Questions	Response

Should our methodology be re-based after the census every five years to reflect actual growth?	Yes agree.
	
	To ensure costs of Council's are truly represented and the distribution and collection is equitable and sustainable for the community, consideration is required on rate exemptions. Further increases in exempt properties within a Local Government Area (LGA) will result in the rateable land ratepayers paying a higher rate to subsidise the cost of services provided to exempt land.
	
	Further to the point above population growth is one only element that drives annual cost increase, operating deficits and service increases for council.
	• Other elements can include:
	  ○ Fixed regulated charges that do not cover costs, e.g. stormwater charge, section 603 certificates, etc.
	  ○ Up-zoning
	  ○ Centre growth
	  ○ Hospitals
	  ○ Education facilities
	  ○ Tourism growth
	  ○ Commercial centres and commuters
	  ○ Federal and state government service reallocations
	  ○ Legislative compliance obligations
	  ○ Uncontrollable costs, i.e. public liability/professional indemnity insurance, award changes etc.

In the absence of a true-up, should we impose a materiality threshold to trigger whether an adjustment is needed on a case–by–case basis to reflect actual growth?	We agree with the principle of applying a 'true-up' adjustment on a case-by-case basis to correct any material differences. It is reasonable that increases above any cap require community consultation.

Do you have any other comments on our draft methodology or other aspects of this draft report?	<u>Equity of Rates</u> • Constraints across other statutory revenue items create inequity for ratepayers by under utilising user pay opportunities. If these fees aren't reviewed financial sustainability constraints will force the shortfall in revenue to be covered/recouped by a Special Rate Variation across the community. • Ensuring regulated fee thresholds are set at a maximum cost recovery level is essential to not over allocating revenue collection to rate payers. <u>Commitment and Timeframe of Future Reviews</u> • It would be transparent to highlight the financial limitations to achieving sustainability with the below items being excluded from the scope of this review. To assist in future long term financial planning, a timeframe and commitment to review these items is essential: o Pensioner Rebate – Inconsistency (refer below) o Cost burden of non-rateable properties o Statutory minimum rate o Special rate variation process o Statutory charges o Flexibility in the recoupment of fixed (uncontrollable) costs, i.e. Emergency Service Levies (refer below) *Pensioner Rebate* • The table below provides an overview of the pensioner rebate funding provided by the governments of other States and Territories across Australia.

	Type of Relief	**Value of funding**	**Funding Source**
NSW	Concession only	50% discount, up to $250 pa	55% state, 45% council
VIC	Concession only	50% discount, up to $218.30 pa	100% state
QLD	Concession only	20% discount, up to $200 pa	100% state
NT	Concession only	62.5% discount, up to $200 pa	100% NT govt.

TAS	Concession only	30% discount, up to $425 pa	100% state
WA	Concession or rate deferral	50% discount, up to $750 pa	100% state
SA	Rate (postponement) deferral only	All rates in excess of $500 pa	100% state
ACT	Concession and rate deferral	50% discount, up to $700 pa, deferral on rates in excess of $700	100% ACT govt.

- Council has approximately 8,000 properties that receive a pensioner concession on their annual rates. Pensioner concessions are expected to total $2 million in 2020/21. The 45% pensioner subsidy required to be provided by Council results in Georges River ratepayers foregoing some $900,000 in rates income each year.
- When combined with the mandatory Emergency Services Levy (ESL) of $2.6 million required to be paid to the NSW government by Council every year, it results in all of Council's annual increase in rates income of $2.4 million (and more) being lost.