

HOW MUCH WILL I PAY?

To increase revenue for vital infrastructure maintenance and renewal Council has resolved its intention to approach the Minister for Local Government to permit a special rate variation (levy) of 7.5%. As it is proposed to utilise some of these funds for Stormwater Drainage enhancements, Council's current 'Stormwater Management Charge' of \$25 per property will be absorbed into the new levy, hence the average additional cost to residents will only be around 6%.

Council staff when modeling a levy, had regard to a rule of thumb, that for residential properties, the amount payable for the majority of properties should be no more than \$100. The impact of the levy on Residential Rates is outlined below. The first part of the table shows the % of properties at the respective level of Rates (based on the 2010/11 levy). The second part of the table indicates the amount payable for the respective level of Rates. The table indicates that for a nett levy of 6%, 84% of properties would pay \$90 or less, while 46% of the 84% will pay less than \$30 p.a. Note, the large value residential properties relate to non-strata titled multi-occupancy properties.

In relation to the Business Rate based on a 6% levy, 85% of properties would pay \$300 or less, while 58% of the 85%, pay only \$41. The impact on the Business properties is not considered unreasonable.

Impact of an Infrastructure Levy on Residential Rates								
	Rates Paid P.A.							
Existing Rates Band	<\$500	<\$1000	<\$1500	<\$2000	<\$2500	<\$3000	<\$10000	>\$10,001
% of Assessments.	46%	11%	27%	8%	4%	2%	2%	0.02%
% Assessments - Cumulative	46%	57%	84%	92%	96%	98%	100%	100%
	Max Additional Rates Paid P.A.							
Proposed Levy	<\$500	<\$1000	<\$1500	<\$2000	<\$2500	<\$3000	<\$10000	>\$10,001
7.5% (Nett 6%)	\$30	\$60	\$90	\$120	\$150	\$180	\$600	\$962 _{AVG}

Impact of an Infrastructure Levy on Business Rates								
	Rates Paid P.A.							
Existing Rates Band	\$677	<\$1000	<\$2000	<\$5000	<\$10000	<\$20000	<\$30000	>\$30001
% of Assessments.	58%	9%	11%	7%	8%	4%	2%	2%
% Assessments - Cumulative		67%	78%	85%	93%	97%	98%	100%
	Max Additional Rates Paid P.A.							
Proposed Levy	\$677	<\$1000	<\$2000	<\$5000	<\$10000	<\$20000	<\$30000	>\$30001
7.5% (Nett 6%)	\$41	\$60	\$120	\$300	\$600	\$1,200	\$1,800	\$3335 _{AVG}

WHAT ARE OTHER COUNCILS DOING?

A significant proportion of surrounding council's have sought and been granted approval by the Minister to implement environmental, infrastructure and sustainability levy's to support similar programs.

The table below indicates what neighbouring Councils are doing.

Council	Type of Levy	Purpose	Levy Amount
Mosman Population: 27,973	Community Environmental Contract Infrastructure	Stormwater / Bushland / Integrated Projects / Seawalls Roads / Footpaths / Drainage	5% 6%
	Environmental	Environmental Sustainability	2.6%
Hunters Hill Population: 12,570	Community Facilities Asset Infrastructure	10 year works program for building and community facilities	4.53%
	Environmental	Creepline Restoration / Stormwater / Bushland	4.2%
Manly Population: 38,790	Infrastructure	Infrastructure	2.2%
	Environmental	Environmental / Stormwater / Bushland	6.9%
Warringah Population: 136,874	Sportsground Infrastructure	Sportsground Upgrades Infrastructure	2% 6.5%
	Environmental	Environmental	12.16%
Willoughby Population: 62,869	Environmental	Stormwater Management / Bushland Rehabilitation / Energy Efficiency	6.15%
	Infrastructure	Infrastructure	5.51%
Ku-Ring-Gai Population: 108,212	Infrastructure	Road Rehabilitation / Bushland / Waterways / Urban Environment	4.98%
	Environmental	Environmental	5.13%
	Special Facilities	Infrastructure	3.15%
Hornsby Population: 154,563	Catchment Remediation	Environmental Restoration Projects	5%
	Infrastructure	Infrastructure	5.6% (pending)

WE ARE NOT ALONE...

In 2006 the Financial Sustainability of Local Government in NSW (Allan Inquiry) identified an immediate \$6.3B shortfall in infrastructure needs across NSW. This is estimate to worsen by up to \$800M annually to 2020 in the absence of financial remedies.