

NEW LAND VALUATIONS

FREQUENTLY ASKED QUESTIONS (FAQS)

The NSW Valuer General has released new land valuations that will be applied to rates from 1 July 2020. The most recent valuation is based on property sales in your area around 1 July 2019. 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 NEW LAND VALUE IS?

The NSW Valuer General has issued Valuation Notices to owners of properties in the Penrith Local Government Area from March 2020. If you have not received a Valuation Notice, you can contact them on 1800 110 038.

HOW DOES THE NEW LAND 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, depending on how your valuation has changed in comparison to other properties within our LGA.

Only 10% of all properties in the LGA will receive an increase greater than \$100 per year from July 2020. This means there are some residents who will have increases greater than this as a result of an increase in their land value. There are also properties that will receive a decrease in rates based on their new land values.

While the average valuation increase for all residential properties was 19%, different suburb valuation increases ranged from 1% for Jordan Springs up to 72% for Kemps Creek. The change to the amount that you will pay for your rates in 2020-21 will depend on how different your valuation change is to this average.

Council's minimum rate is increasing by 2.6% so if you own a property such as a villa, townhouse or apartment, it is likely that you are presently paying a minimum rate and your rates are likely to increase by 2.6% 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. The table on the next page shows the average residential land valuation increase in the Penrith LGA adjusted to exclude non-typical high valued development and other lands that may have otherwise overstated the increase.

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.

Suburb	Average Valuation Increase	Estimated Rates Increase or Decrease in 2020-21*	Estimated Rates Increase or Decrease in 2020-21*
	%	%	\$
AGNES BANKS	30	10	353
BADGERYS CREEK	21	3	194
BERKSHIRE PARK	4	-11	-455
CADDENS	14	-3	-49
CAMBRIDGE GARDENS	32	6	65
CAMBRIDGE PARK	33	4	40
CASTLEREAGH	25	7	264
CLAREMONT MEADOWS	38	14	170
COLYTON	30	3	29
CRANEBROOK	23	4	46
EMU HEIGHTS	30	8	94
EMU PLAINS	17	2	20
ERSKINE PARK	16	-1	-15
GLENMORE PARK	9	-5	-78
JAMISONTOWN	13	0	-1
JORDAN SPRINGS	1	-5	-67
KEMPS CREEK	72	46	2,330
KINGSWOOD	19	2	25
LEONAY	13	-4	-54
LLANDILO	55	31	1,190
LONDONDERRY	18	1	21
LUDDENHAM	36	15	577
MOUNT VERNON	16	-1	-47
MULGOA	27	8	274
NORTH ST MARYS	25	2	23
ORCHARD HILLS	13	-4	-161
OXLEY PARK	8	-2	-31
PENRITH	14	1	18
REGENTVILLE	58	14	214
SOUTH PENRITH	36	9	98
ST CLAIR	16	-1	-7
ST MARYS	12	0	-5
WALLACIA	33	13	219
WERRINGTON	27	5	60
WERRINGTON COUNTY	17	1	12
WERRINGTON DOWNS	32	4	48

This table shows the average residential land valuation increase in the Penrith LGA with the exclusion of non-typical high valued development and other lands.

MY RATES ARE GOING UP. WILL MY RATES EVER GO DOWN?

On average rates do increase each year, but after a revaluation every three years, the amount each ratepayer pays from the previous year can reduce. Unfortunately, rates reductions for some owners are countered by increases for other property owners.

In 2020-21, there are 12 out of 36 suburbs where rates will decrease on average from the amount payable in 2019-20, due to lower than average valuation increases for properties in those suburbs.

Over time as valuations fluctuate, most suburbs may see a rate decrease at some time. The top 10 suburbs increasing by the greatest proportion in 2021-21 have all received rates reductions after a revaluation at least once since the 2012 valuation. For example, Luddenham will increase on average by 15% or \$577 in 2020-21, but reduced by 23% or \$610 after the 2012 revaluation.

The table below shows the most recent rates reduction for the top ten suburbs increasing in 2020-21.

Suburb	Last rates reduction after revaluation %	Last rates reduction after revaluation \$	Valuation year
AGNES BANKS	- 7	- 140	2012
BADGERYS CREEK	- 10	- 400	2012
CLAREMONT MEADOWS	- 3	- 33	2016
KEMPS CREEK	- 9	- 288	2012
LLANDILO	- 9	- 257	2012
LUDDENHAM	- 23	- 610	2012
MULGOA	- 3	- 88	2015
REGENTVILLE	- 3	- 48	2016
SOUTH PENRITH	- 2	-19	2016
WALLACIA	- 7	- 80	2012

WHY IS THE VALUATION INCREASE FOR MY SUBURB DIFFERENT THAN OTHER SUBURBS?

Land valuations are carried out every three years and the most recent valuation is based on property sales in your area around 1 July 2019. Because land valuations are done as a snapshot on a certain date, suburbs can be at different points in the property market on that date, leading to differences in valuations, even for neighbouring suburbs.

A big increase in land valuation since the last valuation could indicate a lift in the property market in your suburb or that your property was at the low part of the market at the time of the last valuation and has now caught up with the market.

A small increase in land valuation could indicate a flat property market for your suburb or that your property was at the high part of the market at the time of the last valuation, with only a small increase as other suburbs catch up with the market.

CAN COUNCIL CHANGE THE WAY THAT RATES ARE ASSESSED, PARTICULARLY FOR RURAL PROPERTY OWNERS?

NSW Councils have limited options under the NSW Local Government Act to be able to change the way that rates are assessed. Council has explored the alternate options many times over the years to try to limit the impact of increasing rates and land valuations, particularly for rural property owners.

Council does not receive extra rates under either of the options. It's just that the rates would be distributed among ratepayers differently, with some owners paying either more or less under each option. In comparing the merits of each option, Council must take into consideration who is impacted by any changes, particularly vulnerable property owners such as pensioners.

The options available include:

Option A Setting a different rate for rural residential properties

Unfortunately, the option of using a different rate for rural residential properties restricts eligibility depending on the size and occupation of the land with less than half of rural properties owners actually being eligible. This means that a majority of rural owners would actually increase by even more to fund the discount for the eligible rural owners. Under the current rules, Council believes that this option is not viable or equitable.

Option B Changing the way that the rates are assessed

NSW Councils have three options with the way that rates are structured. Under each option, the total amount of rates collected by Council is the same, however the rates are shared differently among property owners:

- **Ad Valorem (only)** - Land value multiplied by a rate
- **Base Rate plus Ad Valorem** - Combination of a part Base (fixed) amount plus Part land value multiplied by a rate
- **Ad Valorem with a Minimum Rate (Council's current method)** - Land value multiplied by a rate, but properties under a certain land value threshold subject to a minimum rate.

HAS COUNCIL CONSIDERED ANY OF THESE OPTIONS FOR 2020-21?

Yes. Council investigated the likely impact of changing to a Base Rate option in 2021. When a comparison was done between the two different methods, the impacts of the Base Rate method showed the following adverse impacts (when

compared to continuing with the current method of Ad Valorem with a Minimum Rate):

- 20,000 more property owners with rates increases greater than \$200
- 4,000 more pensioners with rates increases greater than \$200
- Average rates increase for pensioners of 10% (compared to 2% under current method)
- 60% of properties would pay greater than \$100 rates increase (compared to 10% under current method)

Due to these adverse impacts, particularly the impacts on pensioners, Council was unable to support a change from the current rating method at this time.

CAN THE NEW LAND VALUES BE DEFERRED BECAUSE OF THE COVID-19 CRISIS?

At the Ordinary Meeting on Monday 22 June, Council resolved to seek approval from the NSW Government to defer the use of new 2019 land valuations in an attempt to stop significant rate increases during the COVID-19 pandemic.

Unfortunately, despite our representations, Council was informed our request was unable to be supported, as a deferral of use of the land valuations is not allowed under the NSW Valuation of Land Act 1916 legislation.

WHAT IF I BELIEVE MY VALUATION IS TOO HIGH?

If you disagree with your new land value, there are avenues available to you to object. Contact NSW Valuer General on 1800 110 038 to discuss further.

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WHAT HAPPENS IF I CAN'T PAY MY RATES?

Council can support ratepayers who are experiencing financial hardship with a range of assistance measures including instalment plans and extensions of time to pay. We encourage you to contact Council's Rates Enquiries on 02 4732 7676 if you are experiencing hardship so we can understand your individual situation and work with you during this difficult time.

WHERE CAN I FIND MORE INFORMATION?

Information about rates and land valuations can be found at **penrith.city/landvaluations**. If you have any questions please contact Council's Rates Enquiries on **02 4732 7676**.

You can also find information on the NSW Valuer General's website at **valuergeneral.nsw.gov.au**.