

# East Gippsland Shire Council

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## EXPLANATION OF MUNICIPAL CHARGE

**The Municipal Charge was introduced at the same time minimum rates were abolished to ensure all ratepayers contributed an equal amount to Council rates. The remainder of rates attributed to a property is based on the properties valuation. The implementation of a Municipal Charge reduces the amount that needs to be collected in the form of rates attached to the value of a property. The total amount including the Municipal Charge is used to contribute to Council's operating costs. The Municipal Charge is not a waste collection charge.**

Since 1993/94 the Local Government Act has permitted Council to levy a Municipal Charge on rateable properties. As stated the Municipal Charge was introduced at the same time as the legislation requiring the abolition of Council minimum rates. The intention of the legislation was to confirm Council rates as a land valuation based tax and to ensure rates levied reflect the different valuations of ratepayer properties in all instances.

All properties now have 2 components in the calculation of the rates. A flat charge component (Municipal Charge), together with a calculated amount (Rate in the Dollar calculation) being determined by the valuation of the property. The Municipal Charge being equal for all properties means everyone shares some of the Council operating costs on an equal basis while the valuation component means the ratepayer is paying a component of rates proportionate to the value of the property, ie. the higher the value, the higher the rate. Some farm properties are exempt from the charge if they form part of a single farm enterprise. The use of a Municipal Charge reduces the amount that needs to be completed in the form of rates attached to the value of a property.

No more than 20% of the total rate income can be generated through the Municipal Charge. East Gippsland Shire Council currently generate approximately 14% of revenue from this charge.

### **Recent Municipal Charge Amounts:**

<b>2019/20 Municipal Charge</b>	<b>\$230.00</b>
2018/19 Municipal Charge	\$289.71
2017/18 Municipal Charge	\$283.34
2016/17 Municipal Charge	\$277.78
2015/16 Municipal Charge	\$271.00
2014/15 Municipal Charge	\$260.00
2013/14 Municipal Charge	\$234.00
2012/13 Municipal Charge	\$225.00
2011/12 Municipal Charge	\$213.00
2010/11 Municipal Charge	\$201.00
2009/10 Municipal Charge	\$194.00

***Kylie Mitchell***  
**Rates and Valuation Coordinator**