

WCC Rates Factsheet

Finding the balance between equity of service and ability to pay

Councils have a fixed rate income that can only increase annually by the rate peg.

An increase in land valuations does not result in a proportional increase in rates (or income for council).

Rates are a function of a property owner's share of the total land value within the local government area.

Rates are calculated by dividing Council's allowable income over the land value for each category

Components of the rate notice

General Rates — calculated by **land value** – Council can only increase rates by the approved rate peg or a Special Rate Variation (determined by IPART).

Domestic Waste Charge – pays for waste collection, recycling and waste disposal. Not subject to a rate peg, but funds are quarantined for this purpose.

Stormwater Charge – pays for stormwater projects new and renewal. Charges are capped and funds are quarantined for this purpose only.

Land Value

Land values are supplied by the Valuer General.

A revaluation occurs every three years. Base date 2022 will be used for 2024/25

An increase in land valuations does not result in a proportional increase in rates (or income for council).

A revaluation may result in some land values increasing or decreasing more than other land. This may cause a shift in the rate burden for individual properties.

Limits on Rate Income

Council's total rate income is limited by the rate peg % set by **IPART**.

Each year **IPART** sets the % by which council can increase its rate income (includes a population growth %). In 24/25 council will be allowed 5%

Councils has applied to IPART for a special increase (SRV) of 15%, including rate peg of 5% rate peg. Council must demonstrate the need for the increase.

General Rates - How do we calculate them?

Council is required to determine the combination of rates, fees and charges needed to fund the services it provides. This is called a **revenue policy**.

The revenue policy contains the **rating structure** that determines how rates and charges are calculated.

Each rateable property is declared to be in a category or sub category – eg Residential, Business...

Councils can choose how they calculate and distribute rates. For each category or sub-category rates can be calculated either,

- entirely on the **land value** of the property
- on a combination of the **land value** of the property and a fixed base amount per property or
- entirely on the **land value**, but subject to a **minimum** amount.

WCC uses the **minimum** rate and **Ad Valorem** method

Minimum Rates - if your **land valuation** is under a certain threshold (mostly units) you'll pay the minimum rate, WCC applies a minimum rate to all categories.

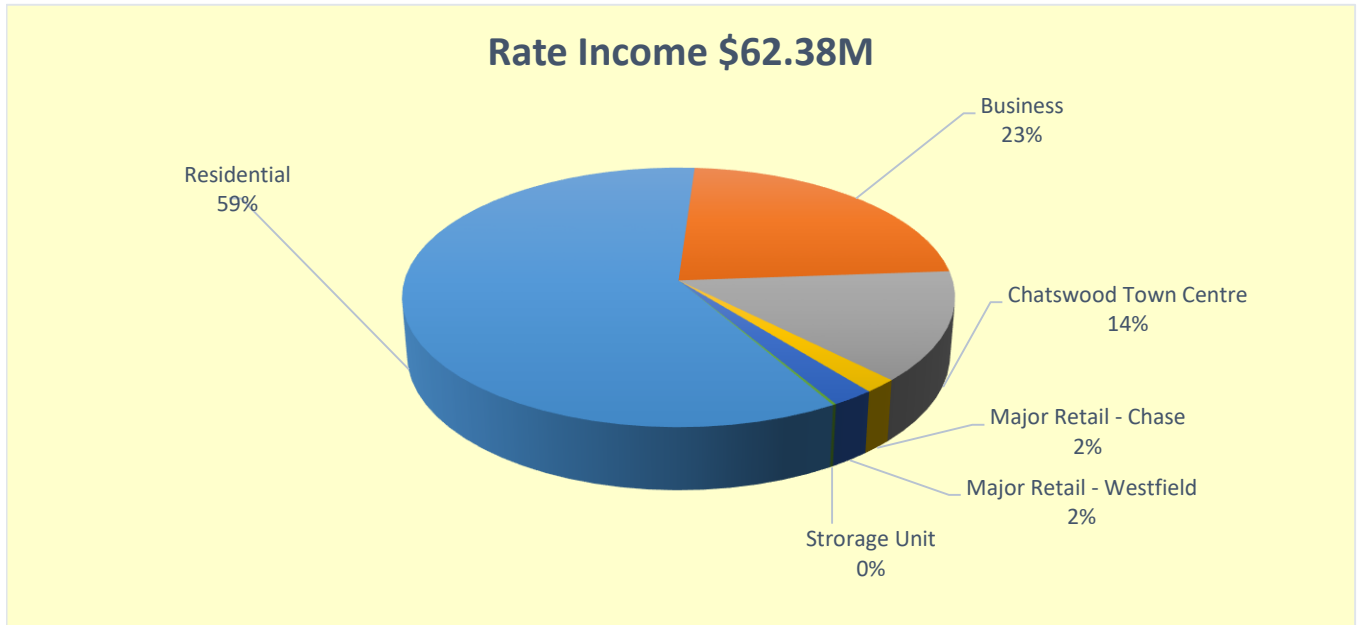
Rates are calculated (allowing for minimums) by dividing the allowable income for each category over the **land value for each category to obtain the rate in the \$ on land value (**Ad Valorem**)**



Rate Structure

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

The **rating structure** determines how much of the “pie” each category pays.



Why are my rates different to other people or other areas?

Councils can choose different **rate structures**. Some Councils have businesses paying a larger % than other categories.

The rate peg applies to the total pie – how it is divided up depends on the rating structure.

Some council’s may have a SRV or special levy, others provide water.

Service levels differ between councils.

Additional Waste Services

Extra green waste and recycling services are available for a fee. The charge is added to your rate notice.

Growth in Rates

When new properties are built it results in new valuations and an increase in council’s rating base. (generally around .1 to .2% each year).

It means that the “pie” grows bigger but so do costs for providing services.

Rates Rebates/Subsidies

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. (approx. 1,800)

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. (approx. 600)

Did you know?

35% of Willoughby City Council’s rate notices are delivered electronically.

