



Council rates: how they are set and spent

Councils across NSW charge rates on the unimproved value of individual private land parcels. This fact sheet has been prepared to explain the legislative framework for rating in NSW, and how Willoughby City Council uses this framework to set and spend its rates.

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Council's Revenue Policy

Each year, Willoughby City Council is required to determine the combination of rates and fees and charges needed to fund the services it provides. It is also required to determine how these rates and fees and charges are calculated.

The above information is contained in Council's Revenue Policy, which is part of its annual exhibited Operational Plan. To find the most recent Operational Plan, go to

www.willoughby.nsw.gov.au/Council/Policies-and-publications/Delivery-Program-and-Operational-Plan

In setting this Revenue Policy, the amount of income that Council can generate from rates is determined by the NSW Government. Unless it makes an application for a special rate increase, Council is only allowed to increase its rates income on an annual basis in line with the government's rate peg.

How rates are calculated

Willoughby City Council places each rateable property within the LGA into a rating category, which is either residential or business. It then further places business properties into one of five sub-categories.

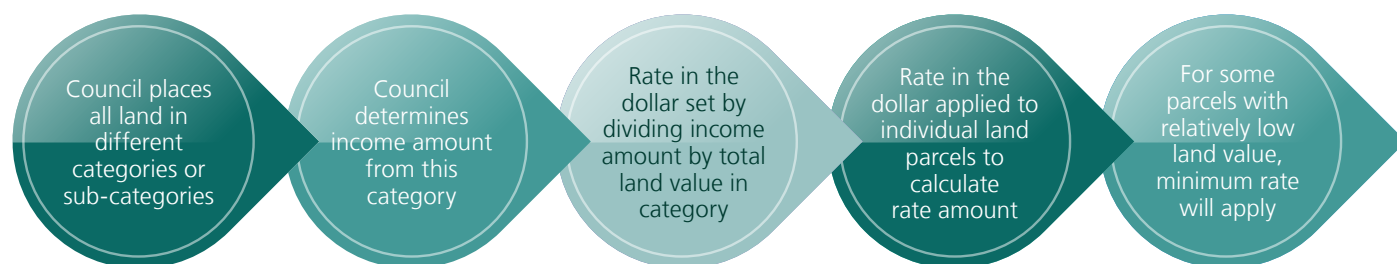
It then sets the income to be drawn from each of these categories, or sub-categories.

Rates are calculated by dividing the category (or sub-category) income amount, against the total applicable land value. Under NSW law, land values must be calculated on the basis of the unimproved land value (ie: land without buildings or improvements).

With this calculation, Council is able to determine a rate in the dollar which applies in that category (or sub-category) which is the amount of each dollar of land value that goes to Council rates. It is then able to determine the rate amount for each land parcel.

For some land parcels with relatively lower land value, which are typically apartments, Council charges what is known as a minimum rate. Council sets a minimum rate where it believes that, if a landowner paid rates only on the basis of land value, it would not be a sufficient amount to contribute towards the delivery of Council services and activities which will be used by that ratepayer, or the ratepayer's tenants.

How rates are set



Components of the rates notice

Council's rates notice typically includes the following fields, applicable to each land parcel:

FIELD	EXPLANATION OF FIELD
Rating category or sub-category	The rating category or sub-category in which the land parcel has been placed.
Rateable value	The value of the land for rating purposes, which is supplied by the NSW Valuer General. A revaluation occurs every three years.
Rate in the dollar	The portion of each dollar of land value which needs to contribute to Council's rates (unless a minimum rate applies).
Stormwater levy	Pays for stormwater projects (new and renewal). Charges are capped and funds are quarantined for this purpose only.
Domestic waste charge	Pays for waste collection, recycling and waste disposal. Funds are quarantined for this purpose only. The domestic waste charge reflects the cost of providing waste services and is not subject to overall NSW Government annual rate capping.
Additional waste services	Extra green waste and recycling services are available for a fee. The charge is added to your rates notice.
Pension or self-funded retiree rebate	If you are eligible for these rebates, they will appear on your rates notice.

It is possible your rates notice may also contain information on amounts applicable to overdue rates and postponed rates and interest.

Other relevant information

Council has a range of policies which guide its rating function. These are available below:

- [Rates Administration Policy](#)
- [Debt Recovery Policy](#)
- [Financial Hardship Policy](#)
- [Pensioner Concession Policy](#)

What rates pay for

Council delivers over 70 distinct services ranging from roads infrastructure, stormwater drainage, environmental initiatives, bridges, footpaths, kerb and guttering, street cleaning, bushland, sporting fields, recreational parks, leisure centre, economic development, multicultural services, youth centre, community services, community events and libraries.

Funding from your rates (excluding the domestic waste charge) helps fund around 40-45% of the cost of Council services.

Residential properties make the greatest contribution to Council's overall rates income.

CATEGORY	SUB-CATEGORY	PERCENTAGE CONTRIBUTION TO COUNCIL'S RATES INCOME IN 2024/25
Residential	N/A	59.39%
Businesses	Business (General)	22.78%
	Chatswood Town Centre	13.70%
	Chatswood Major Retail Centre (Chatswood Chase)	1.73%
	Chatswood Major Retail Centre (Chatswood Westfield)	2.21%
	Strata Storage Facility at Roseville	0.18%

Frequently asked questions

Land values in the LGA, including my land value, are increasing.

Does this mean my rates will go up by the same amount as my increased land value?

This is unlikely. This is because the income that Council receives from rates is capped by the NSW Government.

This means that, irrespective of changes in land value, the amount of extra income that Council can collect from rates cannot exceed a certain amount. This means that, for most landowners, their rates will not increase the same amount as their increased land value.

Think of Council's fixed rates income as a large pie.

Your rates are calculated based on your property's share of this pie. If your property's share of the pie is larger than the last time properties were valued by the NSW Valuer General, you will pay more in rates. If your share of the pie is less than the last time properties were valued, you will pay less.

Why is this so complex?

Why are rates based on unimproved land values?

Why doesn't council come up with a simpler and more equitable way to share the rate burden?

The way Council calculates rates is tightly controlled by legislation under the Local Government Act 1993.

We must use unimproved land values as a basis for allocating rates and there is very little flexibility in how we can apply these land values.

In addition, some properties (for example public and private schools and religious institutions) are exempt from paying rates.

The NSW local government sector (that is councils across NSW) have lobbied for many years to make rating simpler (and possibly more equitable). Councils have achieved some small wins but the fundamental concept of using unimproved land values has prevailed.

Council has little discretion (beyond rating categories) to change the calculation of rates on individual properties.

What if I don't think the valuation for my property is correct?

Land values are supplied by the NSW Valuer General. The NSW Valuer General is an agency of the NSW Government.

If you do not think your latest revaluation is fair, you can appeal directly to the NSW Valuer General. Council cannot change the value assigned to your property.

Is it only households who need to pay rates?

What about businesses and other properties?

We divide our rates into rating categories and sub-categories, including Residential, Business (General), Chatswood Town Centre, Chatswood Major Retail (Chatswood Chase and Westfield) and Strata Storage Facility.

The rating structure determines how much of the "pie" each category or sub-category pays.

Can I appeal against my rating category?

Yes. If you disagree with the category shown on your rates notice, or the dominant use of the land has changed, please contact Council immediately.

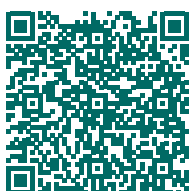
A rateable person who is dissatisfied with the declaration of category by Council or the date of such declaration may appeal to the Land and Environment Court.

<p>I see more apartments being approved and built.</p> <p>Does this result in large amounts of additional rates income for Council?</p>	<p>Ideally, rates would be set at a level that ensures this is the case.</p> <p>However, current residential rates in Willoughby no longer cover the costs of services. Therefore, the same rates applied to new residents would also fail to cover the costs of services.</p> <p>Increased population also creates demands for upgraded capacity or new infrastructure which is not affordable under the current low rates.</p> <p>Examples of this range from more sports fields and indoor courts, increased demand for quieter study spaces in libraries, larger community meeting places designed for all abilities or more walking and cycling paths.</p>
<p>I am a pensioner.</p> <p>What concessions do I get?</p>	<p>Eligible pensioners are entitled to a rebate of \$250.00 for rates and a subsidy of \$164.00 on the domestic rate charge on their rate account.</p>
<p>I am self-funded retiree.</p> <p>What concessions do I get?</p>	<p>Self-funded retirees who meet Council's criteria are entitled to the subsidy of \$164.00 on the domestic rate charge on their rate account.</p>
<p>What happens if I don't pay my rates?</p>	<p>Amounts not received by the due date are subject to daily interest charges.</p> <p>The interest rate is shown on the rates notice. If there are arrears of rates, or charges, they will already be accruing interest and should be paid immediately.</p> <p>Council also has a range of additional powers it can use in the event of ongoing and unjustified non-payment of rates.</p>
<p>I am having trouble paying my rates. What do you suggest?</p>	<p>If you are having difficulty meeting your rate payments, please contact Council via email@willoughby.nsw.gov.au or phone (02) 9777 1000 to discuss alternative payment arrangements.</p> <p>Applications will be assessed against Council's Financial Hardship for Rates and Annual Charges Policy.</p>



Find out more

To find out more about Willoughby's rating system, please scan the QR Code or go to www.willoughby.nsw.gov.au/Residents/Rate-information



To find out more about the NSW-wide rating system, scan the QR Code or go to www.olg.nsw.gov.au/public/about-councils/laws-and-regulations/rates-charges-and-pensioner-concession

