

Fact Sheet 4: Effects of rate increases on households

What would you pay if Service Plus is funded by raising rates?

If the shortfalls for **Service Plus** were to be entirely funded by rates this would mean **slow and small \$ value increases to residential rates over seven years** until they are:

- **just over 70% higher than they are now (2010/11) to sustainably fund existing services**, compared to the 20-25% increase that will inevitably occur under the rate capping system in that time; **or**
- **about 120% higher than they are now (2010/11) to sustainably fund existing services plus the enhancements** requested during consultation on *Waverley Together 2*, compared to the minimum 20-25% increase that will inevitably occur in that time.

In percentage terms it would mean average yearly rate increases of:

- 8.79% each year for seven years to fund existing services, or
- 12.59% each year for seven years to fund existing service plus all 66 enhancements.

These increases may seem steep when expressed in percentage terms but in dollar terms they are small due to the very low levels of rates currently being paid by residents in Waverley.

What are Waverley residents paying in rates in 2010/11?

This is what Waverley residents currently pay in rates:

Residential Rates in Waverley 2010/2011			
Land Value	Percentage of Properties in Land Value Bracket	Maximum Rates Levied 2010/11	Maximum Rates Levied (with Environmental Levy) 2010/11
Up to \$341,850	50% of properties	\$387	\$405
\$341,850 to \$500,000	11% of properties	\$566	\$592
\$500,000 to \$633,000	6% of properties	\$716	\$750
\$633,000 to \$800,000	11% of properties	\$905	\$948
\$800,000 to \$884,000	3% of properties	\$1,001	\$1,047
\$884,000 to \$1,000,000	4% of properties	\$1,132	\$1,184
\$1,000,000 to \$1,500,000	9% of properties	\$1,698	\$1,777
\$1,500,000 to \$2,000,000	4% of properties	\$2,264	\$2,369
Above \$2,000,000	2% of properties	\$12,225	\$12,791

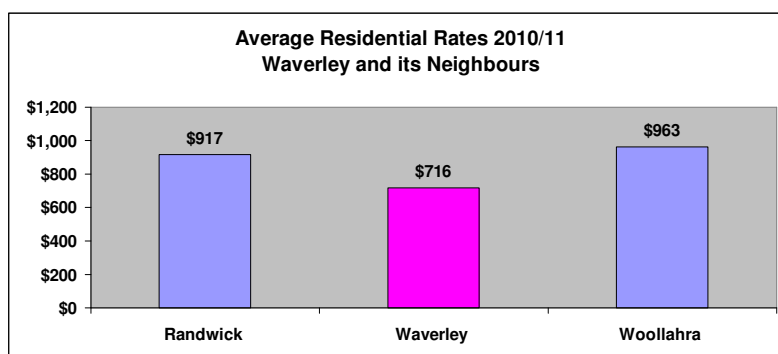
How do rates in Waverley compare to the rest of Sydney?

- **The average residential ratepayer in Waverley currently pays about \$150 less a year than the average ratepayer in Sydney.**
- **More than 50% of Waverley ratepayers are paying almost \$500 a year less than the average ratepayer in Sydney** despite our extremely high land values.
- **Over 65% of residential ratepayers in Waverley are paying at least 20% less than the average** rates paid by residents of Sydney, despite the fact that land values across Sydney are significantly lower than those in Waverley.

How do rates in Waverley compare with our neighbours?

Compared to our neighbours:

- The average residential rate in neighbouring **Randwick** is **currently almost 30% higher** than in Waverley.
- The average residential rate in neighbouring **Woollahra** is **currently almost 35% higher** than in Waverley.



How would rate rises for Service Plus impact you?

If we chose to increase rates to fund **Service Plus**, the increases could be staged in various ways. For example, we could:

- apply flat increases** of an even amount each year for seven years, or
- start the increases at a lower value than the average and grade them up slowly** over seven years.

Either way, the final rate bill for the average household would be the same in 2018.

If the increases were to start lower and be graded up over seven years, household rate bills would rise as follows:

Service Plus Component 1										
Expected weekly residential rates increases to maintain existing services										
Residential land value bracket	% of properties in bracket	Max. rates now	Weekly Rises for households (each increase is additional to weekly rises in the previous year)							Final max. rates
		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2017/18
Up to \$341,850	50%	\$405	\$0.31	\$0.71	\$0.77	\$0.84	\$0.92	\$1.00	\$1.08	\$698
\$341,851 to \$500,000	11%	\$592	\$0.45	\$1.04	\$1.13	\$1.23	\$1.34	\$1.46	\$1.59	\$1,021
\$500,001 to \$633,000	6%	\$750	\$0.57	\$1.32	\$1.43	\$1.56	\$1.70	\$1.85	\$2.01	\$1,292
\$633,001 to \$800,000	11%	\$948	\$0.72	\$1.67	\$1.81	\$1.97	\$2.14	\$2.33	\$2.54	\$1,633
\$800,001 to \$884,000	3%	\$1,047	\$0.80	\$1.84	\$2.00	\$2.18	\$2.37	\$2.58	\$2.80	\$1,805
\$884,001 to \$1,000,000	4%	\$1,184	\$0.91	\$2.08	\$2.26	\$2.46	\$2.68	\$2.92	\$3.17	\$2,042
\$1,000,001 to \$1,500,000	9%	\$1,777	\$1.36	\$3.12	\$3.40	\$3.70	\$4.02	\$4.37	\$4.76	\$3,062
\$1,500,001 - \$2,000,000	4%	\$2,369	\$1.81	\$4.16	\$4.53	\$4.93	\$5.36	\$5.83	\$6.34	\$4,083

Service Plus – All 12 Components										
Expected weekly residential rates increases to maintain existing services <u>plus</u> enhancements										
Residential land value bracket	% of properties in bracket	Max. rates now	Weekly Rises for households (each increase is additional to weekly rises in the previous year)							Final max. rates
		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2017/18
Up to \$341,850	50%	\$405	\$0.59	\$1.05	\$1.19	\$1.34	\$1.51	\$1.70	\$1.91	\$888
\$341,851 to \$500,000	11%	\$592	\$0.87	\$1.54	\$1.74	\$1.96	\$2.20	\$2.48	\$2.79	\$1,298
\$500,001 to \$633,000	6%	\$750	\$1.10	\$1.95	\$2.20	\$2.48	\$2.79	\$3.14	\$3.53	\$1,644
\$633,001 to \$800,000	11%	\$948	\$1.39	\$2.47	\$2.78	\$3.13	\$3.52	\$3.97	\$4.47	\$2,077
\$800,001 to \$884,000	3%	\$1,047	\$1.53	\$2.73	\$3.07	\$3.46	\$3.89	\$4.38	\$4.94	\$2,295
\$884,001 to \$1,000,000	4%	\$1,184	\$1.73	\$3.09	\$3.47	\$3.91	\$4.40	\$4.96	\$5.58	\$2,596
\$1,000,001 to \$1,500,000	9%	\$1,777	\$2.60	\$4.63	\$5.21	\$5.87	\$6.61	\$7.44	\$8.38	\$3,895
\$1,500,001 - \$2,000,000	6%	\$2,369	\$3.47	\$6.17	\$6.95	\$7.82	\$8.81	\$9.92	\$11.17	\$5,193