

Working together for a better future

New rates 2021



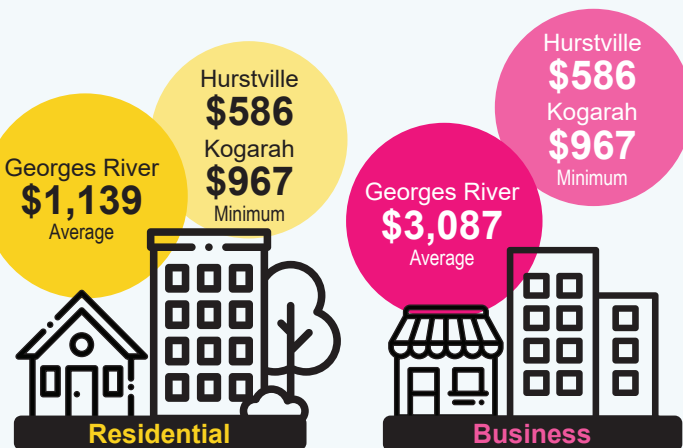
This is an update on our plans for a new rating system from 1 July 2021 so we can

- meet the mandatory NSW Government requirement for one rating system across the Georges River local government area
- create better equity between houses and apartments
- maintain the service standards you value for future generations.

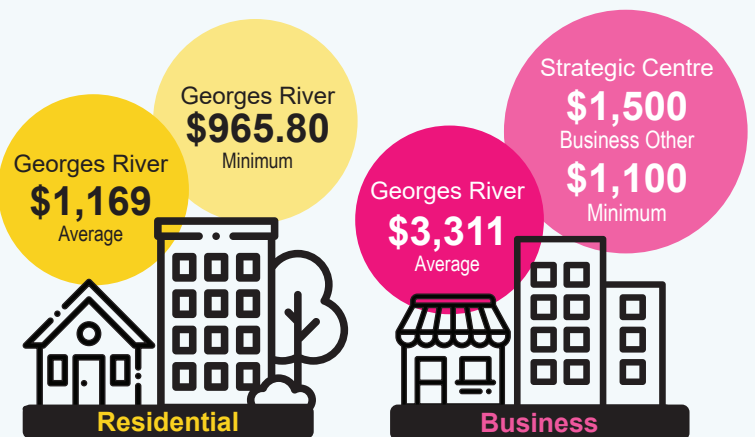
Council continues to be committed to reducing the burden on our ratepayers by finding savings and efficiencies in all our activities. The planned changes described in this update were developed after comprehensive community consultation in 2019. The total amount of money that can be collected in rates by a council is set by the NSW Government and any changes need the Minister's approval. Before we seek approval we want to explain the proposal and let you know what it means for you.

We will continue to be prudent in our spending; we have a history of strict budget management and service changes and efficiencies since amalgamation.

Current average and minimum annual rates



Proposed 2021/22 average and minimum annual rates



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.

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.

I want more information

The tables below summarise the impact of the proposed rate increase and minimum changes.

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

Note: The figures contained in the tables above are based on harmonisation of the rating system, new minimum rates and the application of a special rate variation (SV) to increase Council's total rate income above the rate peg. The new proposal's total increase 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 new proposal is a permanent multi-year SV spread over 5 years. The total Council rate income increase is 29% (inclusive of 16.5% SV and assumed rate pegs of 2.5% per year or total of 12.5%). The proposed SV will result in additional rate income of approximately \$23 million over 5 years. If the proposed new rating system is not approved the average residential rate would be \$1,136, the average business rate would be \$3,074 and the minimum rate would be \$598. For future year impacts please refer to our website www.georgesriver.nsw.gov.au/New-rates-2021.

Disclaimer: Houses and apartments may be on the minimum, though the majority of minimum rate properties are apartments. The averages quoted within this document have been developed from financial modelling based on current property data and land values as of 1 July 2020. A new set of land values will be supplied by the NSW Valuer General and applied from 1 July 2023. The final 2021/22 rate levies may vary due to Independent Pricing and Regulatory Tribunal (IPART) decisions and marginal movements due to model sensitivity.

I want to have input

You can have your say at
yoursay.georgesriver.nsw.gov.au

I want to know about the rating system and how rates are calculated

Our website contains more detailed information, a rates calculator, and FAQs. See how you may be affected by visiting
www.georgesriver.nsw.gov.au/New-rates-2021

What if I can't pay my rates?

Council has a range of measures to assist individuals who have difficulty paying their rates. You will find details of Council's *Debt Management and Hardship policy* online.

I want to find out more about this proposal

There will be two webinars explaining the proposals on:

Wednesday 4 November 2020, 6.00pm-7.30pm

Saturday 7 November 2020, 10.00am-11.30am

Register here. www.georgesriver.nsw.gov.au/New-rates-2021



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Language services



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