



CUMBERLAND
CITY COUNCIL

Dear Resident/Ratepayer,

Following the merger process in 2016, Cumberland City Council is required to harmonise its rates, moving from three different rates structures (Holroyd, Auburn and Parramatta Council) to one. Council is introducing a consistent way of calculating rates for all ratepayers across the Cumberland City Local Government Area.

Essentially, a single rates structure means a redistribution of the total rates income so that all ratepayers have their rates calculated in the same way. It does not involve an increase in Council's total rates revenue.

We expect these changes to commence from 1 July 2021.

What are rates?

Council rates are a property tax and are a source of Council revenue. Rates are used to provide essential infrastructure and services. This includes footpaths, resealing roads, and stormwater drainage as well as community facilities (parks, gardens, libraries and pools).

How are rates calculated?

The method of 'ad valorem' (rate per dollar multiplied by land value) and minimum rates are used to determine what rates are paid by each property owner. If the valuation multiplied by the rate per dollar falls below the minimum rate, the minimum rate will be charged.

How will rates change?

The residential minimum amount will start at \$650 and increase by 10% for four years (subject to approval). The business rate minimum amount will start at \$1,200 and increase annually by the rate peg, as determined by IPART.

The estimated average impact to the former Council areas for the 2021/2022 year is shown below.

Council Area	2021-22 % Change Harmonise 1 year	2021-22 % Change Harmonise (transition) 4 years
Auburn	23.24%	9.21%
Holroyd	-6.28%	-1.97%
Parramatta	-1.22%	2.45%
Cumberland Rate Peg	2.00%	2.00%

16 Memorial Avenue, PO Box 42, Merrylands NSW 2160

T 02 8757 9000 E council@cumberland.nsw.gov.au W cumberland.nsw.gov.au

ABN 22 798 563 329

Welcome *Belong* Succeed

A staged approach, which would occur over 4 years, will require legislative changes that are supported by the NSW Government.

If the proposed legislation is not supported by the NSW Government, our Council will be required to introduce these changes in one year and this will mean a greater impact to some ratepayers.

To assist with reducing the rates burden on general business and residential properties, we will be introducing business sub-categories for industrial areas and multi-level shopping centres where additional infrastructure is required. Ratepayers will be notified shortly if their rating category changes.

Special Rates previously approved for the former council areas will no longer be shown on your Rates & Charges Notice and will be incorporated into the single ordinary rates charge.

What community consultation occurred and what did it show?

We conducted community consultation, between 20 March 2020 and 30 September 2020, and asked ratepayers about their preferred option and the impacts associated with each option.

We received 550 written submissions of which 65% supported Option 1, being no Special Rate Variation increase and a transition over 5 years to a single rates structure across the Local Government Area, commencing from 1 July 2021. We also carried out a community survey, which revealed 63% of residents and businesses also supported Option 1.

What happens from here?

Council will lodge an application with the Minister for Local Government to harmonise minimum rates. If approved, new rates will take effect from 1 July 2021. We will keep the community informed of our progress and will provide regular updates.

If you would like further information, please visit: www.cumberland.nsw.gov.au/rates or contact Council's Rates team on (02) 8757 9099.

Yours faithfully,



Hamish McNulty
GENERAL MANAGER