

IPART Submission against Hawkesbury City Council SRV application

I am against an SRV, based on the current unfair rate structure, and that the majority of Hawkesbury Residents polled did not want an SRV of 7% per annum for 3 years.

Hawkesbury Rate Structure

Last year a number of Hawkesbury suburbs (Oakville was hit the hardest) bore a heavy burden when the rates were restructured, and the rural residential category removed.

Council, including the mayor, publicly defended themselves against responsibility for the significant rise by pointing the finger at the Valuer General and claiming that Council was responsible for only a small proportion of the rise.

This has been claimed on social media and in the council chamber time and time again, but the problem is that the Valuer General is not responsible for the majority of the rise.

Anyone who suggests otherwise is a liar or doesn't understand how rates are calculated.

Although it is true that the Valuer General did significantly increase the land value in some suburbs, council increased the impact of land value on the rates by reducing the base rate from 50% to 30%.

This was done 5 months after the Valuer General revalued the land in the Hawkesbury.

Below is an example of the impact of Councils restructure on a property that had been valued at \$607,000 and is now valued at 1,910,000:

- July 2016 – the 2016-17 rates were issued. \$1480 (excl charges)

- Jan 2017 – The land values were revalued. This is where it gets interesting. Using the previous year rating structure ie the same % of base rate and % of notional yield would have resulted in 2017/18 rates of \$2,280 had the council not changed the structure. Admittedly a sizeable increase. *(Note that this figure is rounded and includes estimates eg increase in total properties in line with the previous 2 year average. Also, in order to calculate, one needs to factor in the total accumulated land value for those properties which had previously been rural residential, which has been done. No rounding or reasonable estimates can alter the reality of the situation.)*

- Jun 2017 - Council resolved to restructure the rates. The 2017/18 rates are now \$3,630.

This restructure significantly and unfairly increased the impact of land value on around 4000 residences.

Council have resolved to look at the rate structure with view to possible amendments. To date, nothing has changed and the unlucky few are being punished for it.

If Hawkesbury Council was unaware of the impact that their restructure would have, and genuinely desired to look at the issue, then they would have done so as a matter of urgency to put the residents in these suburbs at ease.

Many residents simply cannot afford such a rise.

Instead, they have done nothing. I believe this restructure was a political decision to limit the impact of a rate rise on the majority of residents who got a small rate cut last year, at the expense of the minority who got massive increases.

An SRV under the current rate structure would be extremely unfair. The only fair decision that IPART can come up with is to send Hawkesbury Council back to the drawing board and force them to act diligently with respect to this issue.

The Hawkesbury Council has been irresponsible and the continued public denials of responsibility are a shameful attempt to appease those most affected.

I trust that IPART can see that, and not impose further pain on these residents until after council establishes what the rate structure will be moving forward, and therefore quantifies who will actually be impacted moving forward.

Community Consultation

Approximately 65% of respondents, over four mediums polled by Hawkesbury Council (being telephone, postal, on line and town meetings), did not want the 31.3% rate rise (Option 3).

This is a fact and sends a very clear message to Council (and IPART) that the ratepayers do not want a rise of 31.3%.

It is plain to see that the Hawkesbury Council went to great lengths to give the impression of obtaining community feedback prior to its resolution to pursue Option 3.

Then blatantly ignored that feedback, which makes me wonder why they bothered getting feedback at all.

I note with concern that I was at the Glossodia Town Meeting Consultation on the 5th February 2017, yet on page 53 of Attachment 5 to the SRV application, I am not listed as an attendee. It makes me wonder at the statistical accuracy of the town meeting process.