

## Special Rate Variation - Frequently Asked Questions

### IPART releases 2023-24 base rate peg

On 29 September 2022, IPART set a new base rate peg for NSW councils at 3.7% for 2023-24. This is higher than our forecasted rate peg of 3.25%. Please note that, should the special rate variation be approved, Council would absorb this increased rate peg and the cumulative rate increase would not be affected.

More information from IPART can be found [here](#).

### What is a Special Rate Variation?

A special rate variation allows a council to increase its general income above the rate peg (forecasted increase), under the provisions of the Local Government Act 1993 (NSW). Special variations can be for one or several years and can be temporary or permanently retained in the rates base.

### What will the proposed variation cost for residents and businesses?

To secure the future of our services and assets and ensure our Council is ready for the future, the City of Canada Bay is engaging with our community on a Special Rate Variation (SRV).

For residents who own a **property with land value of \$1.5 million** the variation of rates equates to \$3.31 per week in addition to the forecast rate peg in 2023-24 with no further increase in the following years aside from the rate peg.

Weekly Increases	2023/24	2024/25	2025/26	2026/27	Cumulative
Increase from the forecast rate peg	\$0.87	\$0.78	\$0.80	\$0.82	\$3.27
Increase from SRV above the forecast rate peg	\$3.31	\$0.00	\$0.00	\$0.00	\$3.31
Total (including forecast rate peg)	\$4.18	\$0.78	\$0.80	\$0.82	\$6.58

For residents paying the **minimum rate**, the weekly increase is \$4.82 over the forecast rate peg.

Weekly Increases	2023/24	2024/25	2025/26	2026/27	Cumulative
Increases from the forecast rate peg	\$0.48	\$0.42	\$0.45	\$0.50	\$1.85
<b>Minimum rate increase above forecast rate peg</b>	<b>\$1.79</b>	<b>\$1.01</b>	<b>\$1.01</b>	<b>\$1.01</b>	<b>\$4.82</b>
Total (including forecast rate peg)	\$2.27	\$1.43	\$1.46	\$1.51	\$6.67

For **businesses with land value of \$1.2 million**, the proposed variation of rates would equate to \$6.30 per week in 2023/24 in addition to the forecast rate peg with no further increase in the following years aside from the rate peg.

Weekly Increases	2023/24	2024/25	2025/26	2026/27	Cumulative
Increase from the forecast rate peg	\$1.68	\$1.49	\$1.52	\$1.56	\$6.25
<b>Increase from SRV above the forecast rate peg</b>	<b>\$6.30</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$6.30</b>
Total (including forecast rate peg)	\$7.98	\$1.49	\$1.52	\$1.56	\$12.55

Following the proposed Special Rate Variation, in 2026/27 City of Canada Bay residents would pay less on average than Hunters Hill, Burwood, Lane Cove and Inner West Councils, with only Ryde and Strathfield Council residents paying lower rates – and this is assuming these councils do not apply for any variation of their rates above the rate peg in the coming four years.

Following the proposed Special Rate Variation, our local businesses would in 2026/27 pay less than Burwood, Lane Cove, Inner West, Ryde and Strathfield Councils following this variation. Only Hunters Hill Council will have lower rates on average for businesses and this also assumes these Councils do not apply for a variation above the rate peg.

The rate peg is an annual increase to Council rates across NSW, determined by the NSW Independent Pricing and Regulatory Tribunal, which accounts for inflation and is based on the increase in cost of a selection of goods and services that NSW councils purchase.

### **Why does Council need to apply for a Special Rate Variation?**

To secure the future of our services and assets and ensure our Council can resource our community's vision for the future of our area, the City of Canada Bay requires a Special Rate Variation (SRV).

To date, the City of Canada Bay has never applied for a Special Rate Variation. We are proud to have provided excellent services and infrastructure for our growing community over the past two decades without the need for a SRV, however significant past population growth and expanding future needs now require Council to secure our future by planning for a SRV.

The decision to consult with our community about a SRV has been taken following years of planning and financial modelling. The variation in rates will work in parallel with an ongoing program of internal review and productivity improvements, which has identified \$1.7 million of annual savings, to ensure our organisation's proud record of financial sustainability will continue into the coming decades.

A rate variation will not result in our residents and businesses paying higher rates than our neighbouring councils, in fact the City of Canada Bay's average rates will continue to be lower than the majority of local councils that neighbour our LGA.

### **If successful, what will the Special Rate Variation fund?**

<b>Service Area</b>	<b>Purpose of service increase</b>	<b>Operational per year (\$000)</b>	<b>Capital per year (\$000)</b>
<b>Buildings and trade maintenance</b>	Increase maintenance and management of buildings	\$590	
<b>Cleansing operations for public areas</b>	Expand town centre cleaning and footpath sweeping	\$400	
<b>Community services</b>	Expansion of Community Development services	\$500	
<b>Environmental sustainability</b>	Enhanced biodiversity programs	\$155	
<b>Environmental sustainability</b>	Enhanced environmental sustainability services	\$130	
<b>Environmental sustainability</b>	Increase in funding to implement Climate Risk Strategy	\$120	
<b>Governance</b>	Increase in resources for Internal Audit, Risk and Governance	\$200	
<b>Information systems</b>	Renewal and systems expansion for Information Technology		\$250
<b>Other</b>	Business improvement programs - project management, systems and processes	\$400	
<b>Place Management</b>	Increase resources to deliver a Cultural Plan	\$150	
<b>Road maintenance services</b>	Expand Footpath Management program	\$220	
<b>Sports fields and golf courses/garden services and bushcare</b>	Increase resources for Open Space assets	\$670	
<b>Statutory planning</b>	Increase resources to reduce assessment times for Development Applications	\$300	

<b>Strategic planning</b>	Deliver commitments under State-led strategies (Rhodes and Parramatta Road corridor)	\$600	
<b>Strategic asset management</b>	Increased resources to renew assets including Roads, Footpaths and Seawalls		\$2,900
<b>Strategic asset management</b>	Increased resources to maintain and renew drainage assets	\$100	\$150
<b>Traffic and transport</b>	Increase resources for Strategic Traffic Management	\$200	
<b>Tree services</b>	Expand Tree Maintenance and Management service	\$245	
<b>Total</b>		<b>\$4,980</b>	<b>\$3,300</b>
<b>Grand Total</b>			<b>\$8,280</b>

### Does this SRV impact rates for businesses or residents or both?

Rates for residents and business would be increased as a result of the Special Rates Variation.

Historically, City of Canada Bay residents and businesses have paid lower rates on average than residents and businesses of our neighbouring councils. Following this proposed variation, that will still be the case.

Following the proposed Special Rate Variation, in 2026/27 City of Canada Bay residents would pay less on average than Hunters Hill, Burwood, Lane Cove and Inner West Councils, with only Ryde and Strathfield Council residents paying lower rates – and this is assuming these Councils do not apply for any variation of their rates above the rate peg in the coming four years.

Our local businesses would in 2026/27 still pay less than Burwood, Lane Cove, Inner West, Ryde and Strathfield Councils following this proposed variation. Only Hunters Hill Council will have lower rates on average for businesses and this also assumes these councils will not apply for a variation above the rate peg.

For residents on our minimum rate, this increase would be \$1.80 per week in 2023/24, followed by an increase of \$1 per week in the following three years, with all increases being in addition to the rate peg.

As another example, for residents who own a property with land value of \$1.5 million the variation of rates equates to \$3.30 per week in addition to the rate peg in 2023/24 with no further increase in the following years aside from the rate peg.

For businesses with land value of \$1.2 million, the variation of rates would equate to \$6.30 per week in 2023/24 in addition to the rate peg with no further increase in the following years aside from the rate peg.

The rate peg is an annual increase to Council rates across NSW, determined by the NSW Independent Pricing and Regulatory Tribunal, which accounts for inflation and is based on the increase in cost of a selection of goods and services that NSW councils purchase.

### **How significant is this rise compared to other Councils?**

Historically, City of Canada Bay residents and businesses have paid lower rates on average than residents and businesses of our neighbouring Councils. Following this proposed variation, that would still be the case.

In 2026/27, following this Special Rate Variation, City of Canada Bay residents will pay less on average than Hunters Hill, Burwood, Lane Cove and Inner West Councils, with only Ryde and Strathfield Council residents paying lower rates – and this is assuming these councils do not apply for any variation of their rates above the rate peg in the coming four years.

Following the proposed Special Rate Variation, our local businesses would in 2026/27 pay less than Burwood, Lane Cove, Inner West, Ryde and Strathfield Councils following this variation. Only Hunters Hill Council will have lower rates on average for businesses and this also assumes these Councils do not apply for a variation above the rate peg.

The rate peg is an annual increase to Council rates across NSW, determined by the NSW Independent Pricing and Regulatory Tribunal, which accounts for inflation and is based on the increase in cost of a selection of goods and services that NSW councils purchase.

### **What do other Councils pay in rates?**

The following tables project the average rates for residents and businesses in the City of Canada Bay and in surrounding local Councils in 2026/27.

Please note these projections assume that all other Councils will not apply for a Special Rate Variation over the course of the next four years.

### **Average residential rates 2026–27**

Rank	Council	Avg rate (2026–27)
1	Hunters Hill	\$2,269.99
2	Burwood	\$1,573.19
3	Lane Cove	\$1,461.31
4	Inner West	\$1,419.96
5	Canada Bay	\$1,357.48
6	Ryde	\$1,239.46
7	Strathfield	\$943.18

### Average business rates 2026–27

Rank	Council	Avg rate (2026–27)
1	Ryde	\$11,525.11
2	Burwood	\$7,536.94
3	Inner West	\$7,183.78
4	Strathfield	\$6,038.31
5	Lane Cove	\$5,466.53
6	Canada Bay	\$4,299.72
7	Hunters Hill	\$1,322.11

### Minimum residential rates 2026/27

Minimum rates would also change as part of the City of Canada Bay's Special Rate Variation.

Not all councils have minimum rates, however we have projected our minimum rate increase against a number of other Sydney metropolitan councils that do have minimum rates.

The rates below assume that these Councils only increase their minimum rates by the rate peg, and do not apply to IPART for increases in excess of the rate peg.

Rank	Council	Avg rate (2026–27)
1	Burwood	\$1,203.05
2	Ryde	\$1,167.23
3	Ku-ring-gai	\$1,109.61
4	Canada Bay	\$1,108.07
5	Georges River	\$1,092.71
6	Sutherland	\$1,065.62
7	Lane Cove	\$1,053.34
8	Inner West	\$957.01

The rate peg is an annual increase to Council rates across NSW, determined by the NSW Independent Pricing and Regulatory Tribunal, which accounts for inflation and is based on the increase in cost of a selection of goods and services that NSW councils purchase.

### **Will my rates rise in increments or all at once?**

Whilst residents and businesses will be affected differently, in total, Council is consulting with the community over a potential increase of 12.24% above the rate peg for 2023/24, 2.31% in 2024/25, 2.19% in 2025/26 and 2.08% in 2026/27.

This equates to a cumulative increase of 19.78% above the rate peg over four years in addition to the rate peg.

For residents on our minimum rate, this increase would be \$1.80 per week in 2023/24, followed by an increase of \$1 per week in the following three years, with all increases being in addition to the rate peg.

As another example, for residents who own a property with land value of \$1.5 million the variation of rates equates to \$3.30 per week in addition to the rate peg in 2023/24 with no further increase in the following years aside from the rate peg.

For businesses with land value of \$1.2 million, the variation of rates would equate to \$6.30 per week in 2023/24 in addition to the rate peg with no further increase in the following years aside from the rate peg.

The rate peg is an annual increase to Council rates across NSW, determined by the NSW Independent Pricing and Regulatory Tribunal, which accounts for inflation and

is based on the increase in cost of a selection of goods and services that NSW councils purchase.

### **Why increase minimum rates?**

To date, the City of Canada Bay has never applied for a special variation to minimum rates. There are important reasons to do so now in order to make our rates more equitable and to ensure we are sustainable and equipped fit for the future.

As rates are calculated on land values, there can be a significant difference between the rates calculated for a house and a unit.

For example a 4-bedroom unit in a waterfront development which has sold for \$4 million currently would pay minimum rates. Because this unit has a lower land value than a detached dwelling which has sold for \$2.8 million, the apartment owner currently pays \$595 per annum less in rates than the owner of the detached home.

These differences neither reflect the relative difference in the capacity to pay for each owner, nor the costs of services that the City of Canada Bay provides to both owners.

As the City of Canada Bay continues to see a greater proportion of residential unit development, it must increase minimum rates to ensure services can be extended to these new developments, while not disproportionately increasing the rates burden to single house dwellings.

For residents on our minimum rate this proposed increase will be \$1.80 per week in 2023/24, followed by an increase of \$1 per week in the following three years, in addition to the standard rate peg.

The rate peg is an annual increase to Council rates across NSW, determined by the NSW Independent Pricing and Regulatory Tribunal, which accounts for inflation and is based on the increase in cost of a selection of goods and services that NSW councils purchase.

### **What are my rates spent on?**

Your rates help to make the City of Canada Bay the place we love — a place to be proud of and the best local government area in Sydney to live and work.

They build local roads, footpaths and bike trails. They maintain our fantastic sports facilities, green spaces and 36 kilometres of beautiful foreshore. Council rates help



support the older, vulnerable members of our community; babies and new parents; children and young people.

Your City of Canada Bay rates support the places where we come together – our libraries, community gardens, town centres, men’s sheds and community halls. They help us plan for a great future for our growing population.

To find out more about where your rates for 2022/23 are going, check out this year’s edition of our annual *Your Rates at Work* pamphlet.

Alongside our proposed application for a Special Rate Variation, to ensure we are equipped for the future the City of Canada Bay is always looking inward at our organisation to ensure we are finding productivity efficiencies wherever possible.

In 2018, the Council undertook a broad review of its services and implemented an ongoing improvement program to reduce costs and improve productivity. The initiatives implemented under the program so far have produced savings of \$1.7 million per year. This is already included in Council’s base case Long Term Financial Plan.

Council has a continuous improvement program and is implementing an ongoing service review program. It has identified further cost savings of \$80,000 and net increases in revenue of \$335,000 to be implemented.

More information on your rates can be found here: <https://www.canadabay.nsw.gov.au/residents/your-ho...>

What is the total annual variation proposed?

### Overall increase

Year	2023-24	2024-25	2025-26	2026-27
Proposed % increase including forecast rate peg	15.49%	4.81%	4.69%	4.58%

What would be the impact on ratepayers?

### \$1.5M (land value) residential

Year	Current	2023-24	2024-25	2025-26	2026-27
Proposed % increase including forecast rate peg		15.49%	2.5%	2.5%	2.5%
Annual rate	\$1,404.23	\$1,621.75	\$1,662.29	\$1,703.85	\$1,746.45
Proposed \$ increase including forecast rate peg		\$217.52	\$40.54	\$41.56	\$42.60

### \$1.2M (land value) business

Year	Current	2023-24	2024-25	2025-26	2026-27
Proposed % increase including forecast rate peg		15.49%	2.5%	2.5%	2.5%
Annual rate	\$2,677.50	\$3,092.24	\$3,169.55	\$3,248.79	\$3,330.00
Proposed \$ increase including forecast rate peg		\$414.74	\$77.31	\$79.24	\$81.21

### Minimum ratepayer

Year	Current	2023-24	2024-25	2025-26	2026-27
Total proposed increase including forecast rate peg		15.49%	8.44%	7.98%	7.57%
Annual rate	\$761.71	\$879.70	\$953.95	\$1,030.06	\$1,108.07
Proposed \$ increase including forecast rate peg		\$118.09	\$74.25	\$76.11	\$78.01