

YOUR RATES EXPLAINED

RATES NOTICE - WHAT IS NEW?

Due to changes in legislation, Council is required to display the following information on your rates notice:

- Your ability to apply for a payment plan
- The order in which payments you make will be allocated to rates and charges
- For each rates class/type (differential), the rate in the dollar and the amount charged if your property was classified with that differential rate (new – located on the back of the rates notice)
- The name of the property owner if different to the rate payer. The range of differential rate classes/types (new – located on the front of the rates notice)

Reference: Local Government (General) Amendment Regulations 2023 (legislation.vic.gov.au)

WHY DO I PAY RATES?

Your rates enable 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. Council rates income represents 58% of our total income. Small rural councils like Murrindindi Shire Council are heavily reliant of rates income, in the absence of other sources of funding available to metropolitan councils, such as parking fees and fines.

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, Municipal Charge and a Fire Services Property Levy. Some of these are fixed amounts while some are based on a percentage of the Capital Improved Value (CIV) of your property.



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. All properties are valued at 1 January each year. The 2023/24 rates are based on the valuation assessed at 1 January 2023.

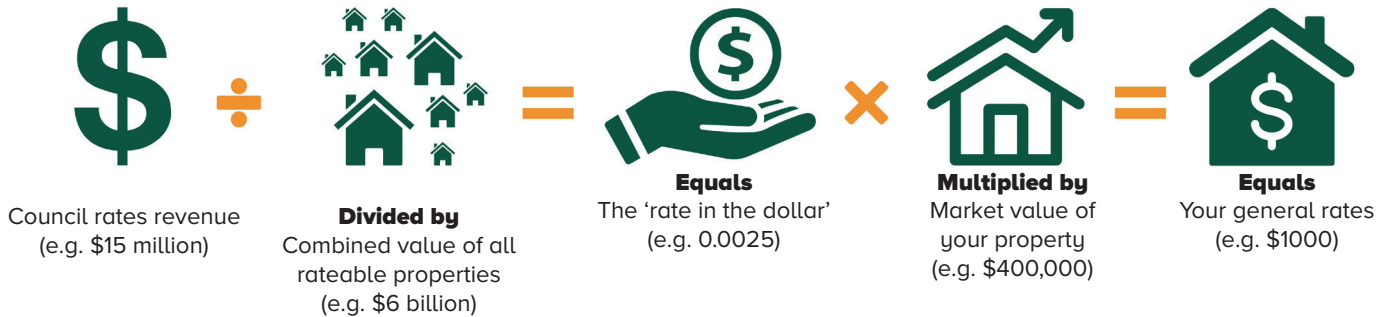
The 'rate in the dollar'

In broad terms, the total amount of money to be raised in general rates is divided by the total value of all rateable properties. 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 x 0.0025).



Like other councils, Murrindindi Shire Council's rate increases are limited to the Victorian Government's Fair Go Rate cap – which in 2023/2024 is 3.5%.

The rate cap is about the total rate revenue Council can collect, not individual property rates. The rate cap is applied to the total rate revenue raised in the previous year. In other words, we can only increase the total rate revenue required by a maximum of 3.5%, 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 and commercial properties (excludes vacant land) located within a compulsory waste charge zone (within 2 km of a township) or a delivery zone.

For the 2023/2024 rating year, the kerbside garbage charge is \$416.85 and the recycling charge is \$127.45.

What is a Municipal Charge?

Like many other councils, Murrindindi Shire Council has elected to collect a portion of its rate revenue through a Municipal Charge, which is a fixed-cost paid equally by all ratepayers. The Municipal Charge for the 2023/2024 rating year is \$364.00.

Fire Services Property Levy

The Fire Services Property Levy is set annually by the Victorian Government, collected by councils are forwarded in full to the Victorian Government, to fund the state's fire services.

Visit sro.vic.gov.au for more information.

RECEIVING YOUR RATES NOTICE

Rate notices can now be received online! If you wish to receive your rate notices electronically instead of via post, you can sign-up for e-notices or to BPAY view online at murrindindi.vic.gov.au/rates

PAYMENT PLANS

Council is aware of the impact rates can have on individuals, families and businesses. 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. We can tailor payment plan options to suit your situation. All enquiries are treated confidentially. Contact the Rates team: rates@murrindindi.vic.gov.au