

PROTECTING OUR FUTURE



Council is seeking your feedback on a Special Rate Variation to ensure a financially sustainable and positive future for all residents.

INTRODUCTION

After reviewing our current financial situation, Council has found that it has been producing operating deficits over the past few years and has a significant funding backlog for the renewal of infrastructure assets such as roads, footpaths and buildings. The backlog has increased from \$1.2 million to a current backlog of around \$16.1 million.

These funding gaps have developed over many years, with previous councils not taking the required action earlier, when it would have prevented the current problem. This is the case for many local councils and for Strathfield in 2014 when the Council last considered this issue, they decided not to take action.

We are now in a difficult and confronting position, where a number of internal and external factors such as rate capping, high inflation, continued cost shifting from the State Government and many years of cost increases, exceed the increase in revenue. If no action is taken, Council will risk running out of money by 2027.

This requires urgent and immediate action to protect the future of Strathfield. We must ensure we are financially sustainable not only now, but long into the future so the current generation and future generations will be able to enjoy the Oasis in the West that is Strathfield Council.

Council has spent a significant amount of time considering how best to manage this problem with the least impact on residents and ratepayers, and is proposing several changes to allow us to maintain our assets and continue to provide quality services our community deserves.

The proposed changes include:

- **Reducing the Domestic Waste Charge** (DWMC) by \$245 for every residential ratepayer (\$4m total)

- **Savings and Productivity Improvements** initially resulting in \$1.3 million annually, increasing to an improvement of \$2.5 million by 2033. **Including a proposal to discontinue the Strathfield Connector Bus, which will include community consultation.**
- **Establishing Industrial Rating Sub-Categories** will increase industrial site rates, ensuring residential ratepayers pay a smaller percentage of the total rates.
- **Addressing Cash Flow** with a loan borrowing program to expedite asset renewal funding.
- **Updating the Rating System** to increase revenue by \$15m over the next 4 years, whilst creating a fairer rating system.
- **Applying for a Special Rate Variation** with the Independent Pricing and Regulatory Tribunal (IPART) which would come into effect from 1 July 2023. Council is proposing two options, either a one-off increase or increases over 4 years. The SRV will apply to all rate categories and the domestic waste charge transfer would occur in the 1st year.
- **Moving from a Base to a Minimum Rating System** will see a minimum rate for all ratepayers initially of \$900 increasing to \$1,200 over 4 years. **Approx. 70% of ratepayers will only pay the minimum rate and DWMC.**

These changes are not about expanding services or building new assets, they will generate income to address funding gaps, renew assets and maintain services, allowing Council to stay financially sustainable into the future.

Feedback from residents and ratepayers is vital to this process. Scan the QR code for more information and have your say by **31 January 2023**.

HAVE YOUR SAY

www.haveyoursay.strathfield.nsw.gov.au/protectingourfuture



Read this in other languages

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Proposed Special Rate Variation

The tables below show the percentage increase of rates for the *whole of Council* with the proposed 1 year plan, the proposed 4 year plan, the domestic waste charge transfer, and the predicated rate peg.



Reducing the Domestic Waste Charge will lower the cost for every residential ratepayer by \$245 pa.

OPTION 1: Single Year SRV

	2023-24	2024-25	2025-26	2026-27	COMPOUNDED
Forecast rate peg	3.7%	3.0%	2.5%	2.5%	12.2%
Domestic waste charge transfer	20.3%	n/a	n/a	n/a	20.3%
Option 1: Single year SRV (excluding domestic waste transfer & rate peg)	50.0%	n/a	n/a	n/a	50.0%
Option 1: Total single year SRV	74%	n/a	n/a	n/a	74.0% (88.3% if years 2-4 rate pegs are included)

Table 1a: Proposed SRV increases – Option 1

OPTION 2: 4 Year Option SRV

	2023-24	2024-25	2025-26	2026-27	COMPOUNDED
Forecast rate peg	3.7%	3.0%	2.5%	2.5%	12.2%
Domestic waste charge transfer	20.3%	n/a	n/a	n/a	20.3%
Option 2: Multi-year SRV (excluding domestic waste transfer & rate peg)	10.0%	5.0%	15.0%	15.0%	52.7%
Option 2: Total Multi-year SRV	34.0%	8.0%	17.5%	17.5%	99.8%

Table 1b: Proposed SRV increases – Option 2

In the first year of the proposed SRV's, Council intends to allocate all the domestic waste charge transfer, 20.3%, to the residential rate category, and for Council's preferred four year option, 10% to the business categories and subcategories. For years 2 - 4 the proposed SRV will be distributed evenly across the rating categories.

How do Strathfield Council Rates Compare?

Council	Residential Rate Average 2022/23	Domestic Waste Charge (DWMC) 2022/23	TOTAL Residential Rate Average + DWMC 2022/23	Business Average Rates 2022/23
Strathfield	\$845	\$795	\$1,640	\$4,116
Inner West	\$1,246	\$475	\$1,721	\$5,134
Lane Cove	\$1,359	\$475	\$1,834	\$3,354
Canterbury-Bankstown	\$1,255	\$585	\$1,840	\$6,434
Burwood	\$1,465	\$434	\$1,899	\$6,861
Woollahra	\$1,497	\$590	\$2,087	\$6,545
Mosman	\$1,552	\$649	\$2,201	\$3,830
Hunters Hill	\$2,374	\$600	\$2,974	\$1,351

Table 2: Council rate comparisons



Have Your Say

Visit the website for more detailed information, timelines and how you can make your voice heard. Visit www.haveyoursay/strathfield.nsw.gov.au/protectingourfuture



How Does This Affect You?

The following table provides an indication for residential and business rating categories. The residential table shows the increase of rates for the next 4 years for the average ratepayer, as well as those paying the minimum rate (70% of ratepayers).

The domestic waste charge (DWMC) decrease is also included to show the full rate amount.

The impact on an individual's rates will differ depending on the unimproved land value (LV) of their property. From 1 July 2023, changes because of the general revaluation of land undertaken by the Valuer General will also come into effect.

PENSIONER REBATE & HARDSHIP

Council offers a \$250 pensioner concession on rates if you hold a pensioner concession card and your property is your sole or principal residence. Council will also continue its Financial Hardship Policy, which sets out how we can assist ratepayers who are experiencing difficulty of paying rates on time. You can find the Policy on the website.

RESIDENTIAL		Current	Proposed	Proposed	Proposed	Proposed	Total/ Average Increase
		2022/23	2023/24	2024/25	2025/26	2026/27	
Average Residential Rates	Annual Rates	\$845	\$1,119	\$1,218	\$1,443	\$1,708	\$863
	Annual Increase		\$273	\$99	\$225	\$266	\$216
	Weekly Increase		\$5.24	\$1.90	\$4.31	\$5.10	\$4.14
	Add DWMC Current Charge	\$795	\$550	\$550	\$550	\$550	-\$245
	Annual Rates (with DWMC)	\$1,640	\$1,669	\$1,768	\$1,993	\$2,258	\$618
	Annual Increase (with DWMC)		\$28	\$99	\$225	\$266	\$155
	Weekly Increase (with DWMC)		\$0.54	\$1.90	\$4.31	\$5.10	\$2.97
Minimum Rates (70% of Ratepayers)	Minimum Rates	\$584*	\$900	\$1,000	\$1,100	\$1,200	\$616
	Annual Increase		\$316	\$100	\$100	\$100	\$154
	Weekly Increase		\$6.08	\$1.92	\$1.92	\$1.92	\$2.96
	Add DWMC Current Charge	\$795	\$550	\$550	\$550	\$550	-\$245
	Minimum Rates (with DWMC)	\$1,379	\$1,450	\$1,550	\$1,650	\$1,750	\$371
	Annual Increase (with DWMC)		\$71	\$100	\$100	\$100	\$93
	Weekly Increase (with DWMC)		\$1.36	\$1.92	\$1.92	\$1.92	\$1.78

Table 3: Impact on Residential ratepayers, 4 year option

*This is the average rate for those ratepayers who are on a minimum using the current base rate structure.

The Domestic Waste Charge will be reduced from \$795 to \$550 annually, therefore offsetting some of the increase in rates by \$245 for every residential ratepayer.

BUSINESS (ALL)		Current	Proposed	Proposed	Proposed	Proposed	Total/ Average Increase
		2022/23	2023/24	2024/25	2025/26	2026/27	
Average Rates	Annual Rates	\$4,116	\$5,683	\$6,138	\$7,212	\$8,474	\$4,358
	Annual Increase		\$1,567	\$455	\$1,074	\$1,262	\$1,090
	Weekly Increase		\$30.05	\$8.73	\$20.60	\$24.20	\$20.90

Table 4: Impact on Business (all) ratepayers, 4 year option.

BUSINESS - INDUSTRIAL		Current	Proposed	Proposed	Proposed	Proposed	Total/ Average Increase
		2022/23	2023/24	2024/25	2025/26	2026/27	
Average Rates	Annual	\$3,910	\$6,327	\$6,833	\$8,029	\$9,434	\$5,524
	Annual Increase		\$2,417	\$506	\$1,196	\$1,405	\$1,381
	Weekly Increase		\$46.36	\$9.71	\$22.93	\$26.95	\$26.49

Table 5: Impact on Business - Industrial ratepayers, 4 year option.

Minimum Rate Application

Part of this application seeks to replace Council's base rate structure with a minimum rate structure, which will allow the Council to transition to a fairer rates system.

The table below shows the proposed increase in the minimum rate for the next 4 years. The rate peg increase will not be applied during these transition years.

Year	Minimum Rate
2023-2024	\$900
2024-2025	\$1,000
2025-2026	\$1,100
2026-2027	\$1,200

For approximately 70% of residential ratepayers, the minimum rate and domestic waste charge is all you will pay.


Table 6: Proposed Minimum rates

What Will Happen Without an SRV


Without an SRV, and providing the current service levels, Council will run out of cash in 2027, operating deficits will continue to increase, and local infrastructure assets will deteriorate. There will be inadequate funds to fix and repair roads, footpaths and public buildings. The level of services will be reduced, including street sweeping and cleansing. Council will need to increase other revenues including parking and the cost of our services and charges.

WHAT WILL THIS FUND?


**RENEWING
ROADS & FOOTPATHS**



**PRUNING
OUR STREET TREES**



**CLEANER & TIDIER
STREETSCAPES**



HAVE YOUR SAY

Share your feedback by 31 January 2023

Following a 6-week community engagement period in December 2022 – January 2023, Council will collate all feedback and information and decide whether to apply for a special rate variation at a Council meeting on 28 February 2023. If an application is lodged and approved, it would come into effect on 1 July 2023.

POP UP STALLS (10am-12pm)

Saturday 10 December: Homebush

(corner Rochester Rd and Burlington Rd)

Tuesday 13 December: Strathfield Plaza (outside Oporto)

Saturday 17 December: Community Room, Cooke Park

Saturday 21 January: Strathfield Council Library and Innovation Hub

INFO SESSIONS (6pm-7pm, Strathfield Town Hall)

Monday 12 December

Wednesday 14 December

Thursday 15 December (online)

WEBSITE

Visit www.haveyoursay.strathfield.nsw.gov.au/protectingourfuture or scan the QR code on the front page.

CONSULTATION TIMELINE

