

## Northern Beaches Council - Rates harmonisation & Investment in Manly Ward

### Frequently Asked Questions:

1. [Why have former Manly Council rates gone up by so much this year?](#)

This financial year some households in Manly will have an increase of 26% due to the need to harmonise rates across the northern beaches council area. This is a State Government mandated process that rates harmonisation must be implemented by 1 July 2021. The increase affects 10,000 households out of 100,000 across the Northern Beaches

2. [What is rates harmonisation?](#)

Northern Beaches Council was required by the Liberal led NSW Government to harmonise the rating structures of the former Manly, Pittwater and Warringah Councils by 1 July 2021 to provide a more equitable approach to rates collection across the local government area. Previously, rates were still being charged three different ways with the former Warringah area contributing a higher income percentage as a proportion of land values, followed by the former Pittwater area and then the former Manly area. Harmonisation ensures people with the same land value pay the same for the same level of Council service. Overall, Council does not collect more rates income as a result of harmonisation, it just collects it more equitably. Although it was considered, if all rates were reduced to former Manly council area levels this would have resulted in a \$55m loss to council per annum. This was not seen to be sustainable.

It is important to note that the total income that can be raised from rates each year is capped by a determination by the Independent Pricing and Regulatory Tribunal (IPART). IPART determined a cap of 2% increase for 2021/22. This small increase ensures councils can maintain existing services and infrastructure at sustainable levels.

3. [So, if land values go up even more will my rates go up again?](#)

For all local government areas, rate assessments are currently based entirely upon land valuations undertaken by the Valuer General. For the first time all land values for the Northern Beaches will be assessed together for the 22/23 financial year. As Manly land values were increased for 21/22 it is likely that Pittwater and other areas will have a larger increase then. It is important to note that Council will not receive any additional revenue as a result of the rates harmonisation process.

4. [Can council set whatever rates it sees fit?](#)

No. Total council revenue increases are regulated by IPART and are based on land values as valued by the Valuer General, a State Government regulated role, and the rate peg as regulated by IPART.

5. [Were we as residents and business owners consulted with regards rates harmonisation?](#)

Yes. In December 2020 each affected household and business was written to as part of the consultation process with regards the best approach to take. A

number of scenarios were presented for consideration. Letters were written to all 100,000 residential and business property owners, and other engagement methods were used such as Facebook posts, rates harmonisation videos and creation of a rates calculator on the council's website, and various articles in print media. This resulted in 13,000 visitors to information pages and 500 plus submissions were also received from residents and business owners.

6. **Was phasing of the increase considered?**

Yes many options were considered as part of the consultation process. Candy Bingham Deputy Mayor (Good for Manly) worked along with other Manly ward councillors to advocate for the increase to be phased over a number of years. This proposal was not supported by other Northern Beaches councillors from other wards as these areas were to receive a small decrease in their rates.

7. **Shouldn't rates have decreased from amalgamation?**

Rather than returning a small amount to ratepayers the decision was made by council to reinvest the savings into capital works and services. For example savings have been generated of \$29.5M in 2019/2020. Lower domestic waste management fees to ratepayers have also been passed on. Council has also set itself a target of 10% productivity gains each financial year, which has been achieved again this financial year.

**Council expenditure**

8. **We are hearing from some members in the community that rates have been increased since 2017 by \$31m, how is council able to do this?**

Total rates revenue has increased by \$29m from 2015/16 to 2021/22 on a budget of \$1.3billion with 274,000 residents. This represents a 2.4% average annual growth rate. This compares to 2.1% for the local government cost index and 1.8% for the consumer price index.

9. **Has COVID impacted council finances?**

COVID 19 of has caused a major loss of \$30m and climbing. This is due to the loss of income from council's fees and services. Council has also supported local businesses by waiving fees & charges totalling \$2.7m. But due to good financial management, the Council finances are solid, it is not envisaged that rates will be impacted due to COVID 19.

10. **There is also a statement going around that "Northern Beaches Council's rates are 32% higher than similar councils.". Is this true?**

Our rates are generally on par with other coastal councils. Who to believe? Analysis can be found here.

Council	Total rates charge *
Sutherland Shire Council	\$2,544
Randwick City Council	\$2,173
Northern Beaches Council	\$2,063
Waverley Council	\$1,774
Mosman Council	\$1,736

\*including ordinary rate, special rate, waste charge and stormwater charge.  
Data sourced from Northern Beaches Ordinary Council meeting 27<sup>th</sup> July 2021.

11. [The formal Manly Council had a large debt- what has happened to this post amalgamation?](#) The former Manly council was \$66m in debt at amalgamation resulting from expenditure on the swim centre (which blew out from \$15m budgeted to \$28m), the acquisition of 40 Stewart St, Little Manly and plans for the Manly oval car park. This amounted to \$5.4m in interest payments annually. Much of this has now been paid back as a result of amalgamation. \$30m was borrowed for the now defunct Manly oval car park plans. This was instantly repaid.
12. [Northern Beaches Council seems to receive an extraordinary amount of grant funding from state and federal sources?](#)  
This is a great positive of amalgamation in that council has now been able to attract and retain great teams of local government professionals. These staff members, using their wealth of experience, have been able to undertake detailed long term strategic infrastructure planning and then to tailor this to grant requirements. This ensures that when grant funding is announced at a federal and state level, council is in a great position to be able to access this funding when it becomes available. These grants are generally available to all local councils to apply for and have always been a key pathway for local councils to access other sources of funding, particularly for major infrastructure works.

### Further Manly Council savings info

It is worth noting that while Manly ratepayers have experienced a rates increase, the average Manly ratepayer paid less for Council rates and charges in 2020/21 than they did prior to Council amalgamation four years ago. This is due to a similar harmonisation process for your domestic waste charge which reduced for Manly ratepayers from \$660 in 2016/17 to \$466 in 2021/2022.

### Reducing your waste charge

- Reduction in domestic waste charges – down \$194 compared to 2016/17 saving you \$837.50 over the last 5 years.

Table 1 **Waste Charges – Former Manly Council area**

Financial Year	Waste Charge	Saving on
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		2016/17 price	
<b>2015/16</b>	\$640.00		Merger 12 May 2016
<b>2016/17</b>	\$660.00		
<b>2017/18</b>	\$630.00	-\$30.00	
<b>2018/19</b>	\$536.00	\$124.00	
<b>2019/20</b>	\$405.00	\$255.00	New harmonised service starts
<b>2020/21*</b>	\$425.50	\$234.50	
<b>2021/22</b>	\$466.00	\$194.00	
<b>Saving over 5 years</b>		<b>\$837.50</b>	

\* 2020/21 price includes a COVID subsidy of \$20.50

### Paying down Manly's Loans

- Paying down loans – former Manly debt is down from \$66 million on amalgamation to \$9.3 million by the end of the 2021/22 financial year

### Investing in community infrastructure

- In the first full three financial years of Northern Beaches Council (2017/18 to 2019/20) Council invested \$26.4 million on renewing existing assets in the former Manly Council area. This year a further \$7.7 million is budgeted for renewing existing assets in the Manly ward:
  - \$3.0 million to renew footpaths, retaining walls and resurface roads
  - \$1.7 million to renew assets in parks, foreshores, playgrounds and town centres
  - \$1.1 million for stormwater infrastructure
  - \$1.9 million to renew buildings including amenities
- Council is also investing in new and upgraded assets like the Little Manly Point amenities building and playground upgrade planned for this financial year. The budget for new assets in the Manly area is \$4.9 million this year.