

FACT SHEET



SPECIAL VARIATION TO RATES

WHAT ARE THE THREE RATING SCENARIOS COUNCIL HAS BEEN CONSIDERING?

OPTION 1 RATE PEG INCREASE (STATUTORY INCREASE)

Percentage increase	2.7%
Approximate weekly increase	\$0.91c

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

Percentage increase	2.7% + 4.04%
Approximate weekly increase	\$2.26

OPTION 3 RATE PEG INCREASE + COMMUNITY FACILITIES SV (10YRS) + OPERATIONAL SV (PERMANENT)

Percentage increase	2.7% + 4.04% + 3.0%
Approximate weekly increase	\$3.26

HAVE OTHER COUNCILS APPLIED FOR A SPECIAL VARIATION (SV) TO RATES?

There are 14 councils who have given notice to IPART of their intention to apply for a SV with their reasons including; funding an expiring levy, maintaining existing service levels, financial sustainability, asset maintenance and renewal and asset renewal backlog. The percentage of requested increases ranges from 3.8% - 72% over 7 years.

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

Using Hunter's Hill Council's average land value of \$1,530,000.00 for the current financial year, it is possible to determine that rates in the Hunter's Hill local government area are lower than neighbouring councils (see table below).

Council	Rate
Hunter's Hill Council	\$1,837.53
Ryde City Council	\$1,859.68
Lane Cove Council	\$1,903.00

HAS COST SHIFTING HAD AN IMPACT?

The latest cost shifting report from LG NSW stated that Hunter's Hill Council was one of the five most affected metropolitan councils with an estimated annual amount cost shifted of \$2.1 million (representing approximately 15% of Council's income). Examples of cost shifting include; the Waste Levy, Emergency Services Levy, Library funding, Development Application (DA) process and Pensioner Rebates. There has also been an impact through the State Government compliance standards, such as live streaming of Council Meetings and the Independent Planning Panels (IPP's).

FACT SHEET

IS COUNCIL TRYING TO MINIMISE THE IMPACT ON ITS PROPERTY OWNERS?

Over the next 12 months Council will be reviewing its operations and processes and looking for efficiencies through technology, such as the implementation of customer service software platforms.

Council has jointly tendered and contracted with other NSROC councils in what is known as the North Shore Waste Alliance for waste services, including collection processing and disposal.

Council uses NSROC negotiated contracts for example asphalt and shares an internal audit function with several other councils. Council also uses the local government procurement contracts, which is a savings in not only value but also purchasing time.

A Property Advisory Committee has been established to review Council's property holdings and make recommendations to Council.

WHAT IF PROPERTY OWNERS CANNOT AFFORD A RATE INCREASE?

Council offers eligible pensioners a rebate of \$250 per year. There is also a Hardship Policy in place which enables property owners experiencing difficulties to make alternate arrangements to pay.

WHAT WILL THE ADDITIONAL REVENUE BE USED FOR?

The SV will be used to fund a 10 year program of community facilities, which will include upgrades, improvements and new infrastructure to our

community buildings, parks, reserves and playgrounds.

Some specific projects will include:

- External upgrades and maintenance to Hunters Hill Pre School, Riverside Pre School and Gladesville Occasional Care.
- Painting, air conditioning maintenance and upgrades to Henley Community Centre, Gladesville Rd Community Centre, Respite Care.
- Improvements to Riverglade Reserve, including the amenities block and sports fields.
- Upgrades to playgrounds throughout the LGA.

WHY DOES HUNTER'S HILL COUNCIL NEED TO INCREASE ITS REVENUE?

There are a number of significant factors that have caused Council to seek a SV, these include:

- The rate peg has not kept pace with Council's expenses, e.g., the Award Salary increase has been well over the rate peg. Employee costs are approximately 35% of Council's total cost, in addition the CPI has also been above the rate peg over the last three years.
- Interest rates on Council's investments have also reduced.
- Other costs such as depreciation have increased due to changes in valuations as required by the Office of Local Government and Australian Accounting Standards. There has also been a \$17 increase in utilities.

FACT SHEET

- Council had a previous Community Facilities Special Rate that expired in
- 2017 and Council was unable to apply to IPART to continue this because Hunter's Hill Council was subject to a merger proposal. This resulted in a loss of \$350,000 in revenue.
- Rates comprise over 70% of Council's revenue - while this means Council has a stable income base it also means Council has a limited capacity to raise revenue through other methods.

WOULD PROPERTY OWNERS HAVE BEEN BETTER OFF IF COUNCIL AMALGAMATED?

The decision was made not to progress the amalgamation of Hunters Hill with Ryde City and Lane Cove Council's. This was a divisive issue for the Hunters Hill community, with strong arguments for both merger and non-merger. However, ultimately the proposed forced amalgamation did not occur, with Hunter's Hill Council remaining independent.

On 31 July 2017 judgement on the proposed merger was delivered by the Court of Appeal where the Appeal was upheld with the State to meet Council's legal costs. Negotiations are underway between Council's solicitors and the Crown Solicitors for the payment of these costs.

Over 90% of Hunters Hill is a conservation zone. Hunter's Hill Council strives to maintain heritage and conservation in a growing metropolitan setting. Council's planning documents reflect a

commitment to ensuring that development is kept to within the limits identified by the community when developing the Community Strategic Plan.

CAN COUNCIL VARY THE PROGRAM OF WORKS?

Early in 2019 Council will review its Asset Management Plans and Capital Works Programs. This will ensure that the projects listed as part of the SV are prioritised. There may also be new projects added to the Capital Works Program that have not been previously identified.

It will be important for Council to undertake a comprehensive assessment of all of its assets, which currently total \$209,000,000. Setting maintenance schedules and benchmarks will be a high priority for 2019 and beyond.

WHERE CAN I GO TO GET FURTHER INFORMATION?

For information about the 3 rating scenarios being considered please visit: www.huntershill.nsw.gov.au or go to the IPART website:

<https://www.ipart.nsw.gov.au/Home/Industries/Local-Government/For-Ratepayers>

Alternatively, contact Council via:

- Ph: 9879 9400
- Email: council@huntershill.nsw.gov.au
- Write: PO Box 21, HUNTERS HILL 2110

* A rates calculator is available on Council's website. All you need is your 2018 Rates notice.