



## Rate Review – Summary

This summary provides an overview of the reasons for and impact of the changes that will likely occur from the proposed changes under the rating review. For more information, please refer to the full Paper 'A Review of the Basis of Rating Consultation Paper' on the Council's website.

### How do Councils calculate Rates?

Where a council has a fixed charge, the fixed charge is levied against properties first, which results in an amount of rates. This amount is deducted from the total rates the Council needs for their budget. The remaining rates needed is divided by the total valuations of all the rateable properties in the Council area. This results in a Rate in the Dollar (RID).

Properties are charged the Fixed Charge plus the (RID x by the properties valuation).

### Proposed Changes

The Council is considering the following changes:

- Increase rates from Primary Production Properties
- Increase rates from the 'Other' Land Use rating category.
- Increase rates from Commercial and Industrial properties and distribute this as a decrease across Residential and Vacant properties.
- Increase the Fixed Charge from \$150 to \$200.

### Reasons for Proposed Changes

#### **Rating contribution from different land use categories.**

An analysis of the Council's current rating database shows the following;

- Residential properties make up 14% of the total valuations and contribute 31% of the rates.
- Primary Production properties make up 84% of the total valuations and contribute 64% of the rates.
- The average rates for the Commercial, Industry and Primary Production categories for Goyder are significantly lower than the average of the comparison councils and much lower than the comparison for Residential rates. Commercial, Industry and Primary Production rates are also tax deductible whilst most Residential property rates are not.
- There are many wind towers within the Council's district that are leased by electricity-generating businesses, and the Valuer-General can only value the land on which the tower sits, not the wind turbine itself. This means that these properties, over time, have not been impacted by valuation changes in the same way as other properties, and their contribution to rating has decreased. These properties are within the Rating Category of 'Other'.

Council members consider the above information and other analysis contained in this Paper and consider that the current rating system appears to be placing a higher rating burden on Residential property owners.

#### **Fixed Charge**

The fixed charge is very low compared to other councils at \$150 compared to an average of \$518; however, the Council has had a lower fixed charge in order to protect very low-valued properties.

The Council is considering increasing the fixed charge to \$200, which, whilst lower than other councils, will still protect very low-valued properties but increase the minimum contribution from ratepayers.

## What will be the effect of these changes?

The following table shows the likely impact of these changes. Modelling has used the latest valuation information from the Valuer General. The Council will continue to receive changes in valuations until the date of adoption of their rates, so the information in this table only indicates the impact.

Rating Category	Number of Properties that Increase	Number of Properties that Decrease
Residential	856	741
Commercial Shop	45	4
Commercial Office	5	1
Commercial Other	33	34
Industrial Light	11	1
Industrial Other	8	-
Primary Production	1,694	658
Vacant Land	160	185
Other	49	2

Although there is a saving in the rates contributed from Residential Properties as a group, many of the Residential Properties had significant increases in valuations which resulted in higher rates compared to 2023/24.

The table below shows the range of change in rates from the greatest decrease to the highest increase and the average change.

Rating Category	One property has the greatest decrease of \$	One property has the highest increase of \$	Average Change \$	Average Change %
Residential	-734	957	-8	1%
Commercial Shop	-78	300	57	13%
Commercial Office	-15	182	59	14%
Commercial Other	-1,468	421	-79	2%
Industrial Light	-2	94	40	12%
Industrial Other	57	561	212	29%
Primary Production	-1,504	4,413	112	9%
Vacant Land	-449	225	-4	-2%
Other	-6	291	58	12%

## How do I tell the Council my thoughts?

You can make a written submission to the Council in writing, by **5 pm Friday 10<sup>th</sup> May 2024**.

Chief Executive Officer  
Regional Council of Goyder  
1 Market Square  
Burra SA 5417

Or by email to: [council@goyder.sa.gov.au](mailto:council@goyder.sa.gov.au)

A public meeting will be held for verbal submission on Tuesday, 21st May, at 3 pm at the Council Chambers at 1 Market Square, Burra.

## What if I find it hard to pay?

Council has a number of ways that ratepayers can be supported if they find it difficult to pay their rates. Please contact the Council to discuss these options.