

Fact Sheet

Myth busting council rates

Myth: The council is getting more money because property values have increased.

Fact: The council does not receive extra money just because property values have gone up.

The council sets rates based on the total amount of income it needs to fund services, as determined through its annual budget process.

Property values only determine how the total amount needed from rates is distributed among all ratepayers.

If the value of your property has increased more than the average, your rates may also increase.

But the total amount the council collects doesn't change just because property values rise.

Myth: The council is double-dipping by having a fixed charge.

Fact: The fixed charge is part of how rates are calculated, not an extra fee.

The council divides the total amount needed from rates into two parts:

1. A fixed charge, to ensure ratepayers contribute an equal base amount toward essential services.
2. A variable charge, based on property values, which spreads costs fairly across the community.

Without a fixed charge, rates would be based entirely on property values. This would mean those with higher-valued properties would see much larger rate increases when valuations rise sharply.

Myth: The costs are hidden – council increased rates by 3.3 per cent, but my rates have gone up more than that.

Fact: The percentage increase refers to the total amount of rate revenue the council needs, not individual rate notices. As an example, if the rate increase was 3.3 per cent, council would receive 3.3 per cent more in total funds from rates payments.

Some ratepayers will see a higher increase than others, depending on how their property value compares with the average. If your property value has risen more than most, your rates may go up more than the average increase.

Myth: The council decides how much my property is worth.

Fact: Property values are set by an independent authority, not the council.

The state government's Office of the Valuer-General determines the value of all properties in South Australia each year.

This valuation includes the land and any buildings on it. If you believe your valuation is incorrect, you can lodge an objection with the Valuer-General within 60 days of receiving your rates notice.

Myth: I shouldn't have to pay for council services I don't use.

Fact: Rates fund services that benefit the entire community.

Councils provide a variety of services, including roads, footpaths, parks, libraries, animal management, waste collection, emergency management and development planning.

While you may not use every service, they all contribute to making the community a better place to live, and all ratepayers contribute to the total mix of services council provides.

In the same way, you pay income tax every year, and the federal government decides what percentage of those funds are used for various services, even though you may not use them all.

Myth: New developments bring in more ratepayers, so council shouldn't need to increase rates.

Fact: Growth brings extra costs, not just extra revenue.

New developments do increase the number of ratepayers, but they also create extra demand for services, infrastructure and public facilities.

The council must invest in roads, stormwater systems, parks and other infrastructure to support new residents. These costs often require funding before the extra rate revenue is received.

Myth: The council wastes money on unnecessary things.

Fact: Council spending is carefully planned, and information about this is publicly available.

Every year, the council develops an Annual Business Plan and Budget, outlining spending priorities and services for the year. Many costs are set by legislation or required for service delivery. Ratepayers are encouraged to provide feedback on the budget through public consultation.

Myth: The council just collects bins – why do rates cost so much?

Fact: Waste collection is only one of many services councils provide.

Councils maintain roads, footpaths, parks, playgrounds and community buildings, manage local planning and development, provide library services, support community groups, run events, and deliver public health and environmental programs. Bins are just one part of a much bigger picture, with council providing a variety of services to the community.

Myth: The council can't charge fines or interest.

Fact: Councils can apply fines and interest under the *Local Government Act 1999*.

These charges only apply when rates are overdue, to encourage timely payments and help fund services for the community.

Myth: I shouldn't have to pay rates on vacant land.

Fact: Vacant land still benefits from council services.

Even if a block of land is undeveloped, the council provides essential services such as roads, stormwater management and emergency services that benefit all properties. Rates help ensure the whole community is well-maintained.

Myth: Council employees don't have to pay rates.

Fact: Council employees pay rates just like everyone else.

There are no exemptions for council staff. They pay rates in the same way as all other residents.

For more information visit:

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