



IMPORTANT INFORMATION ABOUT YOUR HUNTER'S HILL COUNCIL RATES

Hunter's Hill Council is considering applying to the Independent Pricing and Regulatory Tribunal (IPART) for a Community Facilities Special Variation (SV), also known as a rate increase above the rate peg limit.

Council is asking the community and property owners for feedback about the following three options:

OPTION 1

RATE PEG INCREASE

(Statutory increase that all councils receive)

OPTION 2

RATE PEG + COMMUNITY FACILITIES SV

(10 year period)

OPTION 3

RATE PEG + COMMUNITY FACILITIES SV

(10 year period)

+ OPERATIONAL SV

(permanent)



These options are set out in further detail in the tables within this information brochure.

Our residents have consistently told us through our community surveys and engagement activities that maintaining our buildings, parks, reserves and playgrounds is extremely important.

A SV will allow Council to maintain, further develop and enhance our community facilities to improve the overall quality of infrastructure and community services for all in Hunters Hill.

WHAT IS A SV?

A rates special variation allows councils to increase their general income above the State Government set rate peg. The rate peg limits the amount which councils can increase their general income by. There are a range of reasons why councils apply for special rate variations, such as; to address financial sustainability, funding new or enhanced community services and funding the development and/or maintenance of essential community infrastructure.

WHY IS COUNCIL CONSIDERING A SV?

Council is responsible for the management of \$209,000,000 worth of assets, which deteriorate over time. If assets are not renewed in a timely manner, we are faced with increased maintenance expenses, which can decrease services to the community. Therefore, Council is seeking to specifically fund a 10 year program of community facilities, which will include upgrades, improvements and new infrastructure to our community buildings, parks, reserves and playgrounds.

We are also aiming to improve the level at which we renew our infrastructure. We do have annual budgets for the renewal of these items, but unfortunately the funding is proving to be insufficient to maintain or improve current standards. Council is also bearing the burden of rising costs that have shifted to us from other levels of government. Recent examples include; street lighting, emergency services, and increases in energy costs. Many of these costs have risen at higher than inflation levels.

Local Government NSW has recently published the results of a cost shifting survey undertaken every two years to monitor, measure and report on the extent of cost shifting onto local government in NSW. This publication, *Impact of Cost Shifting on Local Government in NSW*, reported that Hunters Hill was the fourth hardest hit by cost shifting (2015/16) with an estimated annual amount cost shifted of \$2.1 million representing 15% of Council's income.

HAVE WE HAD A COMMUNITY FACILITIES SV BEFORE?

A ten-year Community Facilities Asset Infrastructure Special Rate Levy was approved by IPART in 2007/08. The income raised by this levy funded capital works identified in the Asset Management Plans for Buildings, Parks and Recreation. This special variation was applicable to all rateable properties and expired on 30 June 2017. This is the levy Council is considering re-instating.



WHAT ARE THE OPTIONS COUNCIL IS CONSIDERING?

Council is currently considering 3 rating options, which are detailed below. The increase amounts listed in the tables have been calculated using a residential property with an average land value of \$1,530,000 for 1 year as an example. The Community Facilities SV would stay in place for a period of 10 years. However, the Operational SV would be permanent.

OPTION 1 RATE PEG INCREASE (STATUTORY INCREASE)

Percentage increase	2.7%
Approximate weekly increase	\$0.91c
Approximate annual increase	\$47.21
Approximate total annual amount generated	\$234,200

WHAT PROJECTS WILL BE DELIVERED?

- No new facility projects will be delivered
- Maintenance standards on buildings, parks & reserves will reduce



OPTION 2 RATE PEG + COMMUNITY FACILITIES SV (10YRS)

Percentage increase	2.7% (statutory increase) + 4.04%
Approximate weekly increase	\$0.91 + \$1.35 = \$2.26
Approximate annual increase	\$117.26
Approximate total annual amount generated	\$234,200 + \$350,000 = \$584,200

WHAT PROJECTS WILL BE DELIVERED?

- Figtree Park new toilet block
- Henley Community Centre, Gladesville Rd Community Centre, Respite Care internal & external works including carparking
- Fairland Hall internal and external works
- Hunters Hill Pre School, Riverside Pre School and Gladesville Occasional Care internal and external upgrades and maintenance
- 10 Cowell St relocation
- Henley Cottage internal and external works
- Hunters Hill Town Hall Roof restoration, air conditioning and maintenance improvements
- Weil Park hall upgrades, sportsfield & fitness improvements
- Gladesville Reserve playground equipment, toilet and path upgrades
- Riverglade Reserve playground, carpark, toilet block & sportsfield improvements
- Bedlam Bay sportsfield improvements
- Woolwich Baths upgrades
- Harry Shelley Memorial Park, Valentia St Reserve, Harding Memorial Reserve playground upgrade
- Buffalo Creek Reserve improvements



OPTION 3 RATE PEG

+ **COMMUNITY FACILITIES SV** (10YRS)

+ **OPERATIONAL SV** (PERMANENT)

Percentage increase	2.7% (statutory increase) + 4.04% + 3.0%
Approximate weekly increase	$\$0.91 + \$1.35 + \$1.00 = \3.26
Approximate annual increase	\$169.39
Approximate total annual amount generated	$\$234,200 + \$350,000 + \$259,700 = \$843,898$

WHAT PROJECTS WILL BE DELIVERED?

- Figtree Park new toilet block
- Henley Community Centre, Gladesville Rd Community Centre, Respite Care internal & external works including carparking
- Fairland Hall internal and external works
- Hunters Hill Pre School, Riverside Pre School and Gladesville Occasional Care internal and external upgrades and maintenance
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PLUS

- Enables Council to maintain current service levels.

*** this is necessary as a result of the accumulative impact of cost increases higher than the rate peg and CPI, in particular in utilities.*

HOW WILL A SV AFFECT BUSINESSES?

The table below outlines how a SV would affect a business with an average land value of \$1,138,500 for 1 year. The Community Facilities SV would stay in place for a period of 10 years and the Operational SV would be permanent.

	PERCENTAGE INCREASE	APPROXIMATE WEEKLY INCREASE	APPROXIMATE ANNUAL INCREASE
OPTION 1			
Rate peg increase (statutory increase)	2.7%	\$0.91c	\$45.65
OPTION 2			
Rate peg + Community Facilities SV (10yrs)	2.7% + 4.04%	\$0.91 + \$1.10 = \$2.01	\$102.89
OPTION 3			
Rate peg + Community Facilities SV (10yrs) + Operational SV (4yrs)	2.7% + 4.04% + 3.0%	\$0.91 + \$1.10 + \$.75 = \$2.76	\$141.68

WHAT WILL BE THE IMPACT TO MY RATES?

A rates calculator is available on Council's website. All you will need is your 2018 Rate Notice, which has your land value, your rating category and your waste service. Go to: www.huntershill.nsw.gov.au



WHAT SV'S DOES COUNCIL ALREADY HAVE IN PLACE?

ENVIRONMENTAL LEVY

This Special Variation commenced on 01/07/2013 and provides funding for \$1.8M of environmental works over 10 years.

ROADS INFRASTRUCTURE SPECIAL RATE

Roads Infrastructure Special Rate commenced on 01/07/2012 for a period of 10 years. This special rate provides Council with the funds to undertake the extensive roads capital expenditure program.

OTHER INFRASTRUCTURE SPECIAL RATE

Other Infrastructure Special Rate commenced on 01/07/2013 for a period of 10 years. This special rate provides Council with \$2.5M to undertake the footpath, kerb and gutter renewal program.

ARE HUNTER'S HILL COUNCIL RATES ALREADY HIGHER THAN OTHER COUNCILS?

Rates across NSW remain at relatively modest levels compared to other states because of rate pegging. It is not accurate to state that Hunter's Hill Council residents pay more than residents in neighbouring areas. Due to the volume of high valued properties in the Hunters Hill local government area, our average published rate is higher than the averages for other councils, but this is not reflected in the real rates that the majority of our residents actually pay. For the majority of our residents their actual rates are lower than for similar properties in neighbouring areas.

HAS COUNCIL TRIED OTHER FUNDING OPTIONS?

As outlined in Council's Community Strategic Plan, Council has implemented a number of measures to reduce the burden of maintaining assets onto ratepayers. Council has made some difficult decisions including the installation of parking meters at Clarkes Point Reserve and Buffalo Creek Reserve. Council has also; increased its reliance on grant funding, implemented energy saving initiatives, made changes to purchasing policies and is currently investigating shared services with neighbouring councils. The burden of rates in the Hunters Hill local government area rests predominantly with residents. There are very few businesses to share this burden, particularly in comparison to larger metropolitan councils who have large scale business rates due to shopping centres and commercial areas.

Council understands that a rate rise is never welcome, but it is important to outline the reasons why we need to have this conversation.

WHAT HAPPENS IF COUNCIL DOES NOT APPLY FOR A SV?

Over time, the current condition of our key infrastructure such as community buildings, parks, reserves and playgrounds will deteriorate to a level that will result in operational inefficiencies and increased maintenance expenditure.

Eventually, there will be poorer levels of service, and a backlog of work to improve our assets. Unless we proactively increase funding now, we will be leaving future generations with significant liabilities.

Hunter's Hill Council has always focused resources on the careful management of our assets, and we want to ensure this continues into the future by having an adequate revenue base to fund asset renewal.

WHAT ARE THE NEXT STEPS?

**Community
Engagement**

**Council
Decision**

**IPART
Application**

**IPART
Determination**

Council will review all of the feedback received from the community and property owners, review the impacts both for and against a potential special rate implementation and make a formal decision in December 2018.

EASY WAYS FOR YOU TO GIVE FEEDBACK

Council wants the community and property owners to be informed and have the opportunity to provide feedback.

- Take part in the IRIS telephone survey if you are called.
- Visit council's website **www.huntershill.nsw.gov.au/srv** to review all the information available.
- Email **council@huntershill.nsw.gov.au**
- Write: **PO Box 21 Hunters Hill, NSW 2110.**
- Ph: **9879 9400.**

SUBMISSIONS CLOSE ON 10 DECEMBER 2018.

