

**MEDIA RELEASE**

## **SEPARATE RATE PROPOSED TO RECOVER WATER ENTITLEMENT PURCHASE FOR MANNUM WATERS**

The Mid Murray Council is seeking feedback from the community - and in particular affected Mannum Waters ratepayers - on a proposal to introduce a Separate Rate to recoup the cost of purchasing a permanent water entitlement for the Marina to cover evaporation loss.

Council will spend approximately \$1.715M to buy a permanent water entitlement (inclusive of financing costs) to cover the 187ML per year needed by Council to meet the evaporation loss requirement for the Marina set by the State Government.

Over the past four years, Council has met the water requirement through a combination of approaches, including using water from its own permanent water entitlement, and buying the remaining amount required on the temporary water market, at a total cost to ratepayers of \$173,000 across this period.

However, this is not a viable approach to continue long-term with fluctuations to water availability and price on the highly-volatile short-term water market making securing temporary allocations expensive and unpredictable.

To meet its requirements to cover the Mannum Waters Marina evaporation loss, Council resolved in September 2021 to purchase a permanent water entitlement for the Marina, and investigate cost recovery options to ensure the expense is not unfairly borne by the whole Mid Murray community.

After consideration of the options, Council is proposing to recoup the cost of purchasing the permanent water entitlement from those ratepayers who will directly benefit from it by raising a Separate Rate against the properties within Mannum Waters, including Marina berths and the land still held by the developer for future subdivision.

**A Consultation Paper outlining Council's proposal for a Separate Rate for Mannum Waters has been endorsed by Council for consultation, beginning 19 April 2022 and running until 2 June 2022.**

**The Separate Rate proposal includes:**

- Allocating a Separate Rate based on individual square metres of the issued certificate of title and the individual square metres of the proposed sub-divided allotments;
- The opportunity for ratepayers to pay the Separate Rate in a lump sum in the first year and avoid paying finance costs, or split the payment over 15 years and pay finance costs;
- A 65% discount for non-waterfront properties compared to waterfront properties (based on the average land value of non-waterfront residential properties being 65% lower than waterfront residential properties);
- For the Developer's land holdings that are yet to be subdivided, the rate will be raised in a single year (2022/23) and not contain any financing costs. Once any of the outstanding rate falls into arrears this amount will attract monthly interest that will cover any financing costs borne by Council.

**Media contacts:**

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Indicative cost estimates of the Separate Rate, including a 65% discount for non-waterfront properties, are as follows:

Discounts provided to non-waterfront properties: 65%			
Based on indicative interest rates			
Category type	Separate Rate if paid in Year One for average size property	Annual Special Rate for average size property 15 Years repayment includes finance costs	Total of Annual Special Rate over 15 years
	Estimated rate per M <sup>2</sup> is \$5.48 Discounted Rate is \$1.92	Estimated rate per M <sup>2</sup> is \$6.56 Discounted Rate is \$2.30	
Marina berth	\$2,041	\$163	\$2,444
Waterfront residence	\$6,067	\$484	\$7,266
Waterfront commercial	\$46,610	\$3,721	\$55,814
Non-waterfront residential	\$1,443	\$115	\$1,729

Further information on the proposed Separate Rate can be found in the [Mannum Waters Separate Rate Consultation Paper – April 2022](#) and on Council’s website [here](#).

Mid Murray Council Chief Executive Officer Ben Scales said the Separate Rate was the most equitable way for Council to recoup the water entitlement costs.

“Council did not support the State Government’s requirement for Council to cover the Marina’s evaporation loss, and has worked hard over the past four years to overturn this requirement, without success,” Mr Scales says.

“Council has, however, been successful in securing a 20% reduction in the total amount of water required – cutting the amount from 233ML to 187ML per year. It has also secured an agreement that the amount of water required will match water allocations for any given year – so if water allocations drop to 50% for example, we are only required to provide 50% of the water, rather than needing to purchase even more water on the temporary water market.”

The proposed Separate Rate will ensure those who benefit most from the water in the Marina are the ones to cover the cost of the purchase of the required water. That includes those with the largest benefit, including waterfront property and Marina berth owners.

“While the wider Mid Murray community, through Council, has been covering this cost since 2018 through Council’s existing water entitlement and the purchase of temporary water allocations, that cannot continue,” Mr Scales says.

“Since that time, Council has spent \$173,000 on temporary water purchases. If Council didn’t have its own permanent water entitlement to use to meet some of the Marina’s needs, this cost would have been even higher.

“As the main beneficiaries of the Marina, it is proposed that property and Marina berth owners in Mannum Waters will share the cost of securing a permanent solution to this issue.

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“Without the proposed Separate Rate to cover the costs, purchasing a permanent water entitlement would result in the equivalent of a 10% general rate rise for all ratepayers in our district in one year. That’s an unfair burden to place on those who receive no benefit from the Marina.

“Council’s aim in developing the proposed Separate Rate is to ensure the process is as transparent as possible, and that the rate itself is equitable and affordable. Council has a responsibility to act in the best interest of all its ratepayers, and we believe this option strikes a fair balance.”

For more information about the Separate Rate proposal, visit [www.mid-murray.sa.gov.au](http://www.mid-murray.sa.gov.au)

Consultation runs from 19 April 2022, to 12pm on 2 June 2022, with the following Community Information Sessions being held:

- 6:30 – 8:30pm on Thursday 5 May 2022 – Arkaba Hotel, Fullarton
- 6:30 – 8:30pm on Monday 9 May 2022 – Mannum Football Club, Mannum

A Stakeholder Information Session will also be held from 10am to 3pm on Saturday, 7 May 2022 at Mannum Waters, Mannum (venue TBC). A public meeting of Council will also be held on 14 June 2022, and submissions can be made at the meeting.

Submissions can be made via the feedback form on Council’s website: <https://www.mid-murray.sa.gov.au/community/public-consultation> or email to [postbox@mid-murray.sa.gov.au](mailto:postbox@mid-murray.sa.gov.au).

Written submissions can also be mailed to: Chief Executive Officer, Mid Murray Council, PO Box 28, Mannum SA 5238.

– ENDS –

### **FURTHER BACKGROUND**

During the Mannum Waters major project approval process, a requirement was imposed by the State Government through the *Landscape South Australia Act 2019* for the developers of new artificial water bodies to cover annual evaporation losses. In relation to Mannum Waters, this was determined to be 233ML of water annually.

In 2018 the Mannum Waters Marina – and the requirement to cover this evaporation loss - was vested to Council.

Over the past four years, Council has taken several steps to have the requirement to cover the evaporation losses overturned. This has included extensive discussions and negotiations with relevant Federal and State Government Ministers and departments.

While these negotiations were unsuccessful in removing the need for Council to cover the evaporation loss, Council was able to secure:

- a 20% reduction in the amount of water required annually to cover the evaporation loss, from 233ML to 187ML; and
- a commitment from the State Government that the amount of water required to cover the evaporation in any given year is matched to Council’s available annual water allocation. This is a significant benefit and mitigates the risk of Council having to purchase additional water if allocations are less than 100% in any given year.

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Over the past four years, Council has been required to use 187ML of its existing 217ML water licence to cover the requirements of the Marina evaporation loss. This equates to approximately 86% of Council's annual water allocation – leaving only 14% or 30ML for annual use on Council's parks, gardens, reserves and infrastructure projects.

As a result, to meet its water needs across the district, as well as cover evaporation losses in the Marina over this time, Council has been required to purchase additional water on the temporary water market at a total cost to ratepayers of \$173,000.

At its meeting on 14 September 2021, Council resolved to purchase a permanent water entitlement for the marina, and investigate ways to recoup the cost.

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