

FS.10**RATES AND CHARGES - GENERAL**

Division:	corporate services	Date Adopted:	
Section:	finance	Date Last Changed:	
File Ref:	7698.02	Last Review Date:	June 1997

POLICY STATEMENT

To ensure that all properties in the local government area are rated correctly and in accordance with the Local Government Act 1993 and the Local Government (Rates and Charges) Regulation 1993 and that equitable and objective consideration is given to individual ratepayers' circumstances.

RELATED LEGISLATION, POLICIES AND PROCEDURES

Local Government Act 1993
 Local Government (Rates and Charges) Regulation 1993
 Debt Recovery Policy (FS.5)
 Rates and Charges – Pensioners Policy (FS.11)
 Marrickville Council Mayoral and Staff Delegations

POLICY STATEMENT

1. Categorisation of Land

NOTE:	The initial categorisation of land was declared in association with the issue of the 1994 Rate Notice.
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1.1. Council will categorise land according to dominant use and centre of activity in the following categories and sub-categories:

Residential
 Business – General
 Business – Industrial, Marrickville
 Business – Industrial, St Peters South
 Business – Industrial, St Peters North
 Business – Industrial, Camperdown

1.2. Council will only review declarations of categories under section 523 of the Act when:

- It has reason to believe that a parcel of land should be differently categorised; or
- A person who is rateable in respect of a parcel of land applies for a review of the declaration of that parcel of land in accordance with section 525 of the Act in the form prescribed in Clause 6 of the Regulation.

1.3. A review of the categorisation will only be determined after a site inspection.

- 1.4. If it is determined that the categorisation should change, the new categorisation is to be declared from the earlier of the date of the site inspection or the date the application under section 525 of the Act is received, with the following exception:
 - If the rateable person has failed to notify Council of a change in category as required under section 524 of the Act, the new category will be declared from the latter of the date of the change in use or the beginning of the rating year in which the declaration is made.
- 1.5. If a different category is declared, the Rates payable on the subject property will be adjusted on a pro-rata basis from the date of declaration.
2. Aggregation of parcels of land or land values of parcels of land
 - 2.1. Council will not aggregate parcels of land under the provisions of section 531B of the Act.
 - 2.2. Council will not aggregate land values of parcels of land under the provisions of section 548A of the Act.
3. Levying of Rates

Council will levy its rates as soon as practicable after 1 July each year.
4. Exemption from Rates

Council will determine applications for exemption from rates in accordance with sections 555 and 556 of the Act and, if an exemption applies, it is to be applied on a pro-rata basis from the date of the application.
5. Discount for prompt payment in full

Council will not discount the amount of a rate for prompt payment in full.
6. Accrual of Interest on outstanding Rates and Charges

Council will charge interest in accordance with section 566 of the Act, calculated daily on a simple basis applying the maximum rate specified by the Minister from time to time.
7. Writing off of accrued interest
 - 7.1. Council will not write off or reduce interest under the provisions of section 564 of the Act except as provided for in its Rates and Charges - Pensioners Policy (FS.11)
 - 7.2. Council will only consider writing off accrued interest under the provisions of section 567 of the Act upon receipt of written application from the ratepayer and provision of sufficient documentation to allow the application to be determined.
 - 7.3. In relation to applications based on hardship, the documentation required is a full statement of financial position including all assets, liabilities, income and expenditure.

7.4. For the purposes of this Policy it will not be deemed to have been “beyond a person’s control” if:

- a. the person could have effected payment at any time between the service of the notice and its due date;
- b. the person could have made arrangements for another person to pay the account on their behalf; or
- c. the person has failed to give notice of a change of address or ownership prior to the service of the notice.

7.5. Irrespective of circumstances, accrued interest will not be written off under section 567 of the Act if:

- a. the person owns or has a beneficial interest in more than one property;
- b. the property is not the person’s sole or principal place of residence;
- c. the property has been temporarily let; or
- d. the person refuses to make written application and provide sufficient documentation to allow the application to be determined.

7.6. Any amounts so written off will be dealt with in accordance with the authority delegated to the General Manager.

8. Transfer of land in payment of Rates or Charges

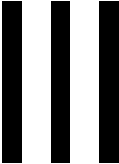
Any application under the provisions of section 570 of the Act for the transfer of land in full satisfaction of rates, charges and interest accrued in respect of that land will be considered by Council upon recommendation from the Corporate Services Committee.

9. Hardship resulting from certain valuation changes

- 9.1 Council will only consider relief under the provisions of section 601 of the Act upon receipt of written application from the ratepayer and provision of sufficient documentation to allow the application to be determined.
- 9.2 The documentation required is a full statement of financial position including all assets, liabilities, income and expenditure.
- 9.3 The relief granted will be in the form of a deferral of the payment of the whole or part of the increase in the amount of the rate payable in accordance with Council’s Debt Recovery Policy (FS.5).

Delivery Address:
PO Box 14
PETERSHAM NSW 2049

No stamp required
if posted in Australia




Marrickville Council
Reply Paid 72599
PETERSHAM NSW 2049



RESIDENTIAL

Rate increase \$25.50 per year

TOTAL \$896

\$870

what you pay
(IPART RATE)

BUSINESS

Rate increase \$163.44 per year

TOTAL \$5,742

\$5,579

what you pay
(IPART RATE)

Revising the Delivery Program and Long Term Financial Plan

The current Delivery Program 2013–2017, Resourcing Strategy, Asset Management Plans and Long Term Financial Plan 2013–2023 have been revised and are on exhibition.

FIND OUT MORE AND HAVE YOUR SAY

View more detail about the proposed Special Rate Variation. Information will be on display at the Council Administration Building and the Marrickville and Dulwich Hill Libraries.

Make comment, and see more detail about the proposed rate increase at YourSayMarrickville.com.au

NOTE THE DATES

Come along to a community information session with your councillors and council staff.

Monday 26 January 2015

Australia Day at Enmore Park
3.00pm – 7.00pm

Wednesday 28 January 2015

Council Administration Building
2–14 Fisher Street, Petersham
drop in between 4.00pm and 8.00pm

Friday 6 February 2015

Last day to have your say on whether you support a rate increase

Monday 16 February 2015

Council will determine whether to proceed with a SRV application to IPART



Visit **YourSayMarrickville.com.au**



Fill in the **attached feedback form**



Attend a **community information session**



Twitter: **@marrickvillensw #MarrickvilleSRV**



Facebook: **facebook.com/marrickvillecouncil**

IMPORTANT INFORMATION ABOUT A PROPOSED RATES INCREASE

MESSAGE FROM THE MAYOR OF MARRICKVILLE, MARK GARDINER



"Marrickville Council is asking for a small rate rise – an additional 50 cents a week for most households, or \$25.50 a year. For businesses, the average rate rise will be \$3.14 a week, or \$163.44."

Funding stormwater, roads and footpaths is a constant challenge for NSW councils.

Like most local governments, we now have an annual funding shortfall for asset renewal – while at the same time facing constant pressure to provide new and better services. In Marrickville's case it is more than \$2.35m. That is why we are applying to the Independent Pricing and Regulatory Tribunal (IPART) for a small rate increase in the form of a Special Rate Variation (SRV).

I am proud that Marrickville Council is constantly finding ways to do more with less – that we provide more community services than any other Sydney council while charging comparatively low rates. And that we are in the top third of 51 Sydney councils for spending on roads, bridges, and footpaths. But these assets need more than maintenance as they age. They need to be regularly upgraded or renewed altogether.

IPART sets the maximum rates rise annually in line with inflation – in 2015/16 this will be a 2.4% rise. Now Council is proposing **an additional 3% rise**, which would bring the total to 5.4%. If the application for the special rate variation is successful, the money will be spent on renewing roads, streetscapes, stormwater, footpaths, cycleways, town halls and sporting venues. This is not a decision that we have taken lightly. Please read this brochure carefully and take the time to give Council your feedback.

HOW MUCH MORE WILL IT COST?

RESIDENTIAL



50¢ a week

The additional rate rise for most households will be 50 cents a week, or \$25.50 per year. This depends on the value of your land.

BUSINESS



\$3.14 a week

The additional rate rise for most businesses will be \$3.14 a week, or \$163.44 per year. This depends on the type of business.

PENSIONERS



No change

Council is asking, should people who are eligible for the pensioner rebate be exempt from the additional rate rise?

WHY IS THERE **AN INFRASTRUCTURE SHORTFALL?**

An independent financial assessment by TCorp (NSW Treasury Corporation) found that Marrickville Council is financially sustainable and compares favourably against similar or 'peer' councils.

However like most councils in NSW, Marrickville has a funding shortfall.

In the past three years 73 NSW councils have applied to the Independent Pricing and Regulatory Tribunal (IPART) for a rate increase. **Why?**



Many years of rate pegging. The state government has set a limit on income from rates since 1977.



Local Government NSW estimated that NSW councils were left \$521m out of pocket in the 2011/12 financial year because of continuous cost-shifting by state and federal governments*.



Financial Assistance Grants have been frozen by the federal government – having a 10 year cumulative impact of \$2.8m on Council's long term financial plan.



Enormous increases in insurance fees is just one example of how costs have risen since the 1970s.



Council services have increased dramatically in the past 40 years, and Marrickville's population is now increasing, and is forecast to keep growing.

WHAT HAS BEEN DONE **TO MAKE SAVINGS?**

Initiated in 2009, Council cost-cutting through an efficiency/productivity plan saw major improvements in Council's financial position without cutting services. These included new park management practices, improved operational efficiency, and better workplace safety and injury management. More lucrative bus shelter advertising contracts added revenue. Salary savings contributed \$2.4m. Council has also generated savings on waste services, with more planned. These initiatives have released more than \$3m in funds since they were introduced.

After these savings were made, Marrickville's estimated asset renewal shortfall was still \$5.065m per annum.

WE CONVENED A CITIZENS JURY **TO HELP FIND A SOLUTION**

In September, Marrickville Council convened a randomly selected 'jury' of local residents to assess the infrastructure shortfall and decide what level of infrastructure quality was acceptable to the community, where money should be spent and how funds might be raised.

WHAT DID THE **MARRICKVILLE INFRASTRUCTURE JURY (MIJ) DECIDE?**

The MIJ set the minimum acceptable condition for a range of infrastructure including roads and footpaths. This reduced the shortfall from \$5.065m to \$2.354m, a saving of approximately \$2.7m.

HOW CAN WE ADDRESS THE **REMAINING INFRASTRUCTURE SHORTFALL?**

The MIJ recommended Council find efficiencies, and raise money through parking schemes:

- Council will implement a efficiency/productivity plan to generate an additional \$1m per annum
- Council is investigating how to generate more income from parking fines and parking meters
- To meet the still-existing shortfall, Council will apply for a small SRV that will mean most households will pay an additional 50 cents a week.

Council is reconvening the MIJ in early 2015 to consider its other recommendations.

*Cost-shifting is the practice of transferring responsibilities to local government without adequate - or any - funding. Over the years these have ranged from contaminated land and flood controls, noxious weeds, enforcing the Companion Animals Act, street lighting, funding public libraries, and more.

WHAT DO WE **NEED TO DO?**

URGENT

ASSET RENEWAL SHORTFALL

Determined by the Marrickville Infrastructure Jury

WHAT WE NEED TO SPEND ANNUALLY

\$2.35M

HOW WE PROPOSE TO PAY FOR IT

\$1.0M

\$1.35M

COUNCIL PRODUCTIVITY/EFFICIENCY PLAN

Additional efficiencies with no reduction in services

PROPOSED RATES INCREASE

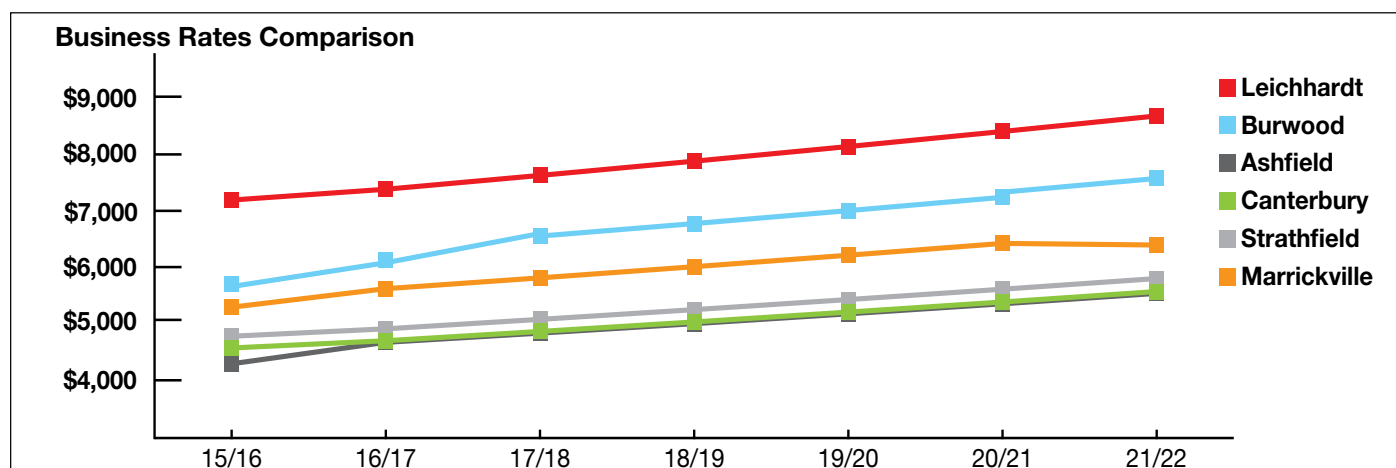
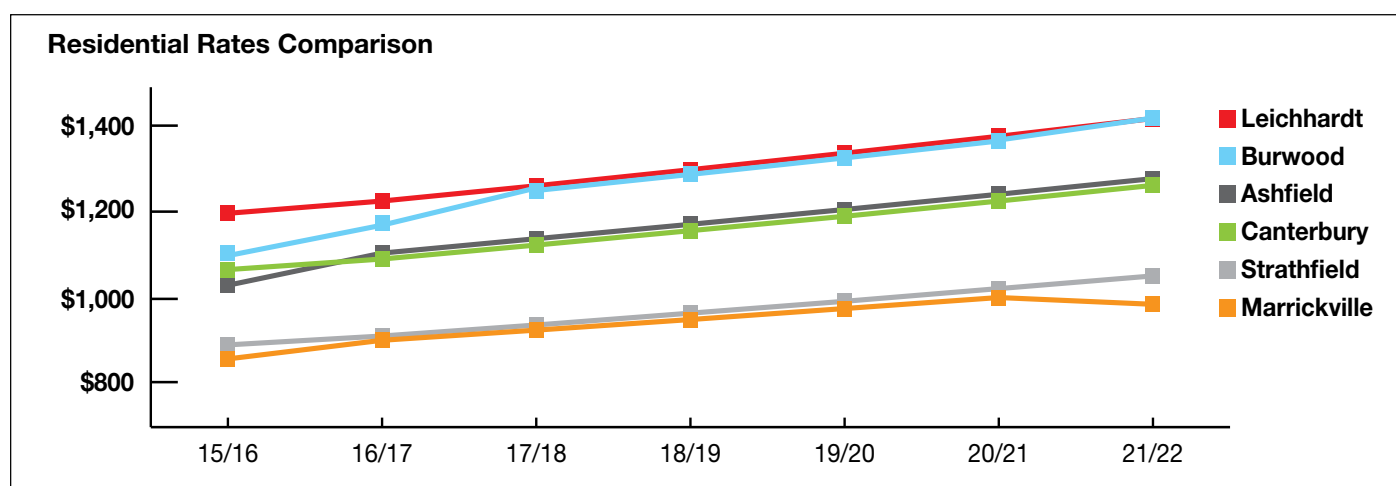
Council will apply for a Special Rate Variation (SRV) to fund the asset renewal shortfall.

WHAT HAPPENS IF WE **DON'T INCREASE RATES?**

If Council does not increase rates through an SRV application, rates will remain 'pegged' – and rise only according to the limit set by the Independent Pricing and Regulatory Tribunal (IPART). This will not raise enough revenue for renewal of existing assets.

Without the additional funding, the community's infrastructure assets will deteriorate. Roads will have more potholes and cracking, kerbs and gutters will degenerate, furniture such as seats in public squares will not be replaced when broken, public toilets and grandstands in parks will not be replaced, stormwater pits and pipes will decay and improvements to public buildings will stagnate.

COMPARE OUR PROPOSED RATES WITH **NEIGHBOURING COUNCILS**



How does the existing Aquatics Levy fit with this proposed SRV?

In 2005/06 the Aquatics Levy was raised to help pay for the Annette Kellerman Aquatic Centre in Enmore and the Fanny Durack Aquatic Centre in Petersham. The Marrickville line shows when the 3.5% levy is due to end in 2020/21.

MARRICKVILLE PROPOSED SPECIAL RATE VARIATION
COMMUNITY FEEDBACK FORM

Contact Details

Name

Street address

Suburb

Postcode

- 1. How supportive are you of a special rate variation of 3% above the rate peg?** Under a special rate variation of 3% rates will rise by an additional \$25.50/year average residence or \$163.44/year average business above the rate peg. Essential infrastructure will be renewed.

Very supportive Supportive Somewhat supportive Not very supportive Not at all supportive

- 2. How supportive are you of no special rate variation?** If there is no special rate variation, rates will not rise above the rate peg but the quality of the community's infrastructure such as roads and stormwater will decline.

Very supportive Supportive Somewhat supportive Not very supportive Not at all supportive

- 3. Which option do you prefer?**

A special rate variation of 3% above the rate peg (infrastructure will be renewed)

No special rate variation (infrastructure will decline)

- 4. How supportive are you of exempting eligible pensioners from a special rate variation of 3%?**
The cost of exempting eligible pensioners is approximately \$130,000 per annum

Very supportive Supportive Somewhat supportive Not very supportive Not at all supportive

- 5. Please tick the boxes that describe your situation**

Live in Marrickville local government area and pay residential rates

Live in Marrickville local government area and pay rent or live rent-free

Work or own a business in Marrickville local government area and pay businesses rates

Work or own a business in Marrickville local government area and pay rent

- 6. Please provide the following information**

Are you	Female	Male	Alternative identity
Age group	Under 18	18-24	25-34
Language spoken at home	35-49	50-59	60-69
			70 and above

- 7. Do you have other comments?**

Please complete, fold, seal (with sticky tape or glue) and mail. Postage is reply paid.
To comment online go to **www.yoursaymarrickville.com.au/MarrickvilleSRV**

Submissions close **Friday 6 February 2015**