

## WHY DO I PAY RATES?

Council's rates income represents 59% of its total income. The other main source of income for Council is grant funding provided by state and federal governments. Small rural councils like Murrindindi Shire are heavily reliant on rates income, in the absence of other sources of funding available to metropolitan councils, such as parking fees and fines. We need to service a far greater area than most other councils, with 42 different communities spread across 3873 square kilometres. And, as our population is only 14,570, our rate base is smaller than that of most other councils – we have only 10,073 rateable properties in our Shire.

Your rates allow Council to provide important services to our community, from road construction and maintenance through to community facilities, libraries, swimming pools, parks and gardens, child and family services, waste management, town planning, environmental health, emergency services, community safety, communication, customer services and economic development and tourism. Without rates, Council would be unable to provide these services to the community.

## COMPONENTS OF YOUR RATES NOTICE

The total amount payable on your rates notice is made up of multiple charges, including your General Rates, Waste Service Charges, a Municipal Charge and a Fire Services Property Levy.



## HOW ARE GENERAL RATES CALCULATED?

If you've ever wondered how general rates are calculated, there is a standard formula across Victoria. When Council prepares its Annual Budget for the coming year, it determines the rate revenue required to fund its services and infrastructure. The budget considers community needs in relation to the available Council income and also how rate rises will impact ratepayers.

### The 'rate in the dollar'

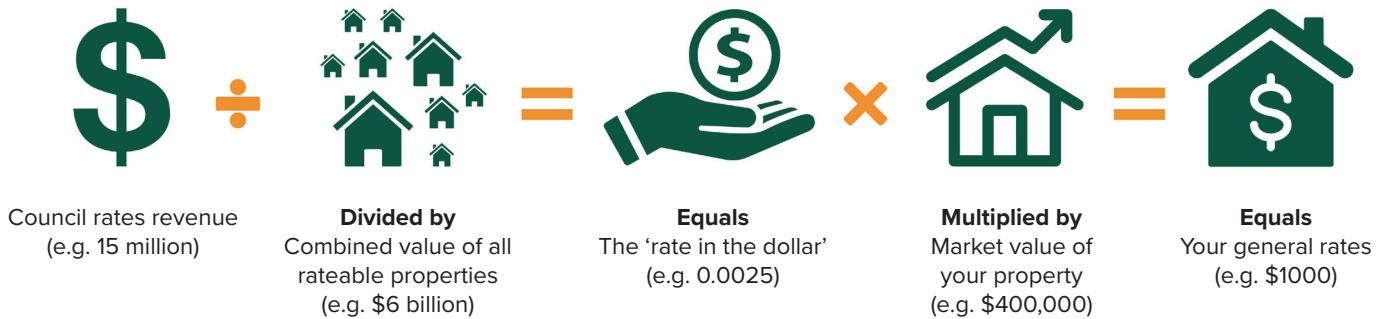
In broad terms, the total amount of money to be raised in general rates is divided by the total value of all rateable properties in the Shire. The resulting figure is called the 'rate in the dollar'.

For example, if Council plans to raise a total rate revenue of \$15 million, and the total Capital Improved Value (CIV) of all rateable properties in the Shire is \$6 billion, then the rate in the dollar is calculated by dividing \$15 million by \$6 billion, which equals 0.0025 cents in the dollar.

When the total value of all properties goes up, Council reduces the rate in the dollar to compensate.

## How property rates are calculated

We calculate a property's rates by multiplying the Capital Improved Value (CIV) of the property by the rate in the dollar. For example, if the CIV of a property is \$400,000 and the Council rate in the dollar is set at 0.0025 cents, the rates would be \$1000 ( $\$400,000 \times 0.0025$ ).



Like other councils, Murrindindi Shire Council's rate increases are limited to the Victorian Government's Fair Go Rate cap – which in 2021/2022 is 1.5%. You might recall that Council decided to forego a possible 2% rate increase in 2020/2021 and instead froze rates in recognition of the financial burden imposed on our community by the COVID-19 pandemic.

It is important to note that increases in property valuations do not necessarily equate to more rate income collected by Council. The rate cap is applied to the total rate revenue required for Murrindindi Shire. In other words, we can only increase the total rate revenue required by a maximum of 1.5%, regardless of any increase in property valuations. The total rate revenue is distributed proportionally across properties in accordance with property values.

## OTHER CHARGES

In addition to your general rates, there are also charges for waste and recycling collections and disposal, a Municipal Charge that is applied to each property and a Fire Services Property Levy.

### What are Waste Service Charges?

Waste service charges are calculated on a cost-recovery basis. This charge covers the costs of Council's kerbside garbage and recycling collection services, waste disposal and the Victorian Government's Landfill Levy – a charge Council must pay when depositing waste at landfill. Waste service charges are applied to all residential properties with a habitable dwelling which are located within a compulsory waste charge zone (within 2 km of a township) or a delivery zone.

For the 2021/22 rating year, the kerbside garbage charge is \$395.80 and the recycling charge is \$121.00.

### What is a Municipal Charge?

Like many other councils, Murrindindi Shire Council issues a Municipal Charge. The Municipal Charge is a fixed-cost paid equally by all ratepayers. It is used to help distribute the cost of rates, which would otherwise be collected in the form of rates attached to the value of the property.

The Municipal Charge for the 2021/22 rating year is \$346.00.

### Fire Services Property Levy

The Victoria Government Fire Services Property Levy is determined annually by the Victorian Government. This levy collected from you is passed on in full to the Victorian Government, to help fund the services provided by Fire Rescue Victoria.

## ARE YOU HAVING DIFFICULTY PAYING RATES?

Council understands the impact rates can have on individuals, families and businesses, especially now during the COVID-19 pandemic. If you are experiencing financial difficulties that might prevent you from paying your rates on time, please get in touch with our Rates Team as soon as possible to discuss payment options. If you are experiencing genuine financial difficulty right now, we can tailor payment options to suit your situation.