



Independent Pricing and Regulatory Tribunal
New South Wales

**MINIMUM RATE INCREASE APPLICATION FORM PART B
FOR 2021-22**

GEORGES RIVER COUNCIL



Application Form

December 2020

Local Government

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Council information

Council name	Georges River Council
Date submitted to IPART	8 February 2021
Primary Council contact person	Danielle Parker
Primary Council contact phone	██████████
Primary Council contact email	██

About this application form

IPART has revised the Application Form to be completed by councils applying to IPART for an increase to a minimum rate (MR) under s 548(3) of the *Local Government Act 1993*, above the statutory limit for 2021-22. The application form is in two parts:

- ▼ Minimum Rate Increase Application Form Part A (separate Excel spreadsheet)
- ▼ Minimum Rate Increase Application Form Part B (this MS Word document)

New councils that have more than one existing minimum rate instrument should refer to OLG's *Special guidelines for new councils applying to harmonise minimum rates on 1 July 2021*.

Councils can apply for a minimum rate increase (MR increase) either in conjunction with a special variation (SV) under s 508(2) or s 508A of the *Local Government Act 1993*, or as a stand-alone adjustment (i.e. without also seeking an increase to general income above the rate peg).

Councils applying for an MR increase in conjunction with an SV should complete the MR Increase Application Form Part B as *well as* completing the SV Application Form Part A and SV Application Form Part B. These councils are **not** required to complete the MR Increase Application Form Part A as all the details about the MR increase required by IPART in order to assess the application will be contained in the SV Application Form Part A spreadsheet.

Note there is a different version of the MR Increase Application Form Part A for use by newly merged councils only.

The MR Increase Application Form Part B consists of:

- ▼ Description and Context Questions
- ▼ Criterion 1: Rationale for increasing minimum rates above the statutory limit
- ▼ Criterion 2: Impact on ratepayers
- ▼ Criterion 3: Consultation on the proposal
- ▼ Criterion 4: Other relevant matters
- ▼ Council certification and contact information
- ▼ List of attachments

When completing this Application Form, councils should refer to the following:

- ▼ [IPART's Application Guide for MR Increase Application Form Part B](#).
- ▼ [OLG's MR Guidelines issued in November 2020](#).

Description and Context

To complete these questions, refer to the discussion in IPART's Application Guide for MR Increase Application Form Part B, Description and Context.

Question 1: What is the increase to minimum rate(s) the council is applying for?

If the increase applies to an ordinary rate, complete this section

Does the council propose to increase the minimum amount of its ordinary rate(s) above the statutory limit for the first time? Yes No

Which rates will the increases apply to? Residential Business Farmland Mining

If the increase will apply to only some subcategories, specify which – Changes proposed to ordinary residential minimum (\$965.80), ordinary business minimum (\$1,100) and new business subcategory commercial strategic centres minimum (\$1,500)

Does the council propose to increase the minimum amount of its ordinary rate(s) by:

- ▼ The rate peg percentage
- ▼ The special variation percentage
- ▼ A different percentage Various refer to excel application
- ▼ Multi-year increase (each year with percentage increase e.g. 2021-22 – 10.3%, 2022-23 – 5.8%) 5.8% per year for 5 years commencing in 2021/22

What will the minimum amount of the ordinary rate(s) be after the proposed increase? \$ _____

For multi-year increases, please specify the proposed minimum rate for each year. For the first year changes proposed to ordinary residential minimum (\$965.80), ordinary business minimum (\$1,100) and new business subcategory commercial strategic centres minimum (\$1,500). In the following years the adopted rate peg will be applied, not the proposed SRV amount.

If the increase applies to a special rate, complete this section

Does the council propose to increase the minimum amount of a special rate above the statutory limit? Yes No

- ▼ Does the council propose to increase the minimum amount of its ordinary rate(s) by:
- ▼ The rate peg percentage
- ▼ The special variation percentage
- ▼ A different percentage _____ (%)

- ▼ Multi-year increase (each year with percentage increase e.g. 2021-22 – 10.3%, 2022-23 – 5.8%) _____w

What will the minimum amount of the special rate be after the proposed increase?

\$ _____

For multi-year increases, please specify the proposed minimum rate for each year.

Question 2: What is the key purpose(s) for requesting to increase minimum rate(s) above the statutory limit?

In the text box summarise at the highest level the council's key purpose(s) for requesting an increase in minimum rates above the statutory limit.

Rate Freeze Expiration

On 16 May 2016, the operations of the former Hurstville and Kogarah City Councils were amalgamated into Georges River Council.

The terms of the amalgamation specified the preservation of the rates structures of Hurstville and Kogarah City Councils for a period of four years. In addition, increases in income from rates were restricted to the annual Rate Peg approved by the Minister of Local Government and no requests for Special Rate Variations were permitted.

The constraints in restructuring the organisation also extended to guaranteeing the employment of all personnel during the period up to May 2019. This meant that any potential cost savings, as a consequence of streamlining the provision of services, had limitations.

Council is now approaching the end of the "restricted" period and to facilitate the long-term vision for the Georges River area, Council has decided to apply to the Independent Pricing and Regulatory Tribunal (IPART) to change its rating structure and seek a special rate variation (SRV).

Along with addressing financial sustainability, there is inconsistency in the rates structure across the former Hurstville and Kogarah City Council areas. Council needs to rectify this anomaly to ensure a fairer approach for all ratepayers, regardless of dwelling or business type.

Therefore, the purpose of the application is based on the following:

- Improving the equitable allocation of the rating burden across Council's rating categories;
 - Improving the relativity of the level of minimum rates with comparable councils; and
 - Improving financial sustainability.
-

Question 3: Is the council a new council created by merger in 2016?

Refer also to OLG's SV Guidelines Section 4.

Is the council a new council created by merger in 2016?

Yes

No



Criterion 1

Rationale for increasing minimum rates above the statutory limit

Criterion 1 in the MR Increase Guidelines is:

The rationale for increasing minimum rates above the statutory amount.

To complete the question for Criterion 1: Rationale for increasing minimum rates above the statutory limit, refer to IPART's Application Guide for MR Increase Application Form Part B, Criterion 1.

Refer also to the IPART publications:

- ▼ *The Year Ahead – Minimum Rates in 2021-22 – Fact sheet*
- ▼ *Minimum Rates in 2021-22 – Information Paper*
- ▼ *Community awareness and engagement for special variations – Information Paper*

If the increase to minimum rates is **in conjunction with a proposed SV**, the response for Criterion 1 should focus on the aspects directly relevant to the proposed MR increase.

1. What is the council's rationale for increasing minimum rates above the statutory limit?

a) Why the council is seeking to introduce or increase minimum rates above the statutory limit.

Merge Background – Starting Point

One of the conditions of the amalgamation was that the rating structure was to be left undisturbed for a period of four years from the date of merger. Currently under legislation, Council is required to harmonise its rates by 2020/21. The existing provisions of the Local Government Act 1993 (NSW) limit the ability for metropolitan and urban councils to apply differential residential rates.

Council currently levies two different ordinary and special rates based on the former Councils' rating systems.

At the time of proclamation, Kogarah maintained only an ordinary rate structure, whereas Hurstville maintained an ordinary and special rate structure along with a time-bound special rate variation.

Current Ordinary Rates

The tables below highlight the former Councils' ordinary rate structure that is being levied in the 2020-21 financial year (as per Council's Delivery Program):

2020/21 Rate Structure	Rate in \$	No. of Properties	2020/21 Rate Revenue (\$'000)

Residential			
Former Kogarah - Ordinary Ad-valorem	0.0015759	11,350	16,652
Former Kogarah - Ordinary Minimum	966.73	10,989	10,623
Former Hurstville - Ordinary Ad-valorem	0.0019774	20,652	27,611
Former Hurstville - Ordinary Minimum	585.72	10,656	6,241
Subtotal Residential		53,647	61,127
Business			
Former Kogarah - Ordinary Ad-valorem	0.0034159	138	704
Former Kogarah - Ordinary Minimum	966.73	94	91
Former Kogarah - Commercial Ad-valorem	0.0039472	223	2,216
Former Kogarah - Commercial Minimum	966.73	239	386
Former Kogarah - Industrial Ad-valorem	0.0039472	245	195
Former Kogarah - Industrial Minimum	966.73	326	54
Former Hurstville - Ordinary Ad-valorem	0.0033145	1,673	6,589
Former Hurstville - Ordinary Minimum	585.72	655	384
Subtotal Business		3,593	10,619
Special Rates			
Former Hurstville - Hurstville Town Improvement	0.00047246	3,838	590
Former Hurstville - Mortdale Town Improvement	0.00059588	130	45
Former Hurstville - Riverwood Town Improvement	0.00057580	137	60
Subtotal Special Rates		4,105	695
Total			\$72,441

Former Hurstville Council Special Rate Variation (SRV)

A significant change to Council's rates income is scheduled to take place from 2021-22 when the Special Rate Variation that was granted to the former Hurstville Council terminates. This has an adverse impact of approximately \$2.3 million on Council's income in that year. Since this reduces Council's rates base, the impact of this reduction compounds each year by the rate peg increase that Council receives. This equates to approximately \$19.5 million from 2021-22 to 2028-29 (8 years) which is the limit of the Long Term Financial Plan (LTFP).

Due to this, the Net Results of Council reduces substantially in 2021/22 and deteriorates further from that year onwards. Council will attempt to replace this loss of income through an application for a new special rate variation and amendments to the minimum rates.

Proposed Changes

- Minimum rates:
 - creation of a new single minimum residential rate of \$965.80

- increase the minimum rate in the former Hurstville to the same level as the current Kogarah rate
- creation of a single business minimum rate of \$1,100
- introduce a higher business minimum of \$1,500 in the Kogarah and Hurstville strategic centres
- Increase to total rates income (SRV):
 - seek permission from the NSW government for a gradual increase to the total rates income over the next 5 years of 5.8% per year.

The new proposal's total increase of 29% (inclusive of 16.5% SV and assumed rate pegs of 2.5% per year or total of 12.5%) is equivalent to Council's 2019 proposal of a permanent one-off 10.6% increase (rate peg of 2.5% and 8.1% SV) that did not proceed.

- The proposed SV will result in additional rate income of approximately \$23 million over 5 years.

The economic centres within the draft Local Strategic Planning Statement (LSPS) have been used to develop the new Georges River Council business subcategories. The following business subcategories are proposed:

- Major Shopping Complex (greater than 150 shops)
- Major Commercial Centres of Hurstville and Kogarah
- Local Centres
- Neighbourhood Centres/Small Village
- Industrial

Impact of the Proposed Changes







For the average residential ratepayer, the proposed changes will mean around **60 cents extra per week** in the first year **followed by \$1.35 per week** increases each year for the following 4 years.



For the average business ratepayer, the proposed changes will mean **\$4.30 extra per week** in the first year **followed by \$5.50 per week** increases each year for the following 4 years.

Former council's average rate		Current Year	2021/22
Total council rate income increase %		2.6%	5.8%
Residential 	Kogarah	\$1,221	\$1,251
	Hurstville	\$1,081	\$1,110
Business 	Kogarah	\$3,167	\$3,008
	Hurstville	\$3,043	\$3,477

	Current Year	2021/22	2022/23	2023/24	2024/25	2025/26
Residential average	\$1,139	\$1,169	\$1,233	\$1,300	\$1,372	\$1,447
Residential minimum	Kogarah \$967	\$966	\$990	\$1015	\$1,040	\$1,066
	Hurstville \$586					
Business average	\$3,087	\$3,311	\$3,558	\$3,822	\$4,105	\$4,408
Minimum for Kogarah and Hurstville CBD	Kogarah \$967	\$1,500	\$1,538	\$1,576	\$1,615	\$1,656
	Hurstville \$586					
Business minimum other	Kogarah \$967	\$1,100	\$1,128	\$1,156	\$1,185	\$1,214
	Hurstville \$586					
Total council rate income increase %	2.6%	5.8%	5.8%	5.8%	5.8%	5.8%
Total council rate income increase \$		\$4.1 million	\$4.3 million	\$4.6 million	\$4.9 million	\$5.1 million

The SRV and minimum application are recommended to be reviewed in partnership, as the proposed changes to the residential and business minimum contribute to the proposed SRV but also deliver an equitable rating system across the LGA.

Communication on the LTFP, SRV and minimum rate changes has been extensive with not only the community, but in the planning phase, through workshops with councillors and briefings running since 2018 extending to 2021. Councillor workshops and briefings have covered a variety of topics, which have provided the background for Council to develop the preferred option for the community and the application to IPART. These are:

- 10 Year Long Term Financial Plan and the impact of the cessation of the former Hurstville City Council's SRV from July 2021
- Legislated rate calculation options
- Council's current income split by residential and business rates

- Comparison of average unit and average single dwelling rates
- The impact of different minimum rates scenarios
- Comparisons of metropolitan Council rate structures
- Business sub-category development based on centres of activity
- Rate income yield split across categories and sub-categories
- Outcome and consideration of options based on community feedback
- Refinement of the Long-Term Financial Plan based on 2018/2019 results
- IPART application submission timeframes
- Rating reform updates
- Target rate revenue required to assist in resolving Council's financial sustainability challenges
- Service reduction figures and corresponding rate revenue increases
- Historical information of operating deficits prior to amalgamation
- Options of a lower SRV and the impact on sustainability
- Differences between a one-off and multiyear SRV
- Different minimums and their impact on different groups
- Updates on the consequences of any proposed rating system legislative changes
- Community consultation approach for the past two years
- Community consultation outcomes for the past two years.

Communication methods on the impact are outlined in the relevant section and attachments.

Impact without SRV

The impact of harmonising without the SRV results in higher volatility average increases and decreases. By implementing the SRV at the same time as harmonising the rate structure, setting new minimum rates and developing new business subcategories, minimises the scale and volatility of the change.

Complexity of the SRV, Minimums and Harmonising

The figures quoted in tables within this document have been developed from financial modelling based on current property data and land values as of 1 July 2020 (note: land values are based on the Valuer General's last release which was effective from 1 July 2019). Final 2021/22 figures may vary due to changes as a result of new land values, processing supplementary properties and subcategories. Rounding has been applied throughout the document.

Business Subcategories

The business and residential rating structures are different with business having multiple layers by centres of activity. In addition, the rate in the dollar (ad valorem) and the Minimum Rates are different based on centres of activity.

To ensure equity in the rates and annual charges across the Council LGA, a harmonised and equity based minimum rates and rate in the dollar are being proposed, for business categories, along with a different minimum rate for a new Commercial/Strategic Centre subcategory. These changes are based on the LGA's centres of activity.

The economic centres within the draft Local Strategic Planning Statement (LSPS) have been used to develop the new Georges River Council business subcategories.

To identify the new centres, the Strategic Planning team undertook a comprehensive land use and floor space audit of all business-zoned land in the LGA. The Commercial Centres Strategy conducted a review of the existing economic activity and performance of each centre. In light of this review, each centre's ability to support the community's access to goods and services is considered through the development of an existing retail hierarchy where all 48 centres are categorised based on the existing amount of retail floor space and facilities accommodated. The centres hierarchy is comprised of a six-tiered classification system: strategic centre, local centre, village, small village, neighbourhood centre, and enterprise corridor.

For the purpose of the draft business rating structures and as per the requirement to harmonise Council's business rate structure, the following business subcategories are proposed:

- Major Shopping Complex (greater than 150 shops)
- Major Commercial Centres of Hurstville and Kogarah
- Local Centres
- Neighbourhood Centres/Small Village
- Industrial

Community Support - Update

Council conducted its largest, most extensive community program to date in order to provide the community ample opportunities to submit their views on the proposed harmonised minimum rates and the special rate variation options. The engagement program has been the largest in terms of respondents since the formation of Georges River Council.

Council resolved in 2018/2019 to develop a program for the preparation of a new residential and business rates structure for the Georges River Council Local Government area (LGA), which was also to include options that would strengthen Council's financial sustainability and replace the cessation of the former Hurstville City Council's Special Rate Variation (SRV) from July 2021.

Accordingly, a comprehensive and thorough community engagement program for the proposed Special Rate Variation (SRV) and proposed consistent minimum rate was undertaken in late 2019.

The outcome of the community engagement showed broad community support for the proposed increase to general rate income of 10.6% (inclusive of 8.1% SRV and 2.5% rate peg) and a consistent minimum rate for residential properties, a consistent minimum rate for business properties and a higher minimum business rate for the Kogarah and Hurstville commercial centres.

At the Extraordinary Council Meeting held on Monday 10 February 2020, Council considered whether to proceed with an application to Independent Pricing and Regulatory Tribunal (IPART) to introduce in 2020/21 a harmonised minimum rate, harmonised rate in the dollar and also a new SRV to improve Council's financial sustainability and replace the expiration of the former Hurstville Council SRV. The SRV application was prepared to reduce Council's operating deficit by \$8 million.

At that meeting, Council considered the results of the community consultation which outlined there were more than 6,000 responses received from residents. The consultation found that 78% of respondents were supportive of introducing a consistent minimum rate across the city and 66% supported a minimum rate of \$965.80. Additionally, 54% of respondents were supportive of Council applying to IPART for a SRV of 8.1% plus a rate peg of 2.5%.

Council resolved not to proceed with the application for the SRV or the harmonisation of rates in 2020/21 and instead to investigate staff reductions and salary savings as part of future cost saving measures. Following the adoption of the budget in June 2020 and the presentation of the revised LTFP, Council resolved to recommence consultation with the community on a New Rates 2021 proposal.

Based on 2019 feedback, the 2021 proposal included the same residential and minimum rate harmonisation with a differential business minimum for the Kogarah and Hurstville business centres. The SRV was modified from the set of options tested in 2019, to propose a gradual increase in the total amount of rates collected over the five years equivalent to last year's preferred option as presented to the community.

Support for the harmonised minimum rate structure and a rate revenue increase was established in 2019. Feedback received in 2020 affirmed support for a single rating system and the minimum rate as proposed in 2019.

Increasing the rates revenue income base through a gradual five-year increase was strongly supported by all participants in the Citizens Advice Group (CAG), by nearly two thirds of webinar participants and (telephone survey) supported by the majority of residents under 50 years of age, residents in apartments and town houses and those who are tenants. Older people in single detached dwellings were less likely to support the proposal but it still achieved almost 40% support.

Information about the proposed changes to rates achieved a potential reach of over 1.5 million contacts across 54 activities or events in the engagement period.

There was a very high rate of community awareness about the New Rates 2021 project - 55% of residents were aware that Council was exploring community sentiment towards proposed rate changes – an increase since the 2019 community engagement where the awareness rate was already high, at 47% of residents.

There was a lower level of participation in active engagement in 2020 as compared with 2019, which may be indicative of a level of satisfaction around what is being proposed, or a level of consultation fatigue as many people participated in 2019.

c) What benefits and drawbacks of the proposed changes to the rating structure have been identified?

Benefits include reducing the current rate in the dollar for single dwellings on the ad valorem in the former Hurstville whom had substantial increases in 2020/21 due to the LGA's land values dropping by 20%. As the minimum rate for the former Hurstville is closer aligned to the statutory rate the increases were capped and single dwelling houses in former Hurstville wore the burden.

The higher minimum rate will provide equity for the access to services, with 40% of dwellings in the LGA being units/multis. The alignment of the two former Council's minimums to that of former Kogarah, will ensure equity and the elimination of cross subsidisations of services.

Other benefits for the business minimums include improving the equity of ad valorem and business, as those businesses on the ad valorem can pay over 3 times that of residential, but the minimum for business is the same as residential.

The benefits of the proposed structure outweigh the drawbacks and have been made based on the legislation of today.

Drawbacks may be perceived that the minimum change is large in one hit, though these impacts are experienced with land valuations every three years, whereas those on the minimum have been excluded from those movements. The rates being frozen have inhibited Council from gradual harmonisation and community feedback indicates there is no support for maintaining two rating systems any further into the future.



Attachments for Criterion 1

List attachments relevant to your response for Criterion 1 in **Table 1.1**. Use the council assigned number shown in Table 5.1. If the document is also attached to the council's SV Application Form Part B, use the number assigned in that application.

Table 1.1 Attachments relevant to response for Criterion 1

Council- assigned number	Name of document	Page references ^a

^a If document only relevant in part.



Criterion 2

Impact on ratepayers

Criterion 2 in the MR Increase Guidelines is:

The impact on ratepayers, including the level of the proposed minimum rates and the number and proportion of ratepayers that will be on the minimum rates, by rating category or subcategory.

To complete the questions for Criterion 2: Impact on Ratepayers refer to IPART's Application Guide for MR Increase Application Form Part B, Criterion 2 and if applicable, to IPART's Application Guide for SV Application Form Part B, Criterion 3: Impact on ratepayers,

Refer also to the IPART publications:

- ▼ *The Year Ahead – Minimum Rates in 2021-22 – Fact sheet*
- ▼ *Minimum Rates in 2021-22 – Information Paper*
- ▼ *Community awareness and engagement for special variations – Information Paper*

If the increase to minimum rates is **in conjunction with a proposed SV**, the response for Criterion 2 should focus on the aspects directly relevant to the proposed MR increase.

2.1 What are the current and proposed levels of minimum rates, and the number of ratepayers on the minimum rate

By completing MR Increase Application Form Part A, councils will provide full details of current and proposed levels of minimum rates and the number of ratepayers affected.

In the text box summarise the information, in table form if appropriate. Alternatively, the information can be presented in an attachment.

Merge Background – Starting Point

One of the conditions of the amalgamation was that the rating structure was to be left undisturbed for a period of four years from the date of merger. Currently under legislation, Council is required to harmonise its rates by 2020/21. The existing provisions of the Local Government Act 1993 (NSW) limit the ability for metropolitan and urban councils to apply differential residential rates.

Council currently levies two different ordinary and special rates based on the former Councils' rating systems.

At the time of proclamation, Kogarah maintained only an ordinary rate structure, whereas Hurstville maintained an ordinary and special rate structure along with a time-bound special rate variation.

Current Ordinary Rates

The tables below highlight the former Councils' ordinary rate structure that is being levied in the 2020-21 financial year (as per Council's Delivery Program):

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Former Hurstville - Riverwood Town Improvement	0.00057580	137	60
Subtotal Special Rates		4,105	695
Total			\$72,441

Proposed Changes

- Minimum rates:
 - creation of a new single minimum residential rate of \$965.80
 - increase the minimum rate in the former Hurstville to the same level as the current Kogarah rate
 - creation of a single business minimum rate of \$1,100
 - introduce a higher business minimum of \$1,500 in the Kogarah and Hurstville strategic centres
- Increase to total rates income (SRV):
 - seek permission from the NSW government for a gradual increase to the total rates income over the next 5 years of 5.8% per year.

The new proposal's total increase of 29% (inclusive of 16.5% SV and assumed rate pegs of 2.5% per year or total of 12.5%) is equivalent to Council's 2019 proposal of a permanent one-off 10.6% increase (rate peg of 2.5% and 8.1% SV) that did not proceed.

- The proposed SV will result in additional rate income of approximately \$23 million over 5 years.

Develop the new Georges River Council business subcategories, the economic centres within the draft Local Strategic Planning Statement (LSPS) have been used. The following business subcategories are proposed:

- Major Shopping Complex (greater than 150 shops)
- Major Commercial Centres of Hurstville and Kogarah
- Local Centres
- Neighbourhood Centres/Small Village
- Industrial







For the average residential ratepayer, the proposed changes will mean around **60 cents extra per week** in the first year **followed by \$1.35 per week** increases each year for the following 4 years.



For the average business ratepayer, the proposed changes will mean **\$4.30 extra per week** in the first year **followed by \$5.50 per week** increases each year for the following 4 years.

Former council's average rate		Current Year	2021/22
Total council rate income increase %		2.6%	5.8%
Residential 	Kogarah	\$1,221	\$1,251
	Hurstville	\$1,081	\$1,110
Business 	Kogarah	\$3,167	\$3,006
	Hurstville	\$3,043	\$3,477

	Current Year	2021/22	2022/23	2023/24	2024/25	2025/26
Residential average	\$1,139	\$1,169	\$1,233	\$1,300	\$1,372	\$1,447
Residential minimum	Kogarah \$967	\$966	\$990	\$1015	\$1,040	\$1,066
	Hurstville \$586					
Business average	\$3,087	\$3,311	\$3,558	\$3,822	\$4,105	\$4,408
Minimum for Kogarah and Hurstville CBD	Kogarah \$967	\$1,500	\$1,538	\$1,576	\$1,615	\$1,656
	Hurstville \$586					
Business minimum other	Kogarah \$967	\$1,100	\$1,128	\$1,156	\$1,185	\$1,214
	Hurstville \$586					
Total council rate income increase %	2.6%	5.8%	5.8%	5.8%	5.8%	5.8%
Total council rate income increase \$		\$4.1 million	\$4.3 million	\$4.6 million	\$4.9 million	\$5.1 million

2.2 What will be the impact on ratepayers of the proposed increase in minimum rates?

In **the text box** set out the increase in dollar and percentage terms for each category and subcategory of ratepayers affected by the proposed MR increase, in table form if appropriate. Alternatively, the information can be presented in an attachment.

The table below illustrates the increase in dollar and percentage terms for each category and subcategory for the former Councils' ratepayers affected by the proposed MR increase.

Category/Subcategory	Actual minimum amount levied in 2020/21 (\$)	Minimum amount to be levied in 2021/22 (\$)	Total increase	Total increase
			(\$)	(%)
Former Hurstville				
Residential	585.72	965.80	380.08	64.89%
Business Other	585.72	1,100.00	514.28	87.80%
Strategic Centres	585.72	1,500.00	914.28	156.10%
Industrial	585.72	1,100.00	514.28	87.80%
Local Centres	585.72	1,100.00	514.28	87.80%
Major Shopping Complex	585.72	1,500.00	914.28	156.10%
Former Kogarah				
Residential	966.73	965.80	-0.93	-0.10%
Business Other	966.73	1,100.00	133.27	13.79%
Strategic Centres	966.73	1,500.00	533.27	55.16%
Industrial	966.73	1,100.00	133.27	13.79%
Local Centres	966.73	1,100.00	133.27	13.79%
Major Shopping Complex	966.73	1,500.00	533.27	55.16%

2.3 How does the proposed increase affect the distribution of the rating burden among ratepayers

In the text box explain the action, if any, the council took in response to feedback from the community.

In 2019, Georges River Council ran an extensive community consultation on its proposals for minimum rate harmonisation and three options for new residential and business rates to begin in 2020/2021. However, Council did not proceed with an application to IPART for approval of the proposals.

The 2019 consultation feedback enabled an updated proposal to be developed and tested in 2020.

An important learning from the 2019 consultations was the inadequate level of community understanding about how the NSW rating system works and the pervasiveness of a number of “myths” about rates.

2019 key outcomes

- There was strong support for one fair, equitable and consistent rating system for Georges River Council ratepayers with a single residential minimum rate
- There was good support for a higher business minimum rate and a greater differential for the main town centres at Kogarah and Hurstville
- There was a strong expectation that Council has efficient operating models with a focus on the services of Council, alongside increased user pay fees and charges
- The community believed it was unfair that Council’s rate income is not permitted to increase in line with development and population growth.
- An overwhelming majority (78%) of respondents are supportive of a consistent application of a minimum rate across the LGA. This ranged from almost 90% of drop-in and information session respondents to more than 75% of the other groups.
- There was also strong support (66%) for the proposed minimum rate of \$965.80.

In response the following proposal was presented for consultation in 2020. With the main difference of a gradual SRV rather than a one off.

- Minimum rates:
 - creation of a new single minimum residential rate of \$965.80
 - increase the minimum rate in the former Hurstville to the same level as the current Kogarah rate
 - creation of a single business minimum rate of \$1,100
 - introduce a higher business minimum of \$1,500 in the Kogarah and Hurstville strategic centres
- Increase to total rates income (SRV):
 - seek permission from the NSW government for a gradual increase to the total rates income over the next 5 years

The new proposal's total increase of 29% (inclusive of 16.5% SV and assumed rate pegs of 2.5% per year or total of 12.5%) is equivalent to Council’s 2019 proposal of a permanent one-off 10.6% increase (rate peg of 2.5% and 8.1% SV) that did not proceed.

- The proposed SV will result in additional rate income of approximately \$23 million over 5 years.

2.4 How has the council considered affordability and the affected ratepayers' capacity to pay higher rates, including measures to address hardship?

In the text box explain how the council considered whether the rate increases would be affordable for the affected ratepayers, including any socioeconomic data referred to in making its assessment, and any measures the council proposes to use to reduce the impact, if necessary.

Update COVID-19

Willingness to Pay – Community Engagement Summary

Council conducted its largest, most extensive community program to date in order to provide the community ample opportunities to submit their views on the proposed harmonised minimum rates and the special rate variation options. The engagement program has been the largest in terms of respondents since the formation of Georges River Council.

An overwhelming majority (78%) of respondents are supportive of a consistent application of a minimum rate across the LGA. This ranged from almost 90% of drop-in and information session respondents to more than 75% of the other groups.

There was also strong support (66%) for the proposed minimum rate of \$965.80.

Long Term Financial Plan (LTFP) – Socio-Economic Snapshot (page 88)

When preparing the Financial Strategy and LTFP, a key factor taken into consideration was the socio-economic profile of the Georges River Council Local Government Area (LGA). With rates, annual charges, and user fees & charges making up the majority of Council's total revenue, it is important that the capacity to pay is one of those factors that need to be taken into account.

The Socio-Economic Index for Areas (SEIFA) measures the relative level of socio-economic disadvantage based on a range of Census characteristics. The index is derived from attributes that reflect disadvantage such as low income, low educational attainment, high unemployment, and jobs in relatively unskilled occupations. It is useful in identifying geographic areas that are relatively disadvantaged.

An area with a SEIFA of 1000 is considered average, while a lower score indicates that the area is experiencing disadvantage. The SEIFA index by suburb is outlined below. Whilst there are some variations across the LGA, the overall Georges River Council Local Government Area index (1020) is above the NSW (1001) and Greater Sydney (1018) index.

SEIFA Index 2016

Connells Point - Kyle Bay	1,101.00
Oatley	1,098.80
Lugarno	1,097.20
Hurstville Grove	1,082.90
Blakehurst	1,078.00
Kogarah Bay - Carss Park	1,071.90
Peakhurst Heights	1,066.40
Sans Souci	1,063.30
Beverley Park - Ramsgate	1,057.50
Mortdale	1,039.60
SSROC	1,023.70
Georges River Council area	1,020.00
Greater Sydney	1,018.00
Kogarah	1,015.10
Penshurst	1,014.40
St George Region	1,012.30
Peakhurst	1,008.80
Carlton	1,002.40
Kingsgrove	1,002.20
Australia	1,001.90
New South Wales	1,001.00
South Hurstville	998.7
Beverly Hills - Narwee	992
Allawah	989.4
Hurstville (City Centre)	972.1
Hurstville (total)	970.1
Hurstville (Remainder)	969.5
Riverwood	967.7

Council understands that ratepayers may experience financial hardship and has options available under relevant legislation to provide support.

Hardship Policy

Council adopted a new Debt Management and Hardship Policy on 16 December 2019 (Attachment D19-201537). The new policy outlines options to those ratepayers who suffer genuine financial hardship.

Council is committed to assisting customers who are experiencing adverse financial hardship, and offer payment arrangements such as interest free extensions and interest free payment plans to ease the burden. There are three types of payment arrangements available:

- **Payment extension and lump sum payment** - When payments are placed on hold for a period of time, and the full outstanding amount is paid in a lump sum on a specific date. A payment can be extended by up to six months.
- **Payment extension and payment plan** - When payments are placed on hold for a period of time, and upon an agreed date, commence payment of your rates in smaller, regular instalments (weekly, fortnightly or monthly) over a period of time, up to 12 months. You don't have to pay a lump sum fee. You need to consider how much you can pay so you can meet each ongoing payment amount, and future obligations.
- **Payment plan only** - A payment plan allows you to gradually pay your rates in smaller, regular instalments (weekly, fortnightly or monthly) over a period of time, up to 12 months. You don't have to pay a lump sum fee. You need to consider how much you can pay so you can meet each ongoing payment amount, and future obligations.

Council also provides the mandatory rebate to eligible pensioners under Section 575 of the Local Government Act 1993 (NSW), up to a maximum of \$250 per assessment.

Council has adopted the following changes to the Debt Management and Hardship Policy to provide additional assistance to eligible pensioner ratepayers. The new assistance includes the option for eligible pensioners to:

- pay their rates in monthly instalments at no additional cost
- defer payment of rates until the sale of their property without being charged penalty interest.

Proposed Rates Calculator

A change in 2020 approach was for a calculator to be placed on Council's website for ease of access for the community and transparency of the change.



Attachments for Criterion 2

List attachments relevant to your response for Criterion 2 in **Table 2.1**. Use the council-assigned number shown in Table 5.1. If the document is also attached to the council's SV Application Form Part B, use the number assigned in that application.

Table 0.11 Attachments relevant to response for Criterion 2

Council-assigned number	Name of document	Page references ^a
D19-201537	Debt Management and Hardship Policy	
D20/144980	Georges River Council Delivery Program 2018/19 to 2020/21 and Operational Plan 2019/20	pp. 54, 85 (28, 43 in pdf)
D20/289823	Long Term Financial Plan (Within Resourcing Strategy) – Socio Analysis Page	pp. 88

a If document only relevant in part.



Criterion 3 Consultation on the proposal

Criterion 3 in the MR Increase Guidelines is:

The consultation the council has undertaken to obtain the community's views on the proposal

To complete the question for Criterion 3: Consultation on the proposal refer to IPART's Application Guide for MR Increase Application Form Part B, Criterion 3 and to IPART's Application Guide for SV Application Form Part B, Criterion 2.

Refer also to the IPART publications:

- ▼ *The Year Ahead – Minimum Rates in 2021-22 – Fact sheet*
- ▼ *Minimum Rates in 2021-22 – Information Paper*
- ▼ *Community awareness and engagement for special variations – Information Paper*

If the increase to minimum rates is **in conjunction with a proposed SV**, the response for Criterion 3 should focus on the aspects directly relevant to the proposed MR increase

3.1 How did the council consult the community about the proposed increases to minimum rates?

a) The consultation methods used to make ratepayers aware of the proposal and provide opportunities for feedback from them.

Council employed many different methods to raise community awareness of the proposed changes to minimum rates and the SRV and to actively seek community feedback over a two year period – 2019 and 2020.

Over this two year period, the engagement strategy included ample opportunities for general public awareness, participation and specific communications including letters, brochures, videos, COVID-19 pandemic safe Citizens Advice Group, webinars, 2019 face-to-face public meetings, and online and telephone surveys in both 2019 and 2020. The engagement strategy was designed to include the broader community, as well as the ratepayers directly affected.

Specifically, the community engagement methods undertaken to raise in 2020 included:

- Letter from the Mayor of Georges River Council attached to rates notices to approximately 57,000 residential and business ratepayers creating awareness of the upcoming New Rates 2021

- Citizens Advice Group of residents formed to test and explore ideas and proposals with a group of residents and provide feedback on Council's proposals
- A dedicated consultation website¹ ("Your Say") including feedback submission function, services survey and FAQs
- Your Say newsletter distributed to 2,499 members on 28 October 2020; 10 November 2020 and 23 November 2020
- Dedicated pages on Council's website including FAQs and Rates Calculator
- Georges River Council New Rates 2021 video (2min 30 sec) 18 October 2020
- New Rates 2021 brochure, included in rates notice to approximately 57,000 residential and business ratepayers
- Numerous advertisements in St George & Sutherland Shire Leader newspaper including: 28 October 2020, 4 November 2020, 11 November 2020, 2 October 2018 November 2020, 25 November 2020,
- Articles in the St George & Sutherland Shire Leader newspaper including: "Georges River Council's rate leap forward" 31 October 2020; "Webinars to explain Georges River Council's new rates system" 11 November 2020.
- New Rates 2021 – hear from GM Gail Connolly video (2 mins 9 secs)
- Short version rates video for the Council website carousel (31 secs)
- Culturally and Linguistically Diverse (CALD) advertising including advertisements as follows: Greek Herald 18 November 2020; Australian Chinese Daily 21 November 2020; El-Telegraph Arabic newspaper 27 November 2020
- Four (4) Community Webinars: 4 November 2020, 7 November 2020, 12 November; 21 November 2020
- Invitation for special briefing to Chamber of Commerce: 23 November 2020
- Representative telephone survey of 600 local residents conducted by IRIS Research
- Content in Council's eNewsletter email sent fortnightly to 15,784 subscribers on 9 October 2020, 23 October 2020, and 6 November 2020
- Media releases issued 27 August 2019, 17 October 2019, 21 November 2019
- Digital posters via Council's Smart Signage at high traffic areas in Hurstville and Kogarah
- 35 New Rates 2021 A1 corflute signs distributed to high traffic areas across Georges River Council area.
- Digital communication including content on Council's website, and posts on Council's Facebook, YouTube
- Updated Frequently Asked Questions throughout the community engagement period
- Hard copy brochures and surveys at all libraries and service centres
- Translated brochures in Arabic, Nepalese and Chinese distributed at Civic Centre and 3 Libraries

¹ <https://yoursay.georgesriver.nsw.gov.au/newrates2021/consultation>

- Bulk email to last year's 2,096 Rates Consultations registrants 11 November 2020
- Georges River Council Community Magazine to letterboxed to 50,000 households 'New Rates 2021 webinars well received' 1 December 2020
- Hardcopy brochures and surveys at all libraries and Service Centres
-

The community engagement methods undertaken in 2019 included:

- A dedicated consultation website² ("Your Say") including feedback submission function and FAQs
- Direct mail letter from the Mayor of Georges River Council to 53,646 residential and business ratepayers creating awareness of the upcoming consultation
- Direct mail with brochure, reply paid survey/online survey option to 53,646 residential and business ratepayers
- Numerous advertisements in St George & Sutherland Shire Leader newspaper including: 11 September 2019, 18 September 2019, 25 September 2019, 2 October 2019, 9 October 2019, 16 October 2019, 23 October 2019, 30 October 2019, 6 November 2019, 13 November 2019
- Culturally and Linguistically Diverse (CALD) advertising including advertisements as follows: Australian Chinese Daily 23 October 2019, 30 October 2019 and 2 November 2019, El-Telegraph Arabic newspaper 25 October 2019, Greek Herald 1 November 2019.
- Community Information Sessions: 23 October 2019, 29 October 2019, 31 October 2019, 31 October 2019, 4 November 2019, 7 November 2019
- Drop-in events: 25 October 2019 and 2 November 2019
- Business Information and Feedback Session: 30 October 2019
- Business Breakfast: 18 September 2019
- Chamber of Commerce briefing: 19 September 2019
- Representative telephone survey of 600 local residents conducted by Micromex Research
- Content in Council's eNewsletter email sent fortnightly to 16,000 subscribers on 29 August 2019, 25 September 2019, 11 October 2019, 23 October 2019, 6 November 2019,
- Media releases issued 27 August 2019, 17 October 2019, 21 November 2019
- Digital posters via Council's Smart Signage at high traffic areas in Hurstville and Kogarah
- Digital communication including content on Council's website, and posts on Council's Facebook, Twitter, LinkedIn, and Instagram.
- Updated Frequently Asked Questions throughout the community engagement period.
- Video presentation³ to a Community Information Session, accessible to community members via Council's dedicated consultation website
- One-to-one briefing of several local members of State Parliament.

² <https://yoursay.georgesriver.nsw.gov.au/SRV>

³ <https://www.youtube.com/watch?v=J153sErv8W8>

Over the two years, the community's feedback was obtained through multiple channels and a variety of engagement methods.

2020 community consultation:

- Citizens Advice Group feedback – 11 active participants attended the initial briefing and question and answer session.
- A randomised telephone survey of 600 households was undertaken by IRIS Research in the period 14 November to Monday 30 November 2020.
- Webinar questions and answers from participants to presenters and polls – four webinars were conducted at various times of the week and weekend, with a total of 75 registrations and 30 participants.
- Online follow-up survey sent to all webinar participants.
- Have your say online survey and submission option. Online surveys were completed by 63 people. Feedback submissions were provided online by 80 people
- Phone interaction with customer service team. 196 rates related enquiries were received in the period 19 October – 30 November 2020. This figure covers all rates related matters (not just new rates consultation).
- Dedicated New Rates 2021 email.

Full details are available in Georges River Council New Rates 2021 Community Engagement Report December 2020 in Attachment D21-23549.

2019 community consultation:

- Face-to-face comments and questions to the General Manager and Senior Managers at information sessions held in each ward and at the two drop-in events. 288 people were reached across seven events. All questions and Council's responses were logged and subsequently listed on the Your Say website.
- Surveys – a paper survey was mailed to each household and business in the LGA with an explanatory brochure. 5,734 survey responses were received by Council. The survey was also available to complete online (599 responses) and at each face-to-face and drop-in session (30 responses). A response rate of 11.86% was achieved based on 53,646 feedback packs (Letter 2, brochure and survey) sent out.
- Feedback submissions were also provided by 50 people online using Council's Your Say consultation website and a further 50 people made submissions in writing direct to Council by email and mail.
- A randomised telephone survey of 600 households was undertaken by Micromex Research in the period 21-31 October 2019.

The full details and analysis are included in Attachment D20-20729 Community Engagement Report 2019 – Special Rate Variation Options and Minimum Rate.

Awareness levels of the rates proposal were increased over the two year period, with the initial telephone survey finding an awareness level of 47% of residents in 2019, and a very

high rate of **community awareness of 55%** about the *New Rates 2021* project, with the telephone survey conducted in 2020.

There was a lower level of participation in active engagement in 2020 as compared with 2019, which may be indicative of a level of satisfaction around what is being proposed, or a level of consultation fatigue, many people having participated in 2019.

b) When the consultation occurred.

The 2020 round of community engagement for the *New Rates 2021* project commenced with community awareness through a Mayoral letter on 17 August 2020. The community engagement was then conducted over a six week period from 19 October 2020, and ran through to the 30 November 2020 (inclusive). The community engagement period was longer than that required by the Independent Pricing and Regulatory Tribunal (IPART) and the Office of Local Government Guidelines.

The 2019 community engagement period was over eight weeks from 18 September 2019 to 17 November 2019 (inclusive). This was double the minimum required period of consultation stipulated by the Independent Pricing and Regulatory Tribunal (IPART) and the Office of Local Government Guidelines.

c) Which groups were consulted.

Over the two year period, Council consulted Georges River Council ratepayers, residents, the business community and local members of parliament through a variety of methods. The engagement strategy was designed to include the broader community, as well as the ratepayers directly affected.

The various communication and feedback channels ensured that as many local people as possible were both aware and able to provide feedback. This was successfully achieved, demonstrated by the very high rate of **community awareness of 55%** about the *New Rates 2021* project.

Council also ensured that our community from non-English speaking backgrounds were aware and able to provide feedback. This was achieved in a number of ways, including providing information including letters and brochures in community languages and advertisements in community newspapers targeting particular language groups (see detail below). Both the telephone surveys conducted in 2020 and 2019 achieved a high level of responses from households who spoke a language other than English at home. The 2020 IRIS survey achieved a thirty five percent response rate from households who spoke a language other than English and the 2019 Micromex survey conducted 20 of the interviews with non-English speaking residents (5 surveys were conducted in each of the following languages: Cantonese, Mandarin, Greek and Arabic) using multilingual interviewers. Some 37% of total telephone survey participants spoke a language other than English at home.

All digital/website content was translatable into 103 community languages.

d) The way the proposed change to minimum rates was presented to the community.

The 2019 community engagement feedback reinforced the difficulty in conveying complex financial rating information and demonstrated a lack of understanding of the NSW rating system within the community.

Citizens Advice Group

In order to improve the key 2020 engagement messages, 2020 consultation planning began with the establishment of a Citizens Advice Group (CAG) to test and explore ideas and proposals in detail with a group of residents.

The group was also used to test the broader messaging proposed through the production of a generic rates information video and a video specific to the 2021 proposals. Additionally, their advice was sought on possible service cuts and cost savings options.

Membership was voluntary and by invitation. Invitations were generated through a process of random selection from the Georges River Council ratepayer database and members of Council's community forums. Details of the recruitment process, terms of reference (TOR) and group profile are at Appendix 2 of the Community Engagement Report 2020 – New Rates 2021 in Attachment D21-23549.

Key advice from the group was the need to dispel a number of myths about rates.

CAG activities

The CAG met on three occasions as detailed below. In light of COVID-19 pandemic concerns, the initial session was scheduled online. At the conclusion of the work of the CAG, members were sent a follow-up survey to collect feedback on how the CAG had worked from their perspective. Amongst those who responded, the effectiveness of the CAG was rated as 4.2 stars out of a possible 5.

Contact was maintained with the CAG members by the Coordinator, Communications and Engagement who provided updates at every stage of the consultation roll out.

CAG meetings

Meeting	Attendees	Details
Initial briefing 15 September 2020 - held online	11	Introductions, purpose of group, TOR, rates presentation, opportunity for questions and answers

Second meeting 22 September 2020 - face-to face	10	Recap, detail of New rates 2021 proposal, group discussion of key messages
Third meeting 29 September 2020 - face-to-face	8	Recap, video feedback Discussion of savings options CAG support for proposal

Advice about key messages

The CAG provided feedback on the key messages they believed to be important for the community and identified the most useful slides in the presentations. This helped hone the presentations used for the community webinars and also to refine the text of the final brochure ('New Rates 2021' 2020 brochure, Attachment D21-19459) provided to all ratepayers. The CAG group identified different key messages to those outlined in the IPART manual, therefore communications material on the 2020 proposal was based on CAG feedback as a primary and IPART requirements as a secondary.

The key structure of the communications based on CAG feedback was:

- What does it mean for me?
- What is the proposal?
- What happens if the proposal isn't approved?
- Where can I get more information?

Material presented to the community

2020 Consultation

In the 2020 *New Rates 2021* community engagement, Council commenced the engagement process with an awareness letter from the Mayor on 17 August 2020 which was included in the rates notice to approximately 57,000 residential and business ratepayers.

Council then presented the proposal and the impact of the proposed changes to minimum rates and consultation opportunities in a brochure ('New Rates 2021' 2020 brochure, Attachment D21-19459), included in the next rates notice to approximately 57,000 residential and business ratepayers.

The brochure outlined:

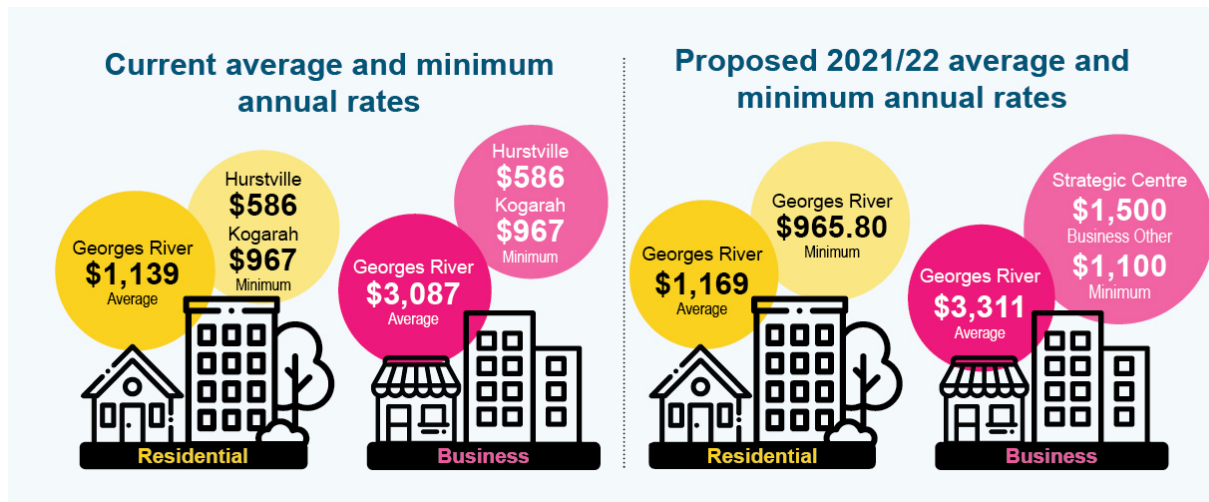
- The need for the proposed SV and MR increase
- The rate levels that would apply without the proposed MR increase
- Council is planning a new rating system from 1 July 2021 so it can:
 - meet the mandatory NSW Government requirement for one rates system across the Georges River local government area
 - create better equity between houses and apartments

What is the proposal?

Meeting the mandatory requirement for one rating system

Currently the former Kogarah and Hurstville Council areas have different rating systems. Last year the community told us it wants a single, consistent and more equitable approach to rates across the Georges River. Council will create a new single minimum rate which will in effect increase the minimum rate in the former Hurstville to the same level as the current Kogarah rate. This would reduce the gap between rates charged for houses and apartments.

The 'New Rates 2021' 2020 brochure (Attachment D21-19459) graphically showed the current average and minimum annual rates and the proposed 2021/22 average and minimum annual rates:



Translated brochures in Simplified Chinese, Nepali, and Arabic were distributed through three libraries and the customer service centre and available on the Your Say Georges River website.



The 'New Rates 2021' 2020 brochure (Attachment D21-19459) presented what the findings of our 2019 community engagement told us:

That the community supports one fair, equitable and consistent rating system for Georges River council ratepayers, in which the minimum rate paid is the same across the entire local government area.

It also outlined that currently, the former Kogarah and Hurstville Council areas have different rating systems, and that Council will create a new single minimum rate which will in effect increase the minimum rate in the former Hurstville to the same level as the current Kogarah rate and that this would reduce the gap between rates charged for houses and apartments.

You told us

Our consultation with the community about possible changes to rates, as well as strategic planning revealed:

- You value the things that make Georges River special - green open spaces, our river, convenient location and transport, a diverse culture, strong social services and a varied and productive economy.
- You support one fair, equitable and consistent rating system for Georges River Council ratepayers, in which the minimum rate paid is the same across the entire local government area.
- You support a higher business minimum rate and a differential business rate between the main town centres at Kogarah and Hurstville.
- You don't want to see radical service reduction but expect to see efficient operating models and focus on the core services of Council alongside increased user-pay approaches (fees and charges).
- You would support an increase to the total rates income which Council can collect to provide the services the community value, meet the cost pressures of a growing population and address the loss of \$2.3m from lapsing old Hurstville Council income.
- You think it is unfair that Council's rate income is not permitted to increase consistent with development and population growth.

What is the proposal?

Meeting the mandatory requirement for one rating system

Currently the former Kogarah and Hurstville Council areas have different rating systems. Last year the community told us it wants a single, consistent and more equitable approach to rates across the Georges River.

Council will create a new single minimum rate which will in effect increase the minimum rate in the former Hurstville to the same level as the current Kogarah rate.

This would reduce the gap between rates charged for houses and apartments.

Sustainability

At the same time, Council is proposing to ensure service and financial sustainability by seeking permission to increase its total rates income to manage past and future population growth and increasing service demand. This is proposed as a gradual increase over 5 years.

Did you know that the rates do not increase as development and population increases?

What happens if the proposal isn't approved?

Council's service portfolio is complex and diverse. It provides 200 services which our community members value, and are essential to a thriving and growing community.

If the Council's total rate income does not increase over the next 5 years as proposed by this rate increase, we will be forced to reduce or cease many services. We will be unable to respond to the needs of future population growth which will continue to strain service quality. This will result in higher use/overuse of current assets and poorer condition standards.

Houses in the old Kogarah Council area will pay almost three times what an apartment currently pays (an average increase of \$300) and apartments will drop – broadening the inequity instead of addressing it.

Houses in the old Hurstville Council area will have an average decrease of \$25 and those who had a large rate increase in 2020/21 will not receive a reduction.

Council has and will continue to find savings, efficiencies and implement improved operating models but without the rate income increase, deep cuts to services will be inevitable.

Our previous consultations have told us that the majority of residents support maintaining current service standards but if you think there should be service reductions, we want you to have your say at yoursay.georgesriver.nsw.gov.au.

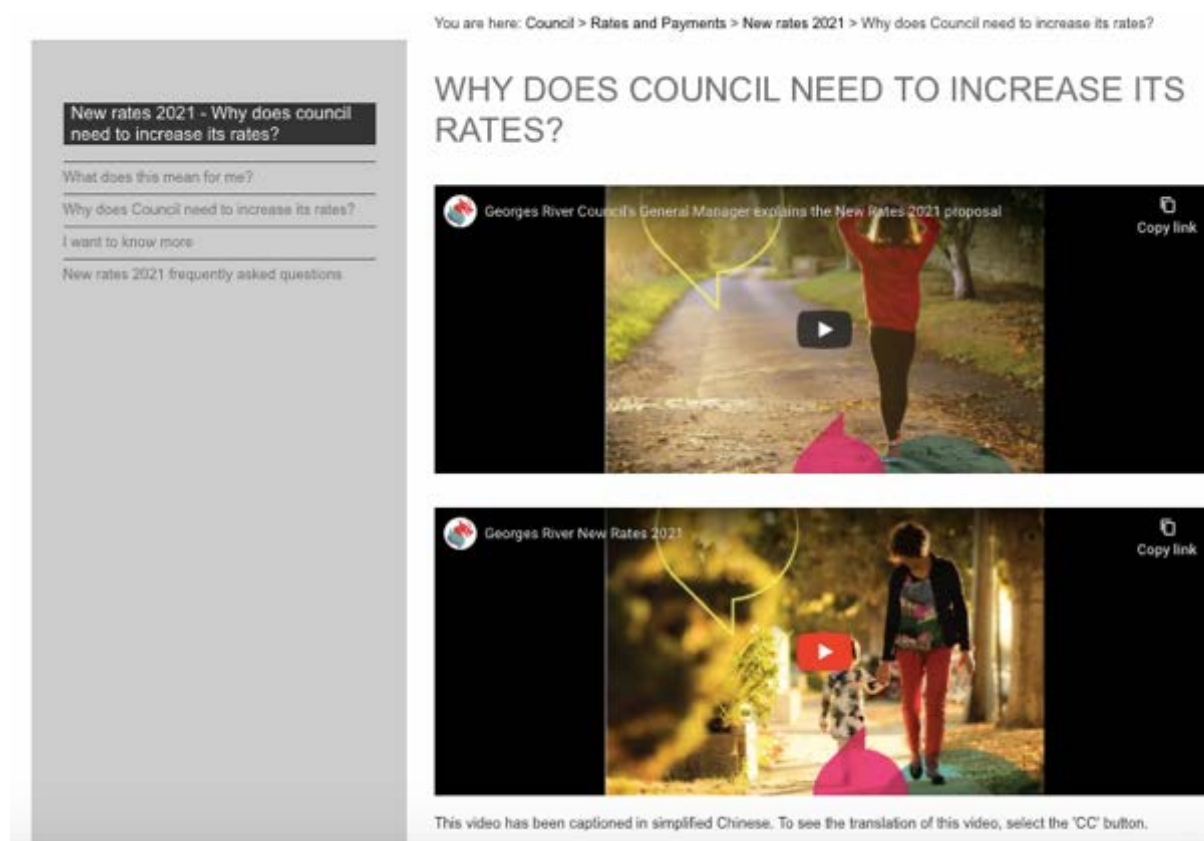
Videos

Two videos were produced for the New Rates 2021 project.

Video 1 is a general introduction to rates and provides information about how rates are calculated. It was designed to have a shelf-life beyond the specifics of the New Rates 2021 proposal and has been captioned in simplified Chinese.

Video 2 is a presentation by the General Manager of GRC describing the key elements of the proposal and its importance to the provision of services to the broader George River community.

A third video was also available on the Council website home page carousel. This was a shortened version of Video 1. This link is no longer available.



Screenshot of Video 1 (bottom) and Video 2 (top) on Council's website

Rates Calculator

As a result of the CAG feedback, a rates calculator was added to the GRC website rates page. This enabled individuals to enter their land valuation and test directly the impact of the new proposals on their own personal circumstances.

Proposed New Residential Rates Calculator

Residential Rate in the Dollar

0.0016401

Please enter your Land Value from you Current Rates Notice

Calculate

Disclaimer:

Please note the proposed new rates outlined in the calculator are to provide a guide to residents of the impact of the proposed new rating system.

The proposed new system is pending approval of Council and the State Government regulatory, Independent Pricing and Regulatory Tribunal (IPART).

Therefore the final 2021/22 rate levies may vary due to changes in internal policies, the final Council and IPART decision, along with marginal movements due to model sensitivity.

Digital Resources and Ethnic Media Advertisements

The brochure ('New Rates 2021' 2020 brochure, Attachment D21-19459), videos, rates calculator, FAQs and further information were made available through Council's website and Your Say pages. Information about the proposal directing people to Council's website and Your Say pages was sent through emails to Council's database lists and social media channels, paid media in local newspapers and CALD media and promotional banners.

The collage features several key elements:

- Newspaper Clipping (El-Taleehani):** Contains headlines such as "استراتيجيات" (Strategies) by Hani El-Hak OAM, "سجل استراليا في جرائم الحرب" (Australia's record in war crimes), "العارضة العمالية تطالب الحكومة بالتعامل مع الصين بديبلوماسية" (The labor union demands the government to deal with China diplomatically), and "اللقاح بكونها قبل السفر على متن الطائرات" (Vaccination before flying on planes).
- New Rates 2021 Graphic:** A blue and white graphic with the Georges River Council logo and the text "New rates 2021".
- Greek Advertisement:** Titled "Εργαζόμαστε μαζί για ένα καλύτερο μέλλον" (We work together for a better future), it promotes council services and includes the website www.georgesriver.nsw.gov.au/New-rates-2021.
- Arabic Brochure:** Titled "نعمل معاً لمستقبل أفضل" (We work together for a better future), it provides information about the 2021-22 rates and includes a QR code and the website www.georgesriver.nsw.gov.au/New-rates-2021.

Full details area available in the Georges River Council Community Engagement Report 2020 – New Rates 2021 in Attachment D21-23549.

2019 consultation

In 2019, Council presented the impact of the proposed changes to minimum rates and consultation opportunities in two letters mailed to households, emails to Council database lists and social media channels, on the Your Say Georges River consultation website with FAQs, paid media in local newspapers and CALD media and promotional banners. Information was provided in the top four community languages for Georges River local government area – Simplified Chinese, Greek, Arabic and Nepali. Translation of information occurred to specifically reach these target groups.

Mail to households – Letter 1: generating community awareness across the local government area

On 11 September 2019, a letter to all households was sent advising that community consultation was coming soon for a Special Rate Variation (SRV) and a new standard minimum rate across all rateable properties in Georges River.

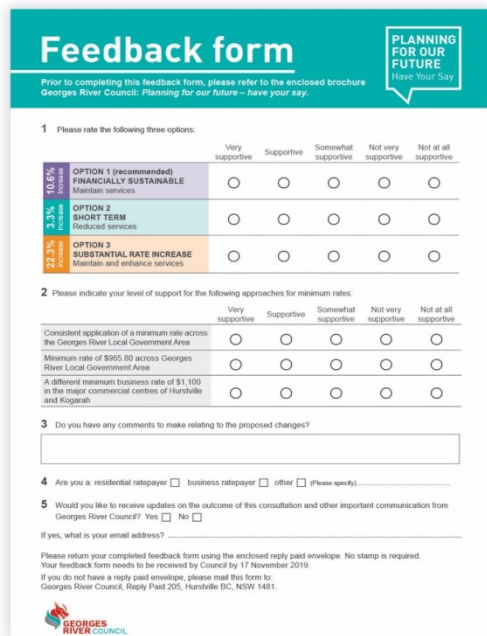
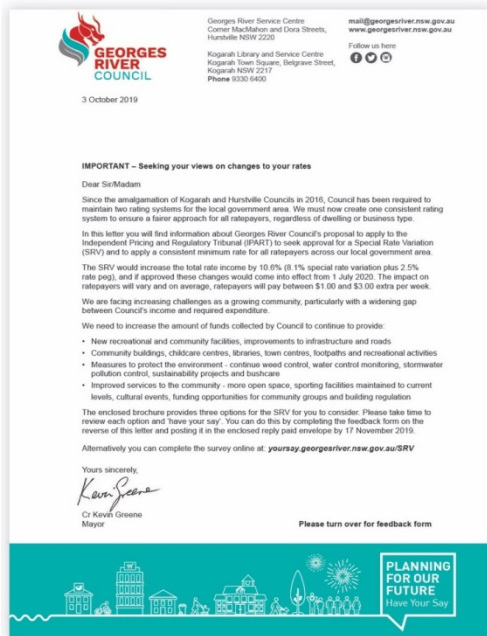
Translated letters (below) in Simplified Chinese, Nepali, Arabic and Greek were distributed through community development networks and also available at the information and drop-in sessions, from Council’s service centre and on the Your Say Georges River website.



Translated Letter 1 to residents in Nepali, Arabic, Simplified Chinese and Greek

Mail to households – Feedback pack: Letter 2, survey and brochure sent to ratepayers

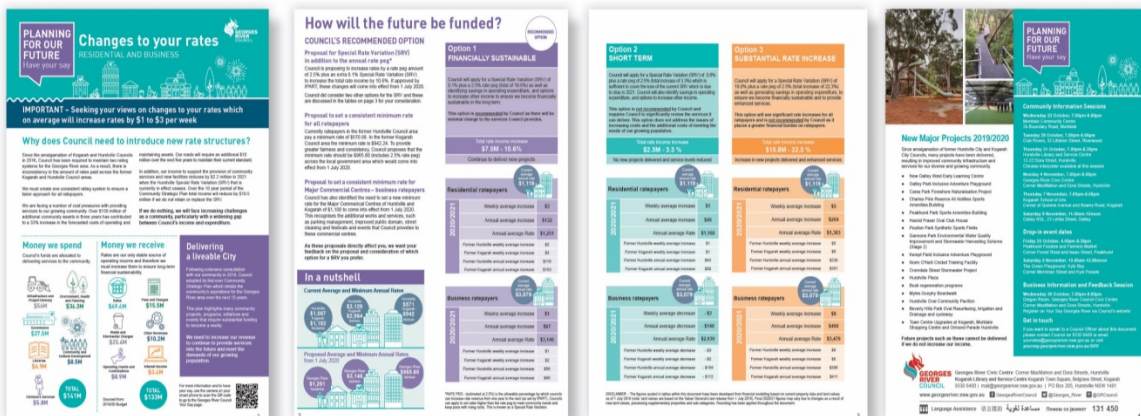
This was followed up by a direct mailout of feedback packs on 30 September 2019 to 53,646 residential and business ratepayers, including a second letter (Letter 2), brochure, rates



restructure survey and reply-paid envelope (48,819 via Australia Post and 4,827 sent via digital channels). Letter 2 and the feedback survey are shown below.

Of the digital channels, 1,802 letters were sent by BPay View and 3,025 sent by email to ratepayers who prefer their information delivered this way. 260 real estate agents received copies in respect of rental properties in the LGA.

The image below shows the accompanying brochure ('Changes to your rates' 2019 brochure, Attachment D19-307568) distributed as part of the feedback pack. This was a key document as it explained the rationale for Council's proposals, including the full cumulative increase of the proposed special variation options, rate restructure and changes to minimum rates in percentage terms, and the total increase in dollar terms for the average ratepayer, by rating category.



The 'Changes to your rates' 2019 Brochure was also translated into Simplified Chinese. Council also placed translated advertisements in community language newspapers:



Translated advertisements in Chinese Daily 23 October 2019, 30 October 2019 and 2 November 2019
 El Telegraph 2 October 2019 and Greek Herald 1 November 2019

The feedback pack presented the proposed new residential minimum rate for 2020/21 of \$965.80, which was the former Kogarah minimum with an assumed rate peg increase of 2.5%, to the community for consideration.

In addition, the new average residential rate with the harmonised rate in the dollar for business and residential was also communicated (excerpt from brochure overleaf), as was the higher business rate for Hurstville and Kogarah. The 'Changes to your rates' 2019 Brochure (Attachment D19-307568) that was sent to all rateable properties, clearly outlined the pre and post harmonisation and minimum rate change, both in text format and in graphics to assist with understanding of the information.

Full details are available in the Community Engagement Report 2019 – Special Rate Variation Options and Minimum Rate in Attachment D20-20729).

e) What feedback was received.

Support for the harmonised minimum rate structure was established in 2019. 2020 feedback affirmed support for a single rating system and minimums as proposed.

The CAG were 100% in support of a consistent minimum rate and in the webinar polls, 89% of respondents were fully supportive of a consistent minimum rate, re-affirming the outcome of the 2019 community consultation, where an overwhelming majority (78%) of respondents were supportive of a consistent application of a minimum rate across the LGA. This ranged from almost 90% of drop-in and information session respondents to more than 75% of the other groups.

Key question	CAG	PHONE	WEBINAR POLL	POST WEBINAR SURVEY	2019 engagement
What is the awareness level in the community about the New Rates 2021 proposal?		55%			47%
Do you believe that rate income increases as population grows?(<i>myth</i>)			73% AGREE		
Did you know that the total amount of money Council can collect in rates is fixed by the State Government?		34% YES 66% NO		67% YES 33% NO	
Should the total amount of rates that Council collects increase in line with population growth and new development?	100% YES	44% YES		78% YES	
Do you support a consistent minimum rate?	100% YES		89% YES		78% supportive 61% supportive of proposed rate (\$965.80)
Do you support the proposed SRV increase?	100% YES	42% YES	65% YES		54% supportive of the 2019 recommended option (changed approach in 2020)

In 2019, there was also strong support (66%) for the proposed minimum rate of \$965.80.

Three survey questions sought feedback on the approaches proposed for the changes to minimum rates. These comprised:

- applying a consistent minimum rate across the whole Council LGA;
- the proposed specific minimum rate (\$965.80); and
- whether there should be a different minimum business rate (\$1,100) for the commercial centres of Hurstville and Kogarah

A comparison of business and residential respondents did not generally reveal any major differences for the first two minimum rate questions. However, the question of a different business rate in Hurstville and Kogarah was examined by both ratepayer types. The survey analysis shows that a higher proportion of residential ratepayers are in favour of the different rate, when compared with business ratepayer respondents. While 57% of business respondents are very supportive or supportive, amongst residential ratepayers the proportion rose to 69%.

There was also feedback at the face-to-face consultation and in many of the written comments that:

Business rates are too low and the overall minimum rate for business should be higher than the residential minimum rate.

Consistent minimum rate

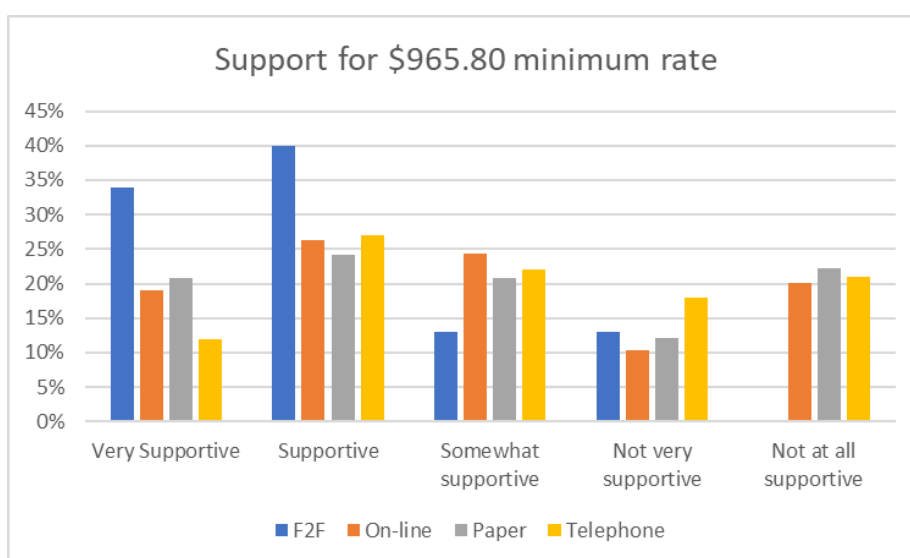
An overwhelming majority (78%) of respondents are supportive of a consistent application of a minimum rate across the LGA. This ranged from almost 90% of drop-in and information session respondents to more than 75% of the other groups.

Consistent application of minimum rates across the GRC LGA	Very Supportive		Supportive		Somewhat supportive		Not very supportive		Not at all supportive		Total	% at least somewhat supportive	% not supportive
	#	%	#	%	#	%	#	%	#	%			
Drop in and information session respondents	10	34%	12	40%	4	13%	4	13%	0	0%	30	87%	13%
On-line respondents	159	28%	164	28%	113	20%	48	8%	93	16%	577	76%	24%
Mail survey respondents	1796	33%	1522	28%	910	17%	337	6%	835	15%	5400	78%	22%
Telephone	138	23%	198	33%	132	22%	60	10%	72	12%	600	78%	22%

Proposed minimum rate

There was a very high level of support for the proposed minimum rate of \$965.80. Across all channels, 66% of respondents support the proposed minimum, with support from 87% of drop-in and information session respondents.

A different minimum business rate of \$1,100 in the major commercial centres of Hurstville and Kogarah	Very Supportive		Supportive		Somewhat supportive		Not very supportive		Not at all supportive		Total	% at least somewhat supportive	% not supportive
	#	%	#	%	#	%	#	%	#	%			
Drop in and information session respondents	12	34%	9	40%	4	13%	1	13%	1	0%	27	87%	13%
On-line respondents	157	28%	137	25%	96	17%	60	11%	102	18%	552	71%	29%
Mail survey respondents	1308	26%	1186	24%	925	19%	461	9%	1120	22%	5000	68%	32%



The telephone survey collected information on suburb of residence, which was not collected for the other respondents. This indicated that Hurstville residents (the area of the LGA that would see the largest increase in minimum rate if approved) are not as supportive of the proposed new minimum as interviewees in other wards.

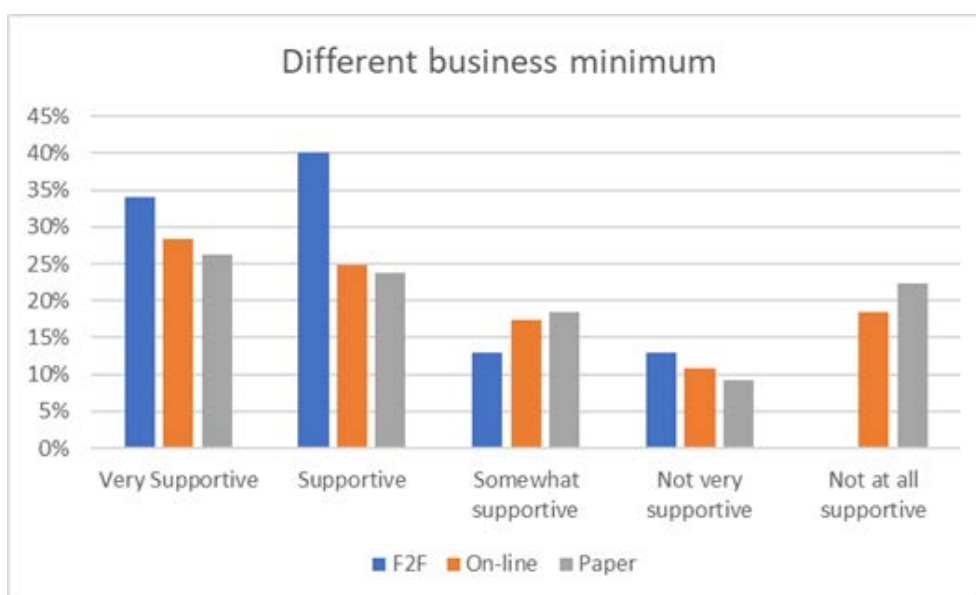
	Hurstville	Blakehurst	Mortdale	Peakhurst	Kogarah Bay
Mean rating	2.97 ▼	3.78 ▲	3.37	3.61	3.50
Base	122	123	121	125	110

Different minimum business rate

The final survey question sought views on a different business rate of \$1,100 for the commercial centres of Hurstville and Kogarah reflecting the additional services provided by Council. There was a very high level of support (69% across all channels) for the different rate for the commercial centres. 68% of mail survey respondents and 87% of drop-in and

information session respondents indicated support, with high numbers being very supportive. Some comments suggested the minimum business rate could be set at a higher level than that proposed.

A different minimum business rate of \$1,100 in the major commercial centres of Hurstville and Kogarah	Very Supportive		Supportive		Somewhat supportive		Not very supportive		Not at all supportive		Total	% at least somewhat supportive	% not supportive
	#	%	#	%	#	%	#	%	#	%			
Drop in and information session respondents	12	34%	9	40%	4	13%	1	13%	1	0%	27	87%	13%
On-line respondents	157	28%	137	25%	96	17%	60	11%	102	18%	552	71%	29%
Mail survey respondents	1308	26%	1186	24%	925	19%	461	9%	1120	22%	5000	68%	32%



As support for the harmonised minimum rate structure was established in 2019, the 2020 community engagement did not revisit this aspect of the proposal in detail. There was affirmation of the 2019 harmonised rate structure from the CAG and it was the topic of a poll during the webinars, both with majority support.

e) How the council responded to any issues of concern raised in feedback from the community.

As Council conducted a two year community engagement program, Council was able to respond to many issues of concern raised in 2019 and developed the proposal for consultation for the *New Rates 2021* project in 2020.

The CAG also provided valuable feedback on the Council proposal and key messages they believed to be important for the community and identified the most useful slides in the webinar presentation. This helped to hone the presentations used for the community webinars as well as refining the text of the final 'New Rates 2021' 2020 brochure (Attachment D21-19459) provided to all ratepayers.

Council responded to the feedback from 2019 that the business rates are too low and the overall minimum rate for business should be higher than the residential minimum rate.

Council reviewed the business minimum rates and the subcategories following the community consultation process and identified that the rate in the dollar for business subcategories was set higher than residential though the business minimum was the same. Therefore for the *New Rates 2021* proposal, the business minimum was amended to be \$1,100 (residential minimum proposed at \$965.80) and a new subcategory set for businesses within the Major Commercial Centres of \$1,500.

Council responded to all questions raised by the community both in 2020 and 2019. These questions were added to the full lists of FAQs, available in the Attachments.



Attachments for Criterion 3

List attachments relevant to your response for Criterion 3 in **Table 3.1**. Use the council-assigned number shown in Table 5.1. If the document is also attached to the council's SV Application Form Part B, use the number assigned in that application.

Table 0.11 Attachments relevant to response for Criterion 3

Council-assigned number	Name of document	Page references ^a
D21-19459	'New Rates 2021' 2020 brochure	
D19-307568	'Changes to your rates' 2019 brochure	
D21-23549	Community Engagement Report 2020 – New Rates 2021	
D20-20729	Community Engagement Report 2019 – Special Rate Variation Options and Minimum Rate	

^a If document only relevant in part.



Criterion 4 Other relevant matters

The MR Increase Guidelines provide that IPART will assess each application based on its merits against the three assessment criteria:

In addition to any other matter which it considers relevant.

To complete the questions for Criterion 4: Other relevant matters refer to IPART's Application Guide for MR Increase Application Form Part B, Criterion 4.

In **the text box** the council **may** provide information in addition to that provided elsewhere in the Application which it would like IPART to consider when assessing its proposed increase to minimum rate(s).

In late December 2020, the NSW Government released an exposure draft of a Bill on the local government rating system. A section of the exposure draft relates to the possibility of allowing merged councils to gradually harmonise residential rates over 4 years. The exposure draft does not propose any changes that would assist in resolving Council's financial challenges. The timing and outcome of the proposed draft bill is unknown.

NSW Productivity Commission

The current NSW rating system, which does not allow for increased rate revenue in line with increased population growth, leaves councils with two options, these being service cuts with increase population or an application to IPART to achieve rate revenue growth. Many in the community incorrectly believed that rate revenue increases in line with population growth or would prefer this to be the case. There is in principle support for rates revenue growth to support population growth.

The recent recommendations of the NSW Productivity Commission review into infrastructure contributions support a shift to rate revenue growth in line with population growth. The report further notes that average rates per capita in NSW (\$591 in 2019) are significantly lower than the average for all other states (\$835).

The Georges River Council per capita rate figure has been calculated at \$454 (or \$448 with the pensioner rebate) which is more than 20% lower than the current NSW average rate, further reinforcing the appropriateness of the New Rates 2021 proposal.

Based on the proposed rate revenue increase over 5 years and assuming 7% population growth, the Georges River Council per capita projection will still be below the NSW average of \$591, with an increase from \$454 to \$545 projected in 5 years.



Attachments for Criterion 4

List attachments relevant to your response for Criterion 4 in **Table 4.1**. Use the council-assigned number shown in Table 5.1. If the document is also attached to the council's SV Application Form Part B, use the number assigned in that application.

Table 0.11 Attachments relevant to response for Criterion 4

Council-assigned number	Name of document	Page references ^a

a If document only relevant in part.

Council certification and contact information

To prepare the Council certification and provide council information refer to IPART's Application Guide for MR Increase Application Form Part B, Certification and contact information.

Certification of application

Prepare a document in the form indicated below, sign, scan and attach as a public supporting document.

Application for a Minimum Rate Increase

To be completed by General Manager and Responsible Accounting Office

Name of council:

We certify that to the best of our knowledge the information provided in this application is correct and complete.

General Manager (name):

Signature and Date: _____ x _____

Responsible Accounting Officer (name):

Signature and Date: _____ x _____

Council contact information

Provide council contact information below.

Council contact information

General Manager

General Manager contact phone

General Manager contact email

Primary council contact

Council contact phone

Council contact email

Council email for inquiries about the MR Increase application

mail@georgesriver.nsw.gov.au

List of attachments

To prepare the List of attachments, refer to IPART's Application Guide for MR Increase Application Form Part B, List of attachments.

Table 5.1 is the list of all attachments to the council's MR Increase Application Form Part B.

To complete Table 5.1 (adding rows as necessary):

1. Assign an identifying number and/or letter to each document. If the document is also attached to the council's SV Application Form Part B, use the number assigned by the council in that Application Form.
2. Name each document.
3. Check the box to indicate that it is being submitted with the application.

Table 0.2 List of Attachments to the council's application

Council-assigned number	Name of Attachment	Is the document included in the application as submitted?
Mandatory forms/attachments		
D20-287114	IPART Application Form Part A – Minimum Rate Increase 2021-22 (Excel spreadsheet)	<input type="checkbox"/>
D20-287115	IPART Application Form Part B – Minimum Rate Increase (this Word document)	<input type="checkbox"/>
	Council resolution to apply for the for the minimum rate increase variation	<input type="checkbox"/>
D21-20447	Certification – Application for a Minimum Rate Increase 2021-22	<input type="checkbox"/>
Public supporting material (ie, to be published on IPART's website)		
	Community Strategic Plan – Relevant extracts	<input type="checkbox"/>
	Delivery Program – Relevant extracts	<input type="checkbox"/>
	Long Term Financial Plan in Excel format	<input type="checkbox"/>
	Consultation material	<input type="checkbox"/>
D21-19459	'New Rates 2021' 2020 brochure	
D19-307568	'Changes to your rates' 2019 brochure	
D21-23549	Community Engagement Report 2020 – New Rates 2021	
D20-20729	Community Engagement Report 2019 – Special Rate Variation Options and Minimum Rate	

Council- assigned number	Name of Attachment	Is the document included in the application as submitted?
	Community feedback (including surveys and results if applicable)	<input type="checkbox"/>
	Willingness to pay study (if applicable)	<input type="checkbox"/>
D19-201537	Debt Management and Hardship Policy	<input type="checkbox"/>
Other public supporting material		
D20/289823	Resourcing Strategy (containing Workforce Management Plan and Asset Management Strategy and Long Term Financial Plan)	<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
Confidential supporting material (ie, not to be published on IPART's website)		
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

Important information for completing and submitting the Minimum Rate Increase Application Form Part B for 2021-22

Submitting the application online

Applications must be submitted through IPART's Council portal by Monday, 8 February 2021.

- ▼ A file size limit of 10MB applies to the Part B Application Form.
- ▼ For supporting documents (Attachments) a file size limit of 70MB applies to public documents, and another 50MB to confidential documents.

It is not necessary to submit a document with the MR Increase Application Form if the council has submitted the same document as an attachment to its SV Application Form.

Confidential content in applications

IPART will post all applications (excluding confidential content) on the IPART website. Examples of confidential content are those parts of a document which disclose the personal identity or other personal information pertaining to a member of the public, a document such as a council working document that does not have formal status, or document which includes commercial-in-confidence content.

Councils should ensure supporting documents are redacted to remove confidential content where possible, or clearly marked as CONFIDENTIAL.

Publishing the council's application

Councils should also post their application on their own website for the community to access.