

# 1 Rates and charges harmonisation - residential

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. The domestic waste charge, another item on the residential rates notice, was harmonised in 2019/20.

## 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 all residential properties on the Northern Beaches.

## Minimum rates

The new minimum rate in 2021/22, will be \$987.30 and applies to residential properties with a land value of \$628,053 or less which generally applies to those who own units.

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

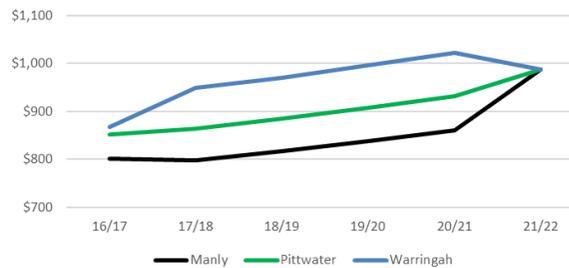


Figure 1: Ordinary residential minimum rates 2016-2022

## 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 Pensioner Rates and Charges Concession](#)

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

### Ad valorem rates

The residential rate for properties with a land value greater than \$628,053 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.

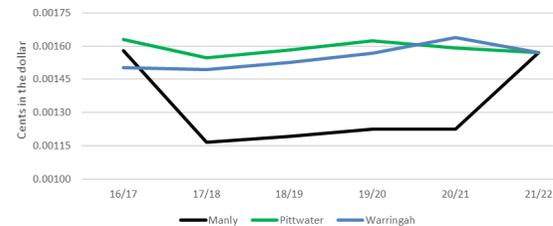


Figure 2: Residential ad valorem rates movement 2016-2022

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 for residential properties in 2021/22 is

- Single dwelling - \$25
- Strata lots - \$12.50

### Harmonising the Domestic Waste Charge

The domestic waste charge is a line item on the rates notice that funds the collection and processing of household waste and recycling.

The charge was fully harmonised in 2019/20 resulting in significant reductions for former Manly and former Pittwater ratepayers, see Figure 3.

These savings will offset the increase for some ratepayers contributing more in rates as a result of the rates harmonisation process.

Domestic waste charge in 2021/22 is:

Standard service	\$466
<hr/>	
Additional 80L red lid rubbish service	\$280
<hr/>	
1st additional 140L recycling service - blue or yellow lid	\$31
<hr/>	
Additional 140L recycling service - blue or yellow lid	\$105
<hr/>	
3rd or 4th green lid vegetation service	\$31

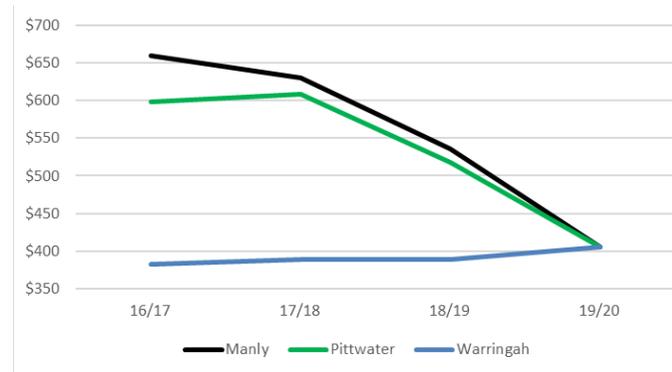


Figure 3: Domestic waste charge harmonisation