

1 Rates and charges harmonisation - business

Delivering a consistent and more equitable approach to rates and annual charges.

We are required by the NSW Government to harmonise the rating structures of the former Manly, Pittwater and Warringah councils by 1 July 2021.

This will ensure a consistent and fair approach to funding infrastructure and services across the Northern Beaches.

Following extensive community consultation, Council resolved to fully harmonise the rating structure in one go, using a weighted average of the minimum rates of the three former Council areas.

While this will result in some changes for some ratepayers, it's important to note that Council will not collect any additional income from rates as a result of harmonisation.

Council will also align the Stormwater Management Charge across all ratepayers as part of the proposed 2021/22 Budget.

Rates changes

Since amalgamation, ratepayers of the former Warringah area have paid a higher minimum and ad valorem rate, followed by former Pittwater and then former Manly.

Due to harmonisation, new, consistent minimum and ad valorem rates will apply to properties categorised

as ordinary business on the Northern Beaches. Other properties with a separate business sub-category will remain - Warringah Mall, Warriewood Square, Manly CBD, strata storage units, farmland and special rates apply for Balgowlah and Manly business centre improvements.

Minimum rates

The new ordinary business minimum rate in 2021/22, will be \$1,285.00 and applies to properties with a land value of \$298,098 or less.

The movement in the minimum rate since 2016 is at Figure 1.

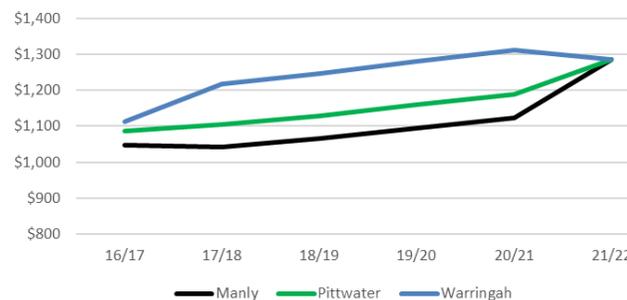


Figure 1: Ordinary business minimum rates 2016-2022

How are rates calculated?

Rates are based on your property's land value and rating category.

Properties are categorised as either residential, farmland, business or a business sub-category based on a property's characteristics and use. For each rating category a ratepayer either pays a minimum rate or an ad valorem rate.

The minimum rate is a set amount which applies to all properties up to a determined land value. In general people who own units pay the residential minimum rate. For other residential ratepayers, mostly those who own houses, we apply an ad valorem rate. This is a calculation of cents charged for every dollar of land value.

A property's land value is set by the Valuer General every three years. Council is required to use these land valuations to determine your share of the rates Council collects.



Hardship - Support is available

[New Rates and Annual Charges Hardship Policy](#)

Ad valorem rates

The business rate for properties with a land value greater than \$298,098 will be calculated based on the ad valorem rate (cents in the dollar x property's land value = rates payable).

The movement in the ad valorem rates since 2016 is at Figure 2.

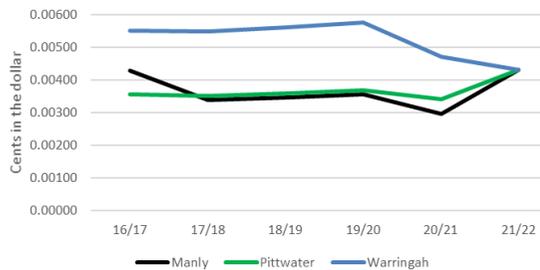


Figure 2: Business ad valorem rates movement 2016-2022

More information on rates harmonisation is [here](#).

Rate peg increase

The total income that can be raised from Council rates is capped by the NSW Government based on a determination by the Independent Pricing and Regulatory Tribunal (IPART).

Each year IPART considers the cost increases councils incur and calculates a maximum increase they can apply. This is called the rate peg.

The maximum increase to general income from rates in 2021/22 is 2.0%.

The increase applies to rates income in total and not to an individual ratepayer's rates. Rates for individual ratepayers will vary by more or less than the percentage allowable as the new harmonisation rating structure is implemented.

Stormwater Management Services Charge

The Stormwater Management Charge funds important infrastructure works to improve ageing stormwater infrastructure to protect people and properties from flooding and protect the health of our waterways.

Properties in the former Manly and Pittwater area currently pay this stormwater charge. Following extensive community consultation, Council resolved to extend the charge to all eligible properties across the Northern Beaches. This will raise an additional \$1.1 million a year for stormwater projects.

The charge in 2021/22 is:

- Business - \$25.00 per 350 square metres (or part thereof) for land categorised as business (excluding strata lots)
- Business strata lots - \$5.00 or the relevant portion of the maximum annual charge that would apply to the strata scheme, if it were a parcel of land categorised as business