

MEDIA RELEASE

COUNCIL TO SHARE SEPARATE RATE COST TO COVER WATER ENTITLEMENT PURCHASE FOR MANNUM WATERS

A Separate Rate will be introduced to recover the cost of purchasing a permanent water entitlement required to cover evaporation losses at the Mannum Waters Marina – and the Mid Murray Council will also contribute financially.

The Council has adopted a Separate Rate option following extensive community consultation and financial modelling. The funds will cover the purchase of the required 187ML permanent entitlement to meet Council's obligation for the annual evaporation loss.

The decision follows public consultation earlier this year on Council's *Mannum Waters Separate Rate Consultation Paper – April 2022*.

After considering the feedback received, and the options available, Council determined to raise a Separate Rate for Mannum Waters to recover the \$1.534m cost (plus finance costs) to purchase the required 187ML permanent water entitlement over a period of 15 years.

In recognition of the current and future open space areas in Mannum Waters that are accessed by the general public to use and enjoy, Council increased its contribution of the costs from the 8.9% outlined in the Consultation Paper to 21% (from \$122,000 to \$328,000 plus financing costs).

The Council's contribution will reduce the amount to be recovered by the Separate Rate to an estimated \$1.206m plus financing costs over 15 years.

The Separate Rate will be applied as follows:

- The annual Separate Rate will be recovered on a proportional basis of 37 cents per square metre according to the measurement of ownership of each title issued or, until a title is issued, the rating assessment which encompasses the land, including Marina berths and Development Plans approved by Council within Mannum Waters.
- Non-waterfront properties will receive a rebate of 65%, reducing the net annual cost to 13 cents per square metre.
- Ratepayers can choose whether to pay the full amount of the Separate Rate applicable to their property or berth in a lump sum in the 2022/23 financial year and avoid paying loan finance costs (approximately 16.8%), or spread the cost over a 15-year period.

The Separate Rate will be applied this financial year.

Mid Murray Council Chief Executive Officer Ben Scales said the chosen Separate Rate option spreads the cost among those who benefit most from the Marina, including the community.

"Council has listened to feedback from our community on the Separate Rate options and has acknowledged that it also has a role to play in sharing the cost of the purchase of a permanent water entitlement for the Mannum Waters Marina," Mr Scales says.

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“Council’s contribution has been increased, in recognition of the shared areas including reserves and boat ramp that are accessible to the general public.

“This option strikes an equitable balance between those who will benefit most from the maintenance of the Marina’s water levels – namely waterfront and Marina berth owners – and others with a direct benefit including other property owners within the estate and the wider Mid Murray community.”

The amount individual property and Marina berth owners will pay will vary depending on the size and location of the property, eligibility for a non-waterfront discount and their decision on whether to pay in a lump sum or over 15 years.

The Separate Rate will be calculated as follows:

Property Type	Annual Separate Rate for average size property - 15 years repayment, including financing costs	Total Annual Separate Rate over 15 Years	Separate Rate if paid in full in 2022/23 for average size property (saving of 16.8%)
Marina Berth	\$138 (or \$0.37 per sqm)	\$2,069	\$1,721
Waterfront Residential	\$407 (or \$0.37 per sqm)	\$6,100	\$5,075
Waterfront Commercial	\$3,149 (or \$0.37 per sqm)	\$47,236	\$39,300
*Non Waterfront Residential	\$97 (or \$0.13 per sqm)	\$1,462	\$1,216

**Rebate for Non-Waterfront Properties: 65%*

A permanent water entitlement is required to meet the 187ML per year needed by the Council to cover the evaporation loss for the Marina set by the State Government.

The decision to implement a Separate Rate follows four years of Council efforts to challenge the requirement. Over this time, Council has covered the water requirement through a combination of approaches including water from its own permanent water entitlement, and purchasing the remaining amount required on the volatile temporary water market, at a total cost to ratepayers of \$173,000.

“Unfortunately, continuing to purchase water on the temporary water market is not a viable option for Council, and it is unfair to expect the whole Mid Murray community to continue to cover the costs of this requirement that essentially benefits a smaller section of the community,” Mr Scales says.

“Council’s efforts have, over the past few years, succeeded in securing a 20% reduction in the total amount of water required – cutting the amount from 233ML to 187ML per year. Our negotiations also ensured that the amount of water required matches water allocations for any given year so we don’t need to buy water on the temporary water market in times of reduced allocation.”

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“The Separate Rate ensures we can fund a permanent solution to this issue in the fairest way possible by ensuring that the main beneficiaries of the Marina contribute to the costs, with assistance from the community in recognition of the areas of community use and access.”

Mannum Waters Marina residents, property and Marina berth owners will receive further information from Council shortly outlining the implementation of the Separate Rate.

For more information about the Separate Rate, visit www.mid-murray.sa.gov.au.

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