

Subject: IPART - Sutherland Shire Council Special Rate Variation

Date: 17 February 2019

I make this submission in regards to the Sutherland Shire Council (SSC) application for a special rate variation in particular how it would be applied to units and apartments. I submit the following:

1. SSC sent a notice "A Fairer Way Forward" (shown on page 32 of the SSC IPART Special Variation Application Form – Part B, also attached for clarity is a copy of the one left in my letter box), received in my letter box on 18 December 2018. A very strategic time of the year to spring this on rate payers, ie. to get the minimum response from ratepayers. Prior to receiving this I had no knowledge of this proposal. SSC says that there were public consultation sessions but I was never given notice of such so I contend that SSC did not give an appropriate notice for the rate variation particularly given the time of year.
2. The logic of the increase is flawed as property market values constantly changes up and down - I'm sure our rates won't go down. Using the market value of each property as a basis of rate setting gives a distorted rate calculation. It is better to base rates on on land value which gives a substantially better equivalence to value and is more consistent in the long term. What is forgotten in SSC's proposal is that on a similar sized block of land they get substantially more these days from unit/apartments compared to single dwelling sites so the return to SSC is already high, making it 50% higher is totally unnecessary.
3. SSC has had a huge increase in rate income because of all the new developments in the Sutherland Shire in the last few years so I do not see how taking an even bigger slice is warranted in any way. SSC says that rates for an average apartment/unit are less than half of that paid by an average dwelling owner - this is pure mathematical spin and misleading. Unit/apartment owners are already contributing more than our fair share as the council gets more in rates than was collected before any development occurred. For example:
 - On the corner of the Old Princess Hwy and Belmont St Sutherland there were three normal house blocks with single dwellings giving council rates of around $3 \times \$2,032 = \$6,096$, based on SSC figures. After the 'Loft' development on this site is completed (early 2019) there will be 67 units, so that is $67 \times \$602$ (minimum, it's probably higher in reality) = \$40,334 (this also ignores the rates contribution from the ground floor commercial premises). So SSC is already getting at a minimum an approximately \$34,238 rise in rate income in this example and they want to raise it by around 50% more - simply outrageous.
 - Another example is the mega development on the Princess Hwy. at Kirawee, 'South Village'. SSC will get a huge increase in rates of 840 (Ref. The St. George and Sutherland Shire Leader) $\times \$602 = \$505,680$ from a site that was an empty water filled brick pit. SSC does not divulge it's massive increase in rate income over the past 10 to 15 years due to developments in Kirawee, Sutherland, Caringbah, Cronulla, Engadine and other suburbs in the Sutherland Shire. This should be taken into account when assessing this application and dilutes it's claim for any increase at all.
4. The above examples also highlights that for existing properties when comparing the land size of units/apartments versus single dwelling houses that SSC is getting far more per hectare from the unit/apartment owners than from single dwelling owners as there are numerous more unit/apartment owners contributing versus a single house. With the increase in even more high density housing being built the number of rate payers to SSC is substantially higher which increases SSC's income greatly so increasing the rates even more is unnecessary.

5. People living in a unit/apartment do not receive any more council services when compared to the same land area of single dwellings. Unit/apartment owners also pay a separate domestic waste charge so I cannot see where any extra services are provided by SSC. If anything unit/apartment owners get less because of the high density of people sharing what is basically unchanged from prior to development. Also it is my understanding that quite a lot of services costs for a development are actually absorbed by the developer.

6. This type of unwarranted price increase will put a further burden on unit/apartment owners and renters in an environment where any cost increase will push people beyond their financial limits. Some people will simply not be able to afford this massive increase and I'm talking the average person here let alone pensioners and people with low income. Electricity, gas, water & basic services continue to rise above inflation so how can an approximate 50% rate increase be justified in any way?

SSC's application for a special rate variation is totally irresponsible price gouging and in no way fair.

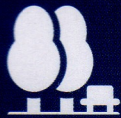
SUTHERLAND SHIRE

A FAIRER WAY FORWARD

KEY SERVICES PROVIDED BY COUNCIL FOR OUR COMMUNITY



BEACHES & LEISURE CENTRES



PARKS & FIELDS



PLAYGROUNDS



ROADS & FOOTPATHS



STORMWATER



LIBRARIES



ARTS & ENTERTAINMENT CENTRES

Sutherland Shire Council's rates model hasn't changed in decades. Council has now reviewed this model and is proposing a fairer way forward for our community.

Council's services are available to the whole community to utilise and enjoy, and as a community everyone needs to fairly share the costs.

Council's current rate structure is based upon land value only, not the market value (land and dwelling). A minimum rate is applicable for units and apartments, and this is currently set at \$602. For the majority of units and apartments in the Sutherland Shire, this amount is significantly less than houses of comparable market value. The proposal is to raise the minimum to \$900 as shown below:



We will look at ways to minimise the impact on those in our community experiencing hardship.

We want to hear what you think about the proposed new model.

For further details and to provide your feedback visit bit.ly/SSCJTC or contact your Ward Councillor to discuss (see over) or attend an information session at your local library.

WHERE WE ARE NOW



HIGH CAR OWNERSHIP
(57% 2 OR MORE)

TOTAL POPULATION
227,546

MORE COUPLES WITH CHILDREN
HOUSEHOLDS
(38.8% COMPARED TO 35.3% GREATER SYDNEY)

12.3% YOUNG WORKFORCE
(MUCH LOWER THAN GREATER SYDNEY 15.4%)

MORE COUPLES WITHOUT CHILDREN
HOUSEHOLDS
(24.7% COMPARED TO 22.4% GREATER SYDNEY)

22.8% AGED 60 +
(HIGHER THAN GREATER SYDNEY)

3% SLOW GROWTH

22.7% AGED UNDER 17 YEARS
(SAME AS GREATER SYDNEY)

3.5% LOW UNEMPLOYMENT

WHERE WE WILL BE IN 10 YEARS

DECREASE IN HOUSEHOLD SIZE TO 2.66

LONE PERSON
HOUSEHOLDS (+4,348)

INCREASE IN DWELLINGS
+12,300

23% AGED 60 +
(INCREASE OF 15,762 PEOPLE)

23% AGED UNDER 17 YEARS
(Increase of 7,298 people)

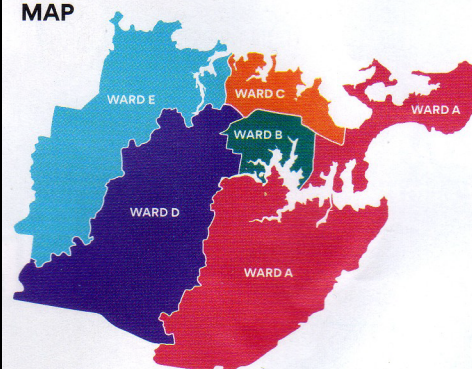
INCREASE IN COUPLES WITHOUT CHILDREN
+4,557 HOUSEHOLDS
Projections prepared by Profile ID for SSC

YOUR COUNCILLORS

Your Councillors are always happy to talk to you about your interests or concerns about our community. If you would like to talk to your ward Councillor, their contact details are below:



MAP



To find out what ward you are in call us or check on our website.

For full details on Council's Integrated Planning and Reporting Framework, including the Delivery Program 2017-21, Long Term Financial Plan and Asset Management Plans, please visit sutherlandshire.nsw.gov.au/Council/Strategies-Plans-and-Reports