whether residential or business, Councils provide significant levels of infrastructure in the form of roads, drainage, buildings, parks, and recreation facilities. This infrastructure needs to be maintained and replaced. Councils also provide a vast range of other services to their communities.

Each Council provides unique services for their communities as different communities have different priorities. Councils are therefore faced with the challenges of:

- Establishing a level of infrastructure and services for its community
- Equitably distributing revenue raising that provides funding for infrastructure and services.

As each Council faces different circumstances and provides diverse services to its community, its revenue requirements likely differ from those of its neighbours. The capacity of each Council to raise revenue and how the ratepayers will share in providing the revenue will also be different in each Council.

7.1. Nature of Council Rates

Taxation is the primary source of revenue for Governments. Councils are responsible for raising their revenue through property taxation (Rates) and user charges as prescribed by legislation. Councils also receive Government grant funding.

Rates are a tax against the value of a property. The principle is that the higher the property's value, the more you should pay. Ratepayers might question the value they individually receive from their rates; however, rates are raised as a form of taxation for services for the whole community.

One problem with a property tax is that someone who owns a property with a high value may not have the income to pay a higher level of taxation. To address this, Councils have hardship policies that can be used to assist ratepayers who find it difficult to pay their rates.

7.2. Principles of Taxation

When setting taxes, Governments and Councils need to be mindful of the principles of taxation. The principles are:

- Equity – taxpayers with the same income pay the same tax (horizontal equity), and wealthier taxpayers pay more tax (vertical equity). With rating, this means those with higher-valued properties pay more rates.
- Benefit – taxpayers should receive some benefit from paying tax, but not necessarily to the extent of the tax paid. The community should receive the benefit from the tax.
- Ability-to-pay – in levying taxes, the ability of the taxpayer to pay the tax must be considered.
- Efficiency – if a tax is designed to change consumers' behaviour and the behaviour changes, the tax is efficient (e.g., tobacco taxes). If a tax is intended to be neutral in its effect on taxpayers and it changes taxpayers' behaviour, the tax is inefficient.
- Simplicity – the tax must be understandable, hard to avoid and easy to collect.

To some extent, these principles conflict with each other. Governments and Councils must balance the application of the principles, the policy objectives of taxation, the need to raise revenue and the effects of the tax on the community.

8. Legislative Framework for Setting Council Rates

The Act sets out the framework of Rating for Councils. The Act can be accessed at <https://www.legislation.sa.gov.au>.

The legislation outlines the following topics that are relevant for the Council when considering changing its basis of rating.

Chapter 10 – Rates and Charges

- **Part 1 – Rates and charges on land**
 - Division 1 - Preliminary
 - Division 2 – Basis of Rating
 - Division 3 – Specific characteristics of rates and charges
 - Division 4 – Differential rating and special adjustments
 - Division 5 – Rebates of rates
 - Division 6 – Valuation of land for the purpose of rating

Section 151(2) of the Act sets out that the value of the land for the purpose of rating is its capital value.

9. Rating Options Available

There are several alternative rating options available under the Act. The options that can be considered are:

- A General Rate
- A Differential Rate
- Fixed Charge
- Minimum Rate
- Separate Rates

All rating options provide different ways to distribute the cost of running the Council among ratepayers. Councils need to consider the profile and issues of their communities and determine the method that distributes the rates tax burden in the most appropriate manner for their community.

The following areas of this section explain how rates are calculated and how different rating options work.

9.1. A General Rate

All properties are charged the same RID, regardless of Land Use or Locality. This is very simple to administer.

9.2. A Differential Rate

This means there are different RIDs set for different categories of properties. A Council can use either Land Use, Locality (Zones), or a combination. Differentiating properties based on Locality and Land Use are described below.

A differential rate allows a Council to structure their rating strategy more closely with its community's needs and profile and to use rating as a tool to assist in achieving the Council's strategic goals.

9.2.1. Locality

Rating by Locality is rating according to where a property is located. The Development Zone determines the locality of the property. For example, some Councils set a different RID for different townships or, whether a property is inside or outside a township(s) or different industry zones.

9.2.2. Land Use

This is where the RID is set depending on what the property is used for. The Land Use types in accordance with the Local Government Regulations and as determined by the Valuer General are:

- Residential
- Commercial (Shop)
- Commercial (Office)
- Commercial (Other)
- Industrial (Light)
- Industrial (Other)
- Primary Production
- Vacant Land
- Other
- Marina Berths

Differential rates based on land use can make it easier for a council to understand what factors impact different types of ratepayers and how different rating strategies affect them.

Differentials can also be used based on Locality and Land Use combinations, and Councils that use this combination can have more complex rating structures.

Differential rates allow a Council to set policy direction regarding their rating, such as:

- A Lower RID to assist or encourage a specific type of Land Use.
- A higher RID to deter a specific type of land use or as an acknowledgement that a particular land use group needs to pay a higher contribution to the rate burden for the community.

9.3. Fixed Charge

Under this system, a fixed amount is first applied evenly against all ratepayers. The remaining amount of rate revenue required is then divided by the total valuations of all the properties to result in the RID. Properties are charged the Fixed Charge + the rate calculation.

The Act states that a Council must not seek to set a Fixed Charge at levels that will raise more than 50% of all general rate revenue.

The effect of a Fixed Charge is a lower rate in the dollar, so higher-valued properties pay less than they would if there were no Fixed Charge, and lower-valued properties pay more.

Contiguous Land provisions within the Act provide that only one fixed Rate is payable across adjoining land owned and occupied by the same ratepayer (as if they were one property).

Single Farm Enterprises are only subject to one Fixed Charge (where applicable).

9.4. Minimum Rate

A minimum rate is only applied where the calculated rates (valuation x RID) is lower than a point that the Council has set as a minimum to pay. This ensures that all ratepayers pay at least a certain amount.

The legislation specifies that the number of properties on the minimum rate cannot exceed 35% of the total number of properties.

Contiguous Land provisions within the Act provide that only one Minimum Rate is payable across adjoining land owned and occupied by the same ratepayer (as if they were one property).

Single Farm Enterprises are also only subject to one Minimum Rate (where applicable).

9.5. Separate Rates

A Council can set a Separate Rate for the whole or part of an area for the purpose of planning, carrying out, making available, supporting, maintaining, or improving an activity that is of particular benefit to the occupiers of the land within that area.

Separate Rates are not being considered as part of this Rating Review.

10. Service Rates & Charges

A service charge is raised where a service is provided. Councils often raise service charges for the following:

- Treatment of water, i.e., Community Wastewater Management System (CWMS)
- Collection of domestic waste, i.e., Mobile Garbage Bin Collection (MGB)
- Provision of Water

The legislation provides that Service Rates and charges must cover the costs of the services provided, including the cost of replacement infrastructure, such as replacing pipes and pumps within a Community Wastewater Management System.

No changes to Service Rates and Charges are being considered as part of this Rating Review.

11. How Rates Are Calculated

11.1. Example – Minimum Rate

The example below shows how rates are calculated when a Council uses a Minimum Rate. Note that this is an example only.

Example:

- A council needs to raise rates of \$35,000,000
- The value of all the rateable properties in the Council is \$6,000,000,000
- Minimum set at \$1,000

The rates needed are divided by the total property values to get the Rate in the Dollar (RID)

$$= \$35,000,000 \text{ divided by } \$6,000,000,000 \quad 0.0058$$

The Rate in the Dollar is 0.0058

The Rate in the Dollar (RID) is then adjusted to provide for rebates and any higher or lower differentials allocated against specific categories of ratepayers. If one group of ratepayers pay a lower RID, then the other ratepayer groups will pay a higher RID.

For the example below, the RID has not been adjusted.

A property with a Value of \$500,000 would have the following rate calculation:

$$\text{Property Valuation of } \$500,000 \times \text{RID of } .0058 \quad \underline{\$2,900}$$

If the calculation for rates for a property is less than the minimum, the minimum is paid.

11.2. Example – Fixed Charge

The example below shows how rates are calculated when a Council uses a Fixed Charge. Note that this is an example only.

Example:

- A council needs to raise rates of \$35,000,000
- The value of all the rateable properties in the Council is \$6,000,000,000
- The Fixed Charge is set at \$1,000
- Number of Rateable Properties 12,000

Step 1 – Calculate the Rates from the Fixed Charge

- 12,000 properties x the Fixed Charge of \$1,000 \$12,000,000
- Remainder of rates still to be charged
 - \$35,000,000 less \$12,000,000 \$23,000,000

Step 2 – Calculate the RID

- Rates still needed being \$23,000,000 divided by \$6,000,000,000 .0038

A property with a value of \$500,000 would have the following rate calculation:

• Fixed Charge	\$1,000
• Value of property \$500,000 x RID of .0038	<u>\$1,900</u>
Total Rates	\$2,900

11.3. Minimum Rate vs Fixed Charge

In the example above, both properties pay the same rates. However, the effect of using a Fixed Charge is to decrease the RID. This means that if the Minimum Rate and the Fixed Charge are the same, properties of lower value will pay more with a Fixed Charge compared to what they would pay with a Minimum Rate. Conversely, properties with higher values will pay less on a Fixed Charge compared to what they would pay with a Minimum Rate.

Where the Minimum Rate and Fixed Charge vary, the comparison results between a Fixed Charge and a Minimum Rate will also vary.

11.4. Valuation Changes

If the value of all or some of the properties increases and the Council still needs to raise the same amount of rates, the RID will decrease. Council does not receive additional rates when values go up; however, valuation changes are not uniform across all types of properties, and this may result in some properties paying more rates and some paying less than previously.

12. Non-Rateable Properties

Section 147 of the Act sets out the land which is exempt from rates as being:

- Crown Land
- Land held by the Crown or an instrumentality of the Crown for a public purpose.
- Land occupied by a university.
- Land exempt from rates and taxes under the Recreation Grounds Rates and Taxes Exemption Act 1981
- Land occupied by the Council except where under a lease or licence.
- Land occupied by a subsidiary.
- Land occupied or held by an emergency service organisation.
- Land exempt from Council rates by another Act

Non-rateable properties will still incur Service Rates and Charges.

13. Rate Rebates

The Act requires Councils to rebate the rates payable for certain Land Uses ('Mandatory' Rate Rebates):

- Section 160 – Health Services
- Section 161 – Community Services
- Section 162 – Religious Purposes
- Section 163 – Public Cemeteries
- Section 164 – Royal Zoological Society of SA
- Section 165 – Educational Purposes

Councils also have a general power to grant discretionary rebates and remissions in accordance with Sections 166 & and 182 of the Local Government Act 1999. The exercise of this power allows for the following:

- Local discretion
- The pursuit of local policy objectives
- Assistance to community organisations
- Assistance to local businesses
- Assistance in the case of hardship

Councils can provide Rate Rebates for many reasons, including to assist ratepayers:

- To support certain activities
- Where there are significant increases in valuations for only some properties, resulting in substantial increases in rates.
- Where there is a change in the basis of rating, some ratepayers may face significant rate increases.

The Council must be mindful that when providing rebates, the same level of rates is still required for the Council's budget. If some ratepayers are provided rebates, all the other ratepayers will need to pay more.

13.1. Postponement of Rates

13.1.1. Hardship

Councils can wholly or partially postpone rates based on hardship in accordance with Section 182 of the Act.

13.1.2. Businesses

Councils can grant postponements of rates to assist or support a business in its area.

13.1.3. Seniors

Ratepayers who hold a Seniors Card can apply to the Council to postpone payment of the portion of rates on their principal place of residence that exceeds \$500. A Council may reject an application for a postponement if the amount postponed exceeds 50% of the capital value of the land. Postponed rates remain a charge on the land and are only required to be repaid once the property is sold or disposed of.

Interest accrues on the amount affected by the postponement in accordance with the prescribed interest rate.

13.2. Unusual Events

Councils may assist ratepayers affected by unusual events by postponing payments, not charging fines and interest, or offering rebates. Unusual events can include:

- Fire
- Flood
- Drought
- Pandemic

14. Rural City of Murray Bridge's Current Rating System

14.1. Land Valuation

RCMB uses Capital Valuations provided annually by the Valuer-General to rate property within its area.

The Capital Value includes the land's value and any improvements to the land (such as housing).

The Valuer-General analyses the sales of all property types to determine market movements, if any. This analysis of sales happens continuously throughout the year. The Valuer-General advises that different market movements can occur amongst varying property types and localities.

Certain properties may be eligible for a notional (concessional) value under the *Valuation of Land Act 1971*. This can relate to certain primary production land or where there is a state heritage recognition. A notional value is generally less than the capital value and will reduce rates.

14.2. Differential Rates Based on Land Use

The Council currently calculates its rates depending on the differential factors of Land Use. The categories, current RID and differential compared to Residential Rates for 2024/25 are set out in the following table;

Rating Category (Land Use)	RID	Differential
Residential	.005246	100%
Commercial Shop	.0083936	160%
Commercial Office	.0083936	160%
Commercial Other	.0083936	160%
Industry Light	.0073445	140%
Industry Other	.0073445	140%
Primary Production	.0047214	90%
Vacant Land	.0068198	130%
Other	.0052460	100%

14.3. Minimum Rate

The Council declared a Minimum Rate of \$1,151 for 2024/25.

Rates are calculated by multiplying the property value by the rate in the dollar. If the calculated rates are lower than the Minimum Rate, the Minimum Rate is applied.

15. Rural City of Murray Bridge's Profile

15.1. Australian Bureau of Statistics

Understanding the community profile is essential before making decisions affecting the community. The Australian Bureau of Statistics has considerable data that can be used. The data only reflects the 'permanent' residents of the district. The table below shows some of the data for the Council area.

Note that percentages in the following tables do not always add up to 100% as not all data is included, and some census respondents did not respond in all categories.

Income

ABS data published in 2021	RCMB
Total personal income - Year	
• Earning \$1-\$499 per Week (\$52 to \$25,999 per year)	31.9%
• Earning \$500-\$999 per Week (\$26,000 to \$51,999 per year)	27.8%

• Earning \$1000-\$1999 per Week (\$52,000 to \$103,999 per year)	20.1%
• Earning \$2000-\$2999 per Week (\$104,000 to \$155,999 per year)	2.6%
• Earning \$3000 or more per Week (\$156,000 or more per year)	1.1%

Mortgage and Rent Affordability

ABS data published in 2021	RCMB
Mortgage and Rent affordability (2021) – <i>Interest and Rent have increased considerably across Australia since 2021.</i>	
• Households where mortgage payments are more than 30% of income	11.9%
• Households where rent payments are more than 30% of income	30.5%

Business

ABS data published June 2023	RCMB
Number of Businesses	1,399
Employers	
Number of non-employing businesses	861
Number employing 1-4 employees	343
Number employing 5-19 employees	158
Number employing 20 or more	37
Types of Businesses (Most Common)	
• Agriculture, forestry and fishing	278
• Construction	232
• Rental, hiring and real estate services	143
Turnover of Businesses (note turnover does not equal profitability)	
• \$10m or more	0
• \$5m to less than \$10m	0
• \$2m to less than \$5m	0
• \$200k to less than \$2m	36
• \$50k to less than \$200k	87
• Zero to less than \$50k	49

Socio-economic Index

The Australian Bureau of Statistics produces socio-economic indicators from census data. An area could be considered disadvantaged if there were many households with low incomes, many people with no qualifications or many people in low-skill occupations.

The latest socioeconomic indices are from the 2021 census data. We have used the Index of Relative Socio-Economic Disadvantage for the information in this section. With this index, higher scores are areas with less disadvantage, and lower scores are areas with more disadvantage.

The council with the highest score (least disadvantaged) in the state is Burnside, with a score of 1,083. The council with the lowest score (most disadvantaged) is Peterborough, with a score of 773.

RCMB has an overall score of 891.

However, there is a range of scores across the council, as shown in the table below (this information is about residents, not people who might own property in these areas but not live there).

Council	Score
---------	-------

Peterborough	773 (most disadvantaged)
RCMB	891
Burnside	1,083 (least disadvantaged)
RCMB	Score
Avoca Dell	1027
Brinkley	1009
Chapman Bore	978
Etrick (SA)	978
Gifford Hill	1009
Jervois	971
Kepa	978
Long Flat (SA)	1025
Mobilong	943
Monarto	1019
Monarto South	1009
Monteith	978
Mulgundawa	1009
Murrawong	978
Murray Bridge	844
Murray Bridge East	1018
Murray Bridge North	1010
Murray Bridge South	1031
Mypolonga	980
Northern Heights	943
Pallamana	1010
Riverglades	1001
Riverglen	971
Rocky Gully (SA)	987
Sunnyside (SA)	978
Swanport	1031
Toora (SA)	1010
Wellington (SA)	978
White Hill	987
White Sands	971

15.2. Our Properties

The table below shows the average, lowest and highest values for each land use rating category for 2024/25. Valuations will change before the Council adopts their rates for 2025/26.

Rating Category	2024/25 Values		
	Average \$	Lowest \$	Highest \$
Residential	413,590	30,184	17,000,000
Commercial	960,851	440	30,250,000
Industry	2,076,406	31,000	160,000,000
Primary Production	673,491	600	50,150,000
Vacant Land	234,059	10,000	4,450,000
Other	643,617	1,100	20,225,000

16. Issues and Impacts of the Current Rating System

The Council's current rating system has been in place for many years. During the past 5 years, there have been material increases in property valuations, which have been uneven across the Council's rating categories.

Due to these material changes and forward-looking growth impacts, the Council is undertaking this rate review to ensure that the rates raised are appropriate and relevant for our community in the present day, with the ability to adjust accordingly going forward. Through this process, it is intended to address any issues about the equity of the impact of rates on all ratepayers.

In reviewing the current rating system against the changing valuation and assessment mix, the Council has considered a range of local issues such as:

- Increase in the number of assessments across different rating categories
- Changes in property valuation mix
- Townships and rural areas
- High-valued residential properties
- Owner-occupied and investment property mix
- Level of discount given to the primary production sector
- Disparity between commercial and industrial differential rates
- Industry attraction and job creation for a growing community
- Impact of vacant properties in the ever-changing environment

17. Rating Structure – Potential Changes

All country councils in South Australia face challenges with funding required infrastructure and services. The Elected Members have considered the information that is contained in this paper over a number of workshops.

The changes proposed in this paper are:

- Changing from a Minimum Rate to a Fixed Charge of \$750. The Minimum Rate for 2024/25 is \$1,151
- The Differential Percentage to be set as per the following table. A differential compares the Rate in the Dollar (RID) for each rating category to the Residential RID.

Rating Category	Rate in the Dollar (RID) compared to the Residential RID	
	Current Differential	Proposed Differential
Residential	100%	100%
Commercial Shop	160%	140%
Commercial Office	160%	140%
Commercial Other	160%	140%
Industry Light	140%	120%
Industry Other	140%	120%
Primary Production	90%	90%
Vacant Land	130%	150%
Other	100%	100%

18. Likely Impact on Ratepayers

The information in this section shows the effect of the proposed changes compared to the current 24/25 Rates.

Note that the changes in this paper are proposed changes. The Council will make a decision after receiving feedback from the community. The proposed changes may be altered after the Council considers feedback received.

The tables below show the number of properties where rates would increase and the number where rates would decrease for each rating category when comparing the proposed rating system to the rates raised for 2024/25 if the Council adopts the changes proposed in this paper.

Rates for 2025/26 will vary when the Council sets its rates budget for the 25/26 Annual Business Plan, and valuations will change prior to the Council adopting its rates for 2025/26.

Rating Category	Increase	Decrease
Residential	7,872	1,316
Commercial	148	398
Industrial	31	120
Primary Production	739	952
Vacant Land	714	16
Other	116	31

The table shows the property with the most significant decrease and increase in each rating category and the average change when comparing the proposed changes to the rating set for 2024/25. All other properties have changed between these two extremes.

Note that the budget and rate setting that the Council will undertake for 2025/26 will require a different total of rates to be raised, and therefore, the results shown in this section will vary.

Note that the Council may make minor alterations to these proposed changes after consultation with the community. Therefore, these changes are indicative only.

Rating Category	One property has the greatest decrease of \$	One property has the highest increase of \$	Average Change \$	Average Change %
Residential	5,196	641	204	9%
Commercial	64,455	749	-1,713	-24%
Industrial	410,364	559	-4,590	-30%
Primary Production	76,383	749	-334	-10%
Vacant Land	3,037	741	443	26%
Other	3,428	749	164	16%

The table below shows indicative changes to rates for a range of properties. **Note that the Council may make minor alterations to these proposed changes after consultation with the community.**

Rating Category	Valuation \$	Current Rates \$	Proposed Rates \$	Change \$
Residential	150,000	1,151	1,347	196
	250,000	1,312	1,745	433
	450,000	2,361	2,541	180
	650,000	3,410	3,336	-73
	800,000	4,197	3,933	-263
Commercial	500,000	4,197	3,535	-661
	2,000,000	16,787	11,892	-4,895
	10,000,000	83,936	56,459	-27,477
	30,000,000	251,808	167,876	-83,932
Industrial	500,000	3,672	3,138	-535

Rating Category	Valuation \$	Current Rates \$	Proposed Rates \$	Change \$
	2,000,000	14,689	10,300	-4,389
	10,000,000	73,445	48,500	-24,945
	160,000,000	1,175,120	764,756	-410,364
Primary Production	500,000	2,361	2,541	180
	1,000,000	4,721	4,331	-390
	3,000,000	14,164	11,494	-2,670
	6,000,000	28,328	22,238	-6,091
Vacant Land	50,000	1,151	1,048	-103
	150,000	1,151	1,645	494
	250,000	1,705	2,242	537
	400,000	2,728	3,138	410
Other	50,000	1,151	949	-202
	200,000	1,151	1,546	395
	400,000	2,098	2,342	243
	600,000	3,148	3,138	-10

Principal Place of Residence

Many of our ratepayers do not live on their properties. The Council currently provides a capping rebate for ratepayers who live on their properties (principal place of residence). The capping rebate is currently 15% and 7.5% for pensioners. This means that if a property's rates increase by more than 15% (or 7.5% for pensioners), a rebate will be applied to 'cap' the increase. The rebate is not available if the increase in rates is due to capital works, and ratepayers must apply for the rebate in writing.

The table below shows a range of Residential property values and the estimated % of ratepayers living on these properties.

Valuation Range \$	Principal Place of Residence %
Under 160,000	9%
160,000 – 200,000	18%
200,000 – 250,000	34%
250,000 – 300,000	48%
300,000 – 350,000	59%
350,000 – 400,000	64%
400,000 – 450,000	74%
450,000 – 500,000	73%
500,000 – 550,000	76%
550,000 – 600,000	84%
600,000 – 650,000	77%
650,000 – 700,000	78%
700,000 – 750,000	81%
750,000 – 800,000	79%
800,000 – 850,000	77%
850,000 – 900,000	80%
900,000 – 1,000,000	71%
1,000,000 – 2,000,000	48%
2,000,000 – 5,000,000	100%

Valuation Range \$	Principal Place of Residence %
5,000,000 – 10,000,000	0%
10,000,000 – 30,000,000	50%

Ratepayers attending the information sessions will be able to see how their individual property will likely be affected. Ratepayers unable to attend the information sessions can contact the Council and ask how their property will likely be affected.

19. Comparison Councils

Many Elected Members and Ratepayers like to compare their council to others. The table below compares some of the differentials of some similar and neighbouring councils to the RCMB. The table also shows whether the Council uses a Fixed Charge or Minimum Rate.

The percentage differential is the comparison to the Residential RID.

Council	Fixed	Minimum	Commercial	Industry	Primary Production	Vacant
Murray Bridge (Current)		\$1,151	160%	140%	90%	130%
Murray Bridge (Proposed)	\$750		140%	120%	90%	150%
Alexandrina	\$440		100%	100%	83%	100%
Berri Barmera		698	118%	118%	100%	98%
Coorong	\$150		(Shop & Office) 133% (Other) 135%	Light 133% Other 135%	87%	174%
Karoonda		\$455	100%	100%	100%	100%
Mid Murray		\$988	100%	100%	90%	100%
Port Augusta	\$900		200%	200%	80%	150%
Renmark	\$424		209%	209%	147%	281%
Victor Harbor	\$495		130%	115%	90%	150%

Loxton Waikerie was considered a possible similar council as it is part of the same Local Government Association area. However, it has different RIDs for land uses within townships and also outside of townships and is, therefore, difficult to use for comparison.

20. Consultation Requirements

20.1. Legislative Requirements for Consultation

There is a legal requirement for Councils to consult with their communities when considering changes to their rating methodology.

S151 (5) of the Act states that a Council must prepare a report before:

- changing the basis of rating of any land or
- changing the basis on which land is valued for rating purposes or
- imposing separate rates, service rates or service charges,

S 151(7) of the Act states that the Council must follow the steps of its public consultation policy but must at least:

- Publish a notice.
 - Describing the proposed change
 - Notifying that a Rate Review Report is being prepared.
 - Inviting interested persons to
 - attend a public meeting.
 - make written submissions.
- Organise a public meeting, which must be held at least 21 days after the publication of the notice.
- Ensure copies of the report are available.
 - at the meeting
 - during the consultation period
 - for inspection at the Council's office for free or
 - for purchase for a fee set by the Council

The Council must consider any written submissions received during consultation and any verbal submissions made at the public meeting.