

RATES & NEW LAND VALUATIONS - Frequently Asked Questions

RATES

Rates are a key source of income for Council, but not the only one. Over the last three years, just over half our income on average has come from rates and other annual charges. The other income comes from grants, contributions, investment revenue and other sources. This means that although your rates make a big contribution towards funding Council's work, we are also always looking for other ways to deliver services and infrastructure to our community.

We have written these FAQs to answer the questions we are receiving from the community about their rates. We will update them on a regular basis if we find that people are asking questions that are not covered here.

I have a question that's not in the FAQs, what do I do?

If your rates question is not answered in these FAQs, you can email us at rateshelp@penrith.city

If you email, rather than call, it will mean that we can make sure your question goes to the right person, who can give you the information you need. That email inbox will be checked continually throughout the working day.

If you'd like to explain your question or talk to someone, please tell us that in your email, give us a contact number and we will call you.

If you cannot email us, you can also call us on 4732 7777.

Why do rates go up?

Council buys goods and services like petrol, insurance, furniture, building materials and so on just like you do. Each year the Independent Pricing and Regulatory Tribunal (IPART) tells councils how much they can increase their rates, based on how much the cost of things that local councils typically use (like building materials, petrol, insurance, salaries and wages) has gone up. This is called the rate peg. This year IPART have set this increase at 3.7%.

Rates are also based on the unimproved value of your land. This means how much your land would be worth if it had no buildings on it. Every three years, the Valuer General will issue a new valuation for every property in the City. The most recent valuations from the Valuer General were sent to landowners in Penrith from January this year and these new valuations will be used for rates from 1 July 2023.

Because land value is a part of how your rates are calculated, if your land value has gone up by an above average amount, so will your rates. The amount of the increase will be different across the City. Some people may have a small increase, others may have a much bigger increase. Some people may even receive a decrease. This year, the average Residential valuation increase across all of Penrith was 62%, but some areas (Jordan Springs) increased by only 30%, while others (Orchard Hills) increased by 170%. These valuation changes result in average rates changes for Residential suburbs of between a 28% decrease to a 34% increase.

It is very important to note that Council does not set these valuations; they are set by the Valuer General.

See the **New Land Valuations** section below for further information about land valuations.

Do rates go down?

Sometimes the value of land set by the Valuer General will be lower than the previous valuation; or, if your valuation has increased, it may not have increased as much as other properties. If this happens, the decrease could offset the increase from IPART and you may notice no change in your rates. If the decrease in your land valuation is bigger than the increase from IPART, your rates will go down.

What relief measures does Council provide to rate payers who are having financial difficulty?

Council understands that there are difficult economic times facing the community and that some ratepayers may not be able to afford pay their rates on time. If you are unable to pay your rates on time you can ask Council to give you an extension or allow you to make a smaller weekly, fortnightly or monthly payment. It is best that you contact Council as soon as possible and definitely before your rates are due.

We look at every person's individual situation, so If you'd like to make a payment arrangement or ask for an extension please email us at rateshelp@penrith.city and tell us:

1. Your name
2. Your account number (from your rates notice)
3. Your address
4. Your mobile number
5. A brief explanation of your circumstances
6. When you may be able to make a full payment, or if you can make part payments, how much you can pay and how often (weekly, fortnightly or monthly)

Once we receive your email we will review your situation and send confirmation of your payment arrangement or account extension within 7 days.

What relief measures does Council provide for pensioners?

Pensioners receive a rates rebate of up to \$250 plus a stormwater charge exemption up to \$25, however if you are still finding it difficult to pay your rates please email us and tell us:

1. Your name
2. Your account number (from your rates notice)
3. Your address
4. Your mobile number
5. A brief explanation of your circumstances
6. When you may be able to make a full payment, or if you can make part payments, how much you can pay and how often (weekly, fortnightly or monthly)

If you are a pensioner but you do not yet receive a pensioner rebate you can apply over the telephone by calling Council on 02 4732 7777. Please have your Centrelink or DVA card with you.

Will interest be charged on overdue accounts?

Generally, once your rates are more than one month overdue, you will be charged interest. Any small amounts you can pay towards the overdue amount will reduce how much interest you pay. The interest rate is set by the NSW Government and changes each year.

If I put a hold on my rates, won't I just end up with a bigger debt to pay back?

If you get an extension on your rates, you will still have to pay them. An extension will just give you more time, which may be useful if you expect your circumstances to change in the near future.

If you don't expect your circumstances to change, and you are able to, it may be better to make smaller, regular progress payments so that the overall amount does not get too high.

Please contact our rates team at rateshelp@penrith.city or on 4732 7677 to discuss which option might be best for you.

Why does it feel like some areas get more services than others?

Many of Council's services – for example our libraries, community events and customer experience – are provided in the same way, to the same standard, for every member of our community. Other services, like the Seniors Festival, sustainability workshops or playgrounds, are available to everyone, but are delivered to meet the needs of particular parts of our community. In addition, infrastructure like roads, parks and footpaths are provided right across the City, but may be improved at different times. Council sets its works program on an annual basis, which means that in any one year we will spend more money renewing or replacing infrastructure in some parts of the City than in others.

In the same way that the further you drive a car, the more often you will need to get it serviced, we need to maintain and replace highly-used assets more often than those which are not used as much. This means that some roads are maintained more frequently than others, as the type and volume of traffic impacts how soon they wear out – trucks will damage roads faster than cars. We apply that same principle to all our assets, including playgrounds, sports fields and community buildings.

This can make it look like some areas are better looked after than others. Parts of Penrith that are used a lot, like Tench Reserve, St Marys Town Centre and Penrith City Centre, are maintained more often than areas which are used less. Over time, though, our works programs are designed to ensure that all our facilities right across the City are adequately maintained to provide a level of service that reflects their level of use.

How can I make a submission, and what will happen if I do?

You can make a submission to the 2023-24 Operational Plan exhibition, as this plan includes the budget and rating structure for this year. Submissions should be made through the Your Say website, there is a separate section for submissions which are just about rates.

If you make a submission to the plan, it will be reported to Council in late June and you may receive a response telling you how your submission was considered.

When you make a submission, please remember that Council did not set your land valuation or the amount of the standard increase. These were set by the Valuer General and IPART.

NEW LAND VALUATIONS

The NSW Valuer General has released new land valuations that will be used to assess rates from 1 July 2023. The most recent valuation is based on property sales in your area around 1 July 2022. The changes to land valuations may impact the rates you pay to Council each year and these FAQs have been compiled to help residents and property owners understand these changes.

How will I know what my land valuation is?

The NSW Valuer General has issued Valuation Notices to owners of properties in the Penrith Local Government Area (LGA) from March 2023. If you have not received a Valuation Notice, you can contact them on 1800 110 038.

How does the new valuation affect my rates?

In the first financial year new valuations are used for rates, there may be some fluctuations in the rates you pay compared to the year before, depending on how your valuation has changed in comparison to other properties within our LGA. After that first year your rates will increase by around the general increase for the next two years (approximately 3% to 4%) until land is revalued in three years time.

Residential land values have increased on average by around 62%. The new land valuations will be used from 1 July 2023 however property owners are advised not to be alarmed by their valuation increase as a 62% increase in your valuation (for example) does not mean a 62% increase for your rates, and does not mean that Council will collect 62% more rates either. In fact, the average increase for rates for 2023-24 will be 3.7% which is the approved rates increase for most NSW councils announced by the Independent Pricing and Revenue Tribunal (IPART).

84% of properties will pay no more than a 4% increase, and only 7% of all properties will receive a rates increase greater than \$100 from July 2023.

While the average valuation increase for all Residential properties was 62%, different suburb valuation increases ranged from 30% for Jordan Springs up to 170% for Orchard Hills. The change to the amount that you will pay for your rates in 2023-24 will depend on how different your valuation change is to this 62% average increase. Although your suburb may receive an above average rates increase with these new valuations, it is likely that in the past your suburb may have received a decrease at some time, so over time increases and decreases after a revaluation may average out for all suburbs.

Council's minimum rate is increasing by 3.7% so if you own a villa, townhouse or apartment, it is likely that you are presently paying a minimum Residential rate and your rates are likely to increase by around \$44.00 irrespective of the change in your valuation.

How will my rates change with my new land valuation?

Council has carried out some estimates of how the new land valuations are likely to impact the rates for different suburbs. See the table on the next page. Your change may be different to these amounts as the amounts are averages only. These amounts are based on the continuation of existing rating policies which are reviewed by Council and are subject to change.

Table: Estimated Impact of new land valuations on Rates Increases/ Decreases for Residential & Rural Residential Properties by suburb from 1 July 2023 (sorted by % rates decrease/increase)

Suburb Name	Average Valuation Increase (%)	Average Rates Increase/ (Decrease) from 1 July 2023 (%)	Average Rates Increase/ (Decrease) from 1 July 2023 (\$)
LUDDENHAM	34	(28)	(702)
LLANDILO	36	(28)	(1,318)
CASTLEREAGH	47	(21)	(846)
LONDONDERRY	54	(15)	(467)
AGNES BANKS	58	(14)	(518)
CADDENS	32	(11)	(193)
MULGOA	58	(11)	(390)
BERKSHIRE PARK	72	(8)	(285)
CLAREMONT MEADOWS	44	(6)	(94)
MOUNT VERNON	77	(6)	(245)
SOUTH PENRITH	47	(4)	(60)
WALLACIA	45	(3)	(67)
EMU HEIGHTS	48	(3)	(53)
ERSKINE PARK	53	(3)	(36)
CAMBRIDGE GARDENS	50	(2)	(33)
JORDAN SPRINGS	30	(2)	(41)
WERRINGTON DOWNS	50	(1)	(17)
REGENTVILLE	56	(1)	(63)
ST CLAIR	53	(1)	(11)
GLENMORE PARK	53	(0)	(7)
KEMPS CREEK	90	1	2,298
WERRINGTON COUNTY	50	1	16
CAMBRIDGE PARK	52	2	23
PENRITH	67	3	57
AVERAGE	62	4	10
CRANEBROOK	66	4	19
WERRINGTON	66	4	71
KINGSWOOD	73	4	69
NORTH ST MARYS	69	5	51
COLYTON	67	5	56
BADGERYS CREEK	97	5	10,352
JAMISONTOWN	63	5	87
LEONAY	65	5	70
OXLEY PARK	76	6	90
ST MARYS	84	7	103
EMU PLAINS	77	8	104
ORCHARD HILLS*	170	34	1,788

Note: The increases shown for Orchard Hills are not typical for the suburb, with 56% of properties to pay no more than the average 3.7% increase