

**Orchard Hills
Community Consultative Committee**

Meeting No: 7

Date: 21 March 2024, 6:30 – 8 pm

Location: Online, Zoom

Attendees	
<p>Community members</p> <p>Diane Azzopardi (DA)</p> <p>Ajmair Chauhan (AC)</p> <p>Deborah Cutajar (DC)</p> <p>Don Feltis (DF)</p> <p>Tony Napoli (TN)</p> <p>Con Paphatzis (CP)</p> <p>Bree Wilson (BW)</p> <p>Ed Zussa (EZ)</p> <p>Independent Community Commissioner</p> <p>Professor Roberta Ryan, Independent Community Commissioner (RR)</p> <p>Isa Crossland Stone, minute taker, office of the Independent Community Commissioner (ICS)</p>	<p>Government representatives</p> <p>Jane Grose, Acting Executive Director, Western Parkland City, Department of Planning, Housing and Infrastructure (DPHI)</p> <p>Casey Joshua, Director Central (Western), DPHI</p> <p>Stewart McLachlan, CEO, Valuation NSW</p> <p>Josh Etherington, Special Advisor, Rating and Taxing Valuations, Valuation NSW</p> <p>Matthew Saunders, Rates Coordinator, Penrith City Council</p> <p>Christine Gough, City Planning Manager, Penrith City Council</p> <p>Vishal Sharma, Advisor – Engagement, Revenue NSW</p> <p>Other attendees</p> <p>Kate Robinson, office of the Independent Community Commissioner (KR)</p>
<p>Apologies</p> <p>Christine Vella (CV)</p>	

Item	Description	Action
1	Welcome - RR	
	RR introduces herself and welcomes attendees to the meeting.	
2	Update: Department of Planning – CJ and JG	
	<p>CJ updates that both she and CVL are transitioning out of the department as part of the present restructuring process.</p> <p>DA asks if someone within the department will be taking on CVL's and CJ's roles, or if it will be new people.</p> <p>CJ expects that there will be some consistency with the team who are working on the projects around the Western Sydney Area, despite changes in leadership.</p> <p>CJ explains that there is a shift in the ways that things will be organised at the department, involving a change from place-based teams to function-based teams. More details on this should be available in the next month. At this stage, the department is still conducting internal consultation.</p> <p>DC asks if it is still to be expected that community will be informed about the rezoning plans in June, or whether this will all be deferred due to the department restructuring. The residents are anxious to know when they can get clarity. Will it still be May/June?</p> <p>CJ says that they are still aiming for May/June exhibition.</p> <p>CJ tells the group that they have very recently received groundwater data from the Defence Department and have passed it on for reporting.</p> <p>They were hoping to have received the final contamination report by now, but only received the Defence Department data last week so they don't have it yet.</p> <p>CJ says that they don't expect any changes to have to be made to rezoning since no major issues are detected from the PFAS studies at this stage.</p>	
5	Briefing on land values: Office of the Valuer General	
	<p>SM explains that Valuation NSW is independent from the Department of Planning, Housing and Infrastructure, and operates the valuation system based on the Valuer General.</p> <p>In consultation with the Valuer General, SM says that they have developed a video to explain clearly how land valuation is done. This video is presented to the group.</p> <p>SM tells the group that there are other videos relating to specific areas around the valuation system. These will be provided to the group following the meeting.</p> <p>SM say that they utilise market sales around the date of valuation. In NSW, they undertake valuations annually, and they</p>	

<p>provide these values to Council every 3 years for the purpose of calculating land rates.</p> <p>SM notes that there is sometimes a disconnect between the point of valuation and the value that is presented to the landowners in their annual update.</p> <p>SM says that they are building a new system which will assist with the objection process for landowners. In this process, they employ independent valuers who are not involved in the original valuation. Objections are assessed based on errors of fact, rather than differences of opinion. SM says that they will have an information kit available. Which provides info on the properties on which your land valuation was based.</p> <p>DA asks about Orchard Hills and the progressive zoning. At the central area, the metro station will be Stage 1. For Stages 4 and 5, the timeframe for rezoning will be 5-10 years away. How can it be ensured that the valuation of properties in Zones 4 and 5, is not influenced by other zones?</p> <p>SM says that they use the evidence of sales to provide land valuations. In 2021, the former Valuer General did a study which found that generally, areas which have a potential value due to a future rezoning, will increase in market value. Valuation by the VG is based on market value.</p> <p>JE explains that properties that are expected to move at the same rate in the market are grouped together. 'Benchmark properties' are valued a few times a year as a quality assurance measure to ensure that properties grouped by components are actually moving in the same direction.</p> <p>DA says that she has previously attempted to assist people with the objection process via the current portal and found that there was nobody to contact at Valuation NSW.</p> <p>SM understands that the portal system is frustrating. The new portal will be up and running June this year. He says that in terms of making contact, Service NSW is the first port of call. From here, clients' concerns will be escalated.</p> <p>SM provides the Office of the Valuer General customer service teams direct number. This number is 6332 8188.</p> <p>SM says that the 60-day period for objection is a legislated period.</p> <p>There is also a policy where discretion can be applied, but only in very specific circumstances.</p> <p>SM restates that the objection must be supported by evidence to be valid. This includes sales evidence. Valuation NSW can also provide lists of sales to objecting landowners.</p> <p>TN says that the 3 properties west of his were named as 50% less value than his, as these other properties are flood-prone.</p>	
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<p>His land is not flood prone, and on this basis not only his land value but his land taxes are much higher. It is not right that his next door neighbours' properties are valued at 50% less if they are so closely located to his. He would like to arrange a site visit with an expert valuer to review his case, since the objection process has so far been unsuccessful.</p> <p>SM says that the next step after objection would be to appeal the valuation in the Land and Environment Court.</p> <p>SM says that in the objection process, TN can request an inspection by an independent valuer.</p> <p>TN thanks SM. He will do this.</p> <p>KR asks about how zoning comes into play when properties are valued.</p> <p>Properties in Stage 1 will be rezoned, but the remaining properties will remain with their current RU4 zoning. How much will this factor into maintaining values if properties that are not rezoned as part of Stage 1?</p> <p>SM says that it depends on the market determination of land values, which will take into account the future rezoning. The market will determine whether land that is set to be rezoned in future (say, in 10 years' time) is valuable or not, and this will inform the valuation.</p> <p>KR asks about properties marked for acquisition in Stage 1. How are these treated by the valuations team?</p> <p>SM says that marked properties will be valued based on like-for-like sales evidence.</p> <p>KR asks if, when land valuations come out and then the rezoning occurs, will the value of one property which has been marked for acquisition be valued the same as a neighboring one that is not?</p> <p>JE says that it all depends on what the market shows based on sales evidence. If the market seems to be paying a different rate for properties marked for public purpose, they will value it accordingly.</p> <p>JE says that a key point of distinction is that land values are determined based on the allowable use of the property and its features. When the land comes to be acquired, compensation is determined based on the land without its restrictions.</p> <p>The land acquisition just terms compensation act instructs valuers to ignore the restrictions associated with acquisition.</p> <p>DC mentions the acquisitions at Kemp Road. Once land is designated for acquisition, it seems that nobody wants to buy it.</p> <p>JE says that each acquisition is different, depending on what the</p>	
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<p>land is earmarked to be acquired for. This dictates the timeline of acquisition.</p> <p>In relation to the question of whether people want to purchase properties that will be acquired, JE agrees that often this is seen by the market as a negative thing and may affect the market value of a property, but that it doesn't always.</p> <p>SM notes that Valuation NSW is not an acquiring authority. They are not experts on acquisition plans or staging of acquisition, and only become involved when an agreement can't be reached in acquisition.</p> <p>SM says that there are lots of acquiring authorities that undertake acquisition for a variety of public purposes.</p> <p>DC asks when the landowners who are facing acquisition will be informed.</p> <p>RR says that when it is confirmed by the DPHI, those owners will be contacted directly. This will happen simultaneously to the release of the plans.</p> <p>BW says that she has looked at recent valuations on Lansdowne Road. Those properties that include E2 zones have much lower land values. She asks RR whether a previous plan to compensate people with E2 on their land is still going forward.</p> <p>RR says that it is not.</p> <p>Requirements will be placed on land that is required for public purpose, and these will be clarified in the draft rezoning that goes on exhibition later this year. All affected landowners will be notified.</p> <p>BW says that it seems that E2 on land has diminished land value significantly.</p> <p>RR says that it depends on the reason for the zone E2. Land may be zoned E2 because it is classified as Cumberland Plain, or is flood effected, amongst other reasons. E2 zoning means that the marked section of land cannot be used by the market. The impact of these things, in terms of value, will be determined by the market.</p> <p>BW says that it is daunting that E2 will be a determination of the figure that landowners are paid if they face acquisition.</p> <p>RR says that she understands. They do not yet know how land will be identified.</p> <p>CJ says that usually land has to be zoned before it can be acquired for use. Once land is identified for acquisition, this triggers the processes and rights for the Just Terms Act.</p> <p>BW asks CJ to confirm that acquisitions will not be made prior to properties receiving their zoning.</p>	
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	<p>CJ says it depends on the acquisition authority, and their modes of funding and organizing the acquisition process.</p> <p>BW says that people on Kemp Road who have been acquired are wondering whether this acquisition can be renegeed on later in terms of the use of the land.</p> <p>SM says that it is up to the relevant acquiring authority. All authorities must adhere to the Just Terms Acquisitions Act.</p> <p>EZ asks about people who are being compulsorily acquired being able to object based on the process on land that has already been sold. Will this information be released? Many landowners who sold in acquired were subject to non-disclosure agreement. How do landowners get the actual information?</p> <p>SM says that this is a matter for the actual acquiring agencies. There has been a recommendation that NDAs are removed from acquisitions. There is a published response from the Government about this. KR will follow this up.</p> <p>SM says that this week there was a paper released on the Just Terms Compensation Act, and this is on exhibition and is open for submissions. KR and RR will follow up and provide this to the group.</p>	<p>KR to find and share the published Government response regarding the recommendation that NDAs are removed from acquisitions.</p> <p>KR to find and share with the group the recent paper shared on the Just Terms Compensation Act.</p>
6	Briefing on rates: Penrith City Council - MS	
	<p>MS shares a presentation briefing on the Penrith City council land rates.</p> <p>DA asks MS to explain the postponement in contrast to the 2-year deferral.</p> <p>MS explains that when land is rezoned, it is rezoned according to the purpose of its new use. Therefore, is rezoned for an apartment complex or multiple dwelling.</p> <p>DA asks what the interest rate on the postponed rates?</p> <p>MS says that it is currently 9%. This is expected to go down as inflation is starting to ease.</p> <p>DA asks: when MS says pay 'old rates', is that last year's amounts exactly?</p> <p>MS says that yes, it is the same. Therefore, installment amounts are the same.</p> <p>Nothing has been discussed or agreed about what will happen to rates next year.</p> <p>KR asks if there is a fact sheet on the Penrith Council website for Orchard Hills residents?</p>	

	<p>MS says that there was one which was distributed previously. He will send it to KR to distribute.</p> <p>DC asks: as someone living in the Vines in Orchard Hills, if she continues to live in her property, will her rates continue as they are?</p> <p>MS says that landowners can elect to defer rates, and then the eventual rate payment will come out of the sale proceeds.</p> <p>MS explains – first year that is postponed is waived, and that at any one time, only a maximum of 5 years (that is, the last 5 years) of rates are payable.</p> <p>DC asks: even if nothing has changed at the property, the land rates are increased?</p> <p>MS says yes. The land value does increase, and therefore, rates will go up as the value/sale price does.</p> <p>DC asks how much rates are expected to go up?</p> <p>MS says that he cannot comment on this clearly. He will look at properties that have been revalued since the rezoning and get information to the group.</p> <p>EZ asks if landowners need to pay interest on deferred rates?</p> <p>MS says in the current deferment scheme, interest is not applied. In the postponed rates, interest will apply.</p>	<p>MS, via KR, to share the land rate fact sheet for Orchard Hills with the group.</p> <p>MS, via KR, to share information on how properties have been revalued since the rezoning.</p>
7	Briefing on land tax: Revenue NSW - VS	
	<p>VS presents a briefing on land tax.</p> <p>DA says that the change to Service NSW has been very difficult. She has a few cases in mind which relate to landowners' involvement in primary production. She will reach out to VS offline.</p>	<p>DA and VS to convene offline in discussion of the issues raised by her fellow community members.</p>
8	Other Business - RR	
	<p>TN says that there have been Government surveyors throughout Orchard Hills. Does RR know why?</p> <p>RR and KR will follow up with the agencies to find out.</p> <p>RR explains that the present readjustments at the DPE and the cuts at the department has caused a delay of the finalization of the minutes of the previous meeting.</p> <p>DC asks about the likelihood of the plan being exhibited by 30 June.</p> <p>RR says it is not possible to speak in definite terms. The plans may get to a point where they are technically finalized.</p> <p>RR assures DC that they are well-progressed with plans.</p>	<p>KR to clarify why there appear to have been Government surveyors throughout Orchard Hills recently.</p>

	<p>DC says that the community (and particularly the elderly community) is concerned about the prolonged uncertainty.</p> <p>RR understands. RR reiterates that there are no definite details about any planning decisions so far.</p> <p>There is a lot of work to do in terms of stormwater and water delivery. This work is not yet complete.</p> <p>DC asks: is the whole of The Vines included in the rezoning? It is unclear.</p> <p>RR confirms it is still unresolved. She understands that this unknown is distressing.</p> <p>DC asks if the rezoning plan will include the whole of Orchard Hills?</p> <p>RR says that at this stage, yes it will.</p> <p>KR says that she is planning to invite the Officer of Strategic Lands to attend the next meeting.</p> <p>EZ asks if all the acquisition authorities operate to the same guidelines?</p> <p>RR says no. It is variable. Councils, for example, generally do not acquire until they have collected contributions to cover the cost.</p> <p>CP asks that it might be a good idea to invite some local members to the next meeting, since the State government seems to be a bit disorganized.</p> <p>RR says that Tanya, the local member, is invited to these meetings. They can ask her to attend.</p> <p>RR suggests the Deputy Premier, who is the Minister for Western Sydney. She and KR can follow up with her to see if she can attend a meeting.</p>	<p>KR to arrange for a representative from the Office of Strategic Lands to attend the next Orchard Hills CCC meeting.</p> <p>KR to arrange for the Deputy Premier to attend a future Orchard Hills CCC meeting.</p>
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NSW
GOVERNMENT

Acknowledgement of Country

The Department of Customer Service acknowledges, respects and values Aboriginal peoples as the Traditional Custodians of the lands on which we live, walk and work. We pay our respects to Elders past and present. We recognise and remain committed to honouring Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships, and continuing connection to their lands, waters and seas. We acknowledge their history here on these lands and their rich contribution to our society.

We also acknowledge our Aboriginal employees who are an integral part of our diverse workforce, and recognise the knowledge embedded forever in Aboriginal and Torres Strait Islander custodianship of Country and cultures.

The 'Connecting Communities' artwork used here is by Alison Williams, a proud Gumbaynggirr woman.

Revenue NSW

Land Tax

Information for Landowners

Western Sydney Aerotropolis and Surrounding Areas

Vishal Sharma
Engagement Advisor

March 2024



What is Land Tax?

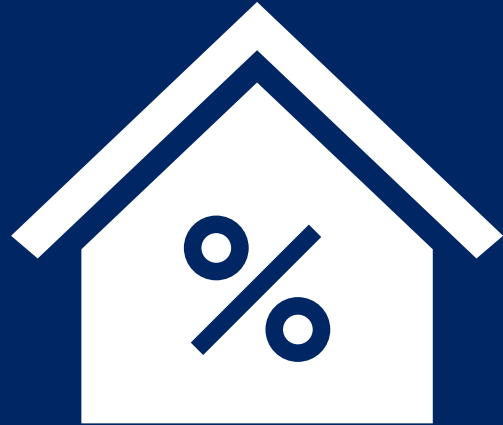
Land tax is an annual tax calculated on the aggregated taxable value of all land you own in NSW at the end of each calendar year.

Land Tax



- All properties have a land value whether they are residential, non-residential, strata lots, or vacant land.
- Land values are determined annually by the Valuer General of NSW.
- Where applicable, the 3-year average of these values for a property are used to determine its taxable value for land tax.
- Properties may receive an exemption, concession, or allowance, which can completely exempt a property from land tax or reduce its taxable value. These are typically based on factors relating to property ownership or usage.

Rates and Thresholds

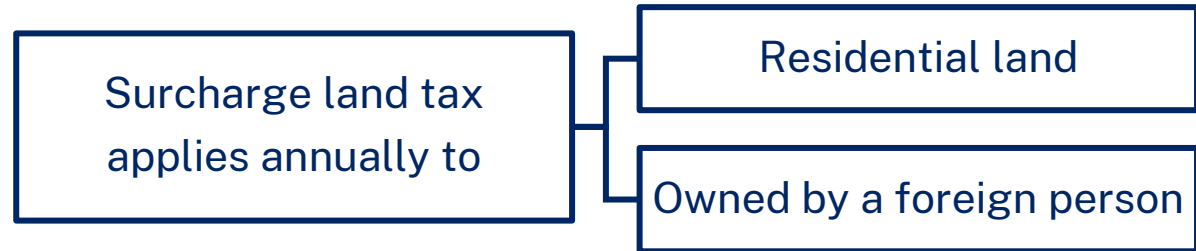


- Land tax thresholds are updated annually.
- Certain types of trusts are not entitled to the tax-free component of the threshold.
- Where land is owned by a company, if that company is related to other companies as part of a group, only one threshold applies to the entire group.
- Land tax calculations can become more complex where an entity owns land jointly with others. In these cases, additional calculations are required to ensure that no entity receives more than one threshold.

2024 Thresholds	Tax Rate
\$0 - \$1,075,000	Tax-free*
General: \$1,075,0001 - \$6,571,000	\$100 plus 1.6% of land value
Premium: > \$6,571,000	2%



Surcharge Land Tax



- An individual is generally considered a foreign person, unless:
 - they're an Australian citizen, or
 - they're a permanent resident who has lived Australia for at least 200 days in the 12 month prior to the taxing date.*
- Exemptions for individuals using a property as their principal place of residence may apply
- Companies and trusts may also be considered foreign if they own residential land.

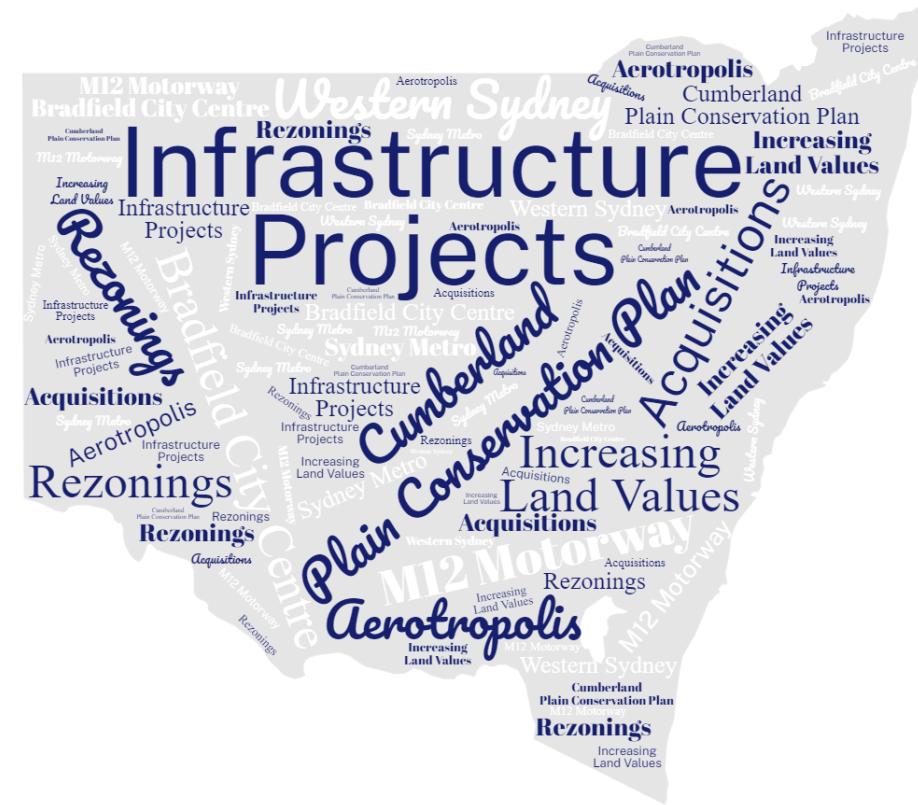
Thresholds

No threshold
(applies to total land value)

Tax Rate

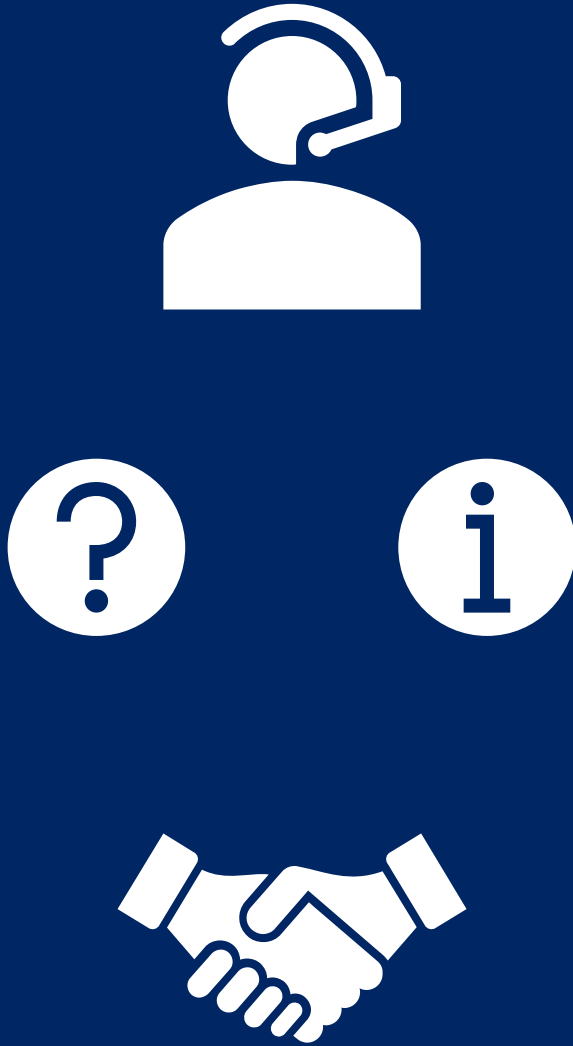
4%
(in addition to any land tax payable)

Factors Impacting Landowners



Revenue NSW is aware of factors impacting the way landowners can use their land and, in some cases, are causing mounting financial pressures on landowners to meet their land tax obligations.

Support is Available



- Objections and reviews – If you believe you have been incorrectly assessed, you can lodge a land tax return or an objection to your land tax assessment.
- Tax Debt – Extended payment arrangement are available for those experiencing significant financial hardship.
- Referrals to liaison officer – Matters can be escalated to me or a member of my team through a referral from the CC or other stakeholders and partners (for exceptionally complex matters only).

Other

- *Land valuation objections*

Questions?

Land Tax



Contact Us



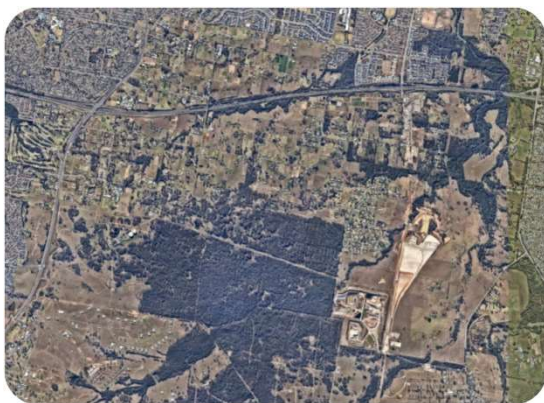
Orchard Hills Council Rates

Matthew Saunders
Rates Coordinator



1

Overview



- Brief overview of legislation
- Rates –current situation
- Rates – situation after re-zoning

References to **“the Act”** refer to the [Local Government Act 1993](#), **“the Regulations”** refer to the [Local Government \(General\) Regulation 2021](#).

This information is provided as a guide only and you should rely on your own legal and financial advice before acting on anything contained in this presentation.

2

Legislation



All Councils in NSW operate under NSW State legislation. Under the legislation:

- All property owners must pay rates, unless they are exempt
- Rates are determined by land value where a person with a higher land value pays higher rates.

Council rates are determined by:

- Rating category
- Rate that applies to the rating category
- Unimproved Land valuation

Rates = Land Value x Rate

Example:

Land Value = \$3,000,000 x Rate = \$0.00160584

Rates = \$4,818

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Rating Categories



There are four Rating Categories determined principally by the dominant use:

- Residential
- Farmland
- Mining
- Business

Penrith City Council has four Rating Sub-Categories in the Residential and Business categories:

- Residential - Rural Area*
- Residential – Rural Residential 2 to 40 Hectares
- Business – Penrith CBD
- Business – St Marys Town Centre

*Orchard Hills is within the Residential - Rural Area sub-category

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Residential – Rural Area Discount



Currently a 28% lower rate applies to Residential properties in Rural areas (including Orchard Hills).

- 2023-24 will be third year of four year phased in Rural Residential discount
- Discount subsidised by a 4% annual increase for all other properties
- Target of 30% lower Rural Rate compared to Urban Rate by 2024-25

	Differential Discount from Residential Rate (%)
2021-22	8
2022-23	14
2023-24	28

- A 50% lower rate (than Urban Residential Rate) applies for Farmland properties

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Residential – Rural Area Discount



Sample Rural suburbs discounts since 2021

Rural Suburb	Average Rate 2020-21 (Pre discount commencement) (\$)	Estimated Average Rate 2023-24 (After 3rd year of discount) (\$)	Difference (\$)	Difference (%)
Llandilo	4,976	3,286	(1,690)	(34)
Castlereagh	4,194	3,065	(1,129)	(27)
Mulgoa	3,534	2,877	(657)	(19)
Orchard Hills	4,153	5,594	1,441	35

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Residential – Rural Area Discount



Rate in Dollar Changes over time

		2020-2021	2021-22*	2022-23		2023-24
Urban Residential	Revaluation	↓ 15%	↑ 4%	↑ 4%	Revaluation	↓ 36%
Rural Residential		↓ 15%	↓ 4.5%	↓ 2.5%		↓ 47%

*Rural discount commenced from 1 July 2021-22

- The 2022 Orchard Hills average valuation increase was 170%
- The 2022 Llandilo average valuation increase was 36%

7

Rates for Orchard Hills



Current Situation (before rezoning)

- All land in the Penrith Local Government Area has been re-valued at 1 July 2022
- New land values used for the assessment of rates from 1 July 2023.
- Average land valuations have increased by around 170%
- Average rates have increased by around \$1,800

Hardship provisions have been adopted by Council for **interest free deferment** of the rates increase

where:

- The rates increase > 20% and > \$1,000
- And where the deferred amount is paid by 30 June 2025

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Rates for Orchard Hills



Current Situation (before rezoning)

Unless the land is re-zoned in the meantime:

- These land valuations will be used for the assessment of rates for three years (including 2023-24).
- The next general re-valuation scheduled to be 1 July 2025 and used for rates from 1 July 2026.

Going forward until re-zoning rates increases are estimated to be:

Year	Estimated Rates Increase
2024-25	4%
2025-26	3.5%
2026-27	New values will be used so unknown

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Rates for Orchard Hills



Future situation (after rezoning)

Once land is re-zoned:

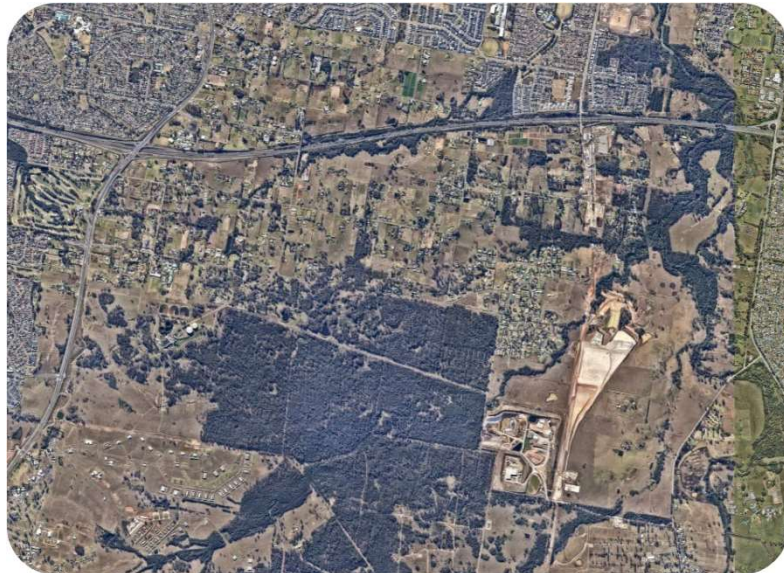
- New land values will be provided by the NSW Valuer General
- Rates will be re-assessed from the date of the re-zoning (once the new valuations are provided)
- In the likely case that the land valuation and rates increase due to the re-zoning valuations, owners will have the option to **postpone** their rates increase.
- **Interest applies** to the postponed amounts
- The postponed rates and interest must be paid when the **property is sold or developed**
- Where the rates are postponed for **5 years or longer** – some postponed rates and interest is **waived**

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Further information

- *Local Government Act 1993*
- *NSW Local Government General Regulations 2021*
- *Valuation of Land Act 1916*
- *Valuer General - www.valuergeneral.nsw.gov.au*
- *Council's website: www.penrithcity.nsw.gov.au*

Questions?



Land re-zonings and Council Rates – Information for property owners in the proposed Orchard Hills land re-zoning area

If you are a property owner in the proposed Orchard Hills re-zoning area, this information is provided in relation to how land re-zonings may impact your council rates.

Please note that the information is general in nature and may not take into account your specific circumstances. As a property owner you have rights and liabilities in relation to council rates under the Local Government Act 1993, the Local Government (General) Regulation 2021 and the Valuation of Land Act 1916. This information seeks to summarise how the land re-zoning process affects your rights and liabilities under this legislation but may not cover all of your rights and responsibilities. You should rely on your own independent legal or financial advice to ascertain what is best in your circumstances now and into the future.

Brief summary:

- 1) Land re-zonings may increase your land valuation which will increase how much you pay for your council rates.
- 2) Speculative purchases of land prior to the re-zoning may increase your land valuation and council rates before the land has been re-zoned.
- 3) Once land has been re-zoned, the land may be revalued and your rates may increase. If your rates increase due to a valuation increase after re-zoning you are allowed under the legislation to postpone part of your rates increase, and pay back a postponed amount to council, if and/or when you sell the property.
- 4) If you are unable to pay your rates on time, Council can assist you by allowing payment arrangements and extensions to suit your individual circumstances.

Land re-zonings and Council Rates

Land re-zonings that change the allowable use of the land to a use of a higher value will likely increase the value of your property above what it is currently worth (in some cases this may be very significant increases of many \$millions). Property owners are advised that such increases to a property's value will however come with some extra liabilities, particularly in relation to increases in council rates, and some increases may come before the land has been re-zoned or before the property owner has received the benefit of the valuation increase by selling or developing the property.

Below is information about how council rates are calculated, what may happen to your council rates prior to the land being re-zoned, and what may happen to your council rates if the land is re-zoned.

How are council rates calculated?

In NSW the amount you pay for rates is determined by three main factors:

- 1) Unimproved land valuation for the property
- 2) Rating category for the property
- 3) Rate that applies for the rating category/sub-category.

Rates are calculated by multiplying the land valuation by the rate for the rating category.

Land is generally valued by the NSW Valuer General every three years and those land valuations are used for the assessment of your council rates for the next three years. Council is currently using land valuations carried out in July 2019. Land will next be valued as at July 2022 and these new valuations (which are received around December) will be used for the assessment of rates from 1 July 2023 onwards.

There are 4 main rating categories: Business, Residential, Farmland and Mining. There are also sub-categories within these categories with two Business sub-categories and two residential sub-categories used by Penrith City Council.

The rating category or sub-category is important as councils charge different rates for each different category and sub-category. For Penrith City Council the rates charged from lowest to highest categories/sub-categories are:

- Farmland (lowest rate);
- Residential Rural Area and Residential Rural 2 to 40 Hectares with dwelling;
- Residential General;
- Business General;
- Business Penrith CBD; and
- Business St Marys Town Centre (highest rate).

Most properties in Orchard Hills are currently categorised as Residential Rural Area. In 2022-23 the Residential Rural Area rate is currently around 14% lower than the general Residential rate, and Council plans to discount the rate further over the next two financial years (23-24 and 24-25) with an eventual discount of around 30%. Your property may also be categorised as Farmland or Business depending on how the property is dominantly used.

Your rating category, land valuation and rate for your category are shown on your council rates notice and will look something like this: *Residential - Rural Area Rate \$1,000,000 @ 0.00301519.*

You have rights under the legislation to query your rating category with Council and your land valuation with the NSW Valuer General. These rights also allow you to appeal any decision of

either the Council or the Valuer General under specific circumstances in the Land and Environment Court.

For a rating category review you can request a review by Council at any time. If your property is reviewed by Council and changed to a rating category that has a lower rate, Council will adjust your rates accordingly and credit your rates account or issue you a refund. If you disagree with Council's determination after the review, you may appeal to the Land and Environment Court under Section 526(1) of the NSW Local Government Act 1993 within 30 days of the declaration.

If you ask the Valuer General to review your land value and the land valuation is reduced Council will adjust your rates accordingly and credit your rates account or issue you a refund. There are time frames that restrict how long you have to question your land valuation after you receive your valuation notice (usually issued in January every three years for rates purposes). Further information in relation to land valuations is provided on the Valuer General's website: www.valuergeneral.nsw.gov.au

What will happen to my council rates before the land is re-zoned?

In 2022-23 Council is still using the 2019 land valuation and rates in Orchard Hills *decreased* by around 2.5% from the amount payable in 2021-22 due to the four year gradual reduction to rural rates. Land will next be valued as at 1 July 2022 and these new land valuations will be used for rating purposes for up to three years starting from 1 July 2023.

It is likely that the proposed land re-zonings in Orchard Hills have driven up sales prices of land through speculative purchases and this may lead to large increases in your land valuation with the next general land valuation. If this is the case this may mean that your land rates may increase significantly from 1 July 2023, but by how much is not ascertainable as most land in the Penrith City Council Local Government Area (LGA) has increased significantly since the last general revaluation in 2019.

Please note that a certain % increase in your land valuation does not equate to the same % increase in your rates, so if your property value increases by 100% your rates will not necessarily increase by 100%. Rates increases after general revaluations are determined by how much a property's value has increased percentage wise compared to the average increase of all other properties in the LGA. For example if the average increase for all properties is 50% and your property has increased by 60%, your rates increase will be about 10% being the amount above the average increase (60% minus 50% = 10%).

As we will not receive the new land valuations until December 2022 and then it will take some time to analyse the data, we are unable to predict or provide any estimates of how much rates will increase for properties in the proposed re-zoning area, however property owners in the proposed re-zoning area should prepare themselves for significant increases in their rates from 1 July 2023.

What will happen to my council rates when then land is re-zoned?

Once land is re-zoned there are some additional legislative processes that are initiated by the re-zoning that which may change or alter your rights and liabilities in relation to council rates under the Local Government Act 1993, the Local Government Regulation Act 2021 and the Valuation of Land Act 1916.

Firstly, the land may be revalued by the Valuer General under 60(1)(a) of the NSW Valuation of Land Act 1916 where the new valuation will take into account the new land zoning of the property. Although this new valuation may take a little while to come through to Council after the re-zoning, once Council receives the new land valuation we will then use that new valuation for the assessment of rates going forward. Property owners should prepare themselves for rates increases soon after the land has been re-zoned if the re-zoning will increase the property's value. If the property valuation does not change after the re-zoning there will be no immediate change to your rates. If the property valuation reduces due to the re-zoning (which does happen in some cases) Council will adjust your rates accordingly and refund any amount overpaid if applicable.

Secondly, the increase in land valuation due to a re-zoning which will increase how much council rates you may need to pay will however the re-zoning will initiate a right for you under the legislation to **postpone the rates increase** under certain circumstances, thereby allowing you to not have to pay such a significant amount straight away. How postponement of rates works is explained below but it is important to point out that postponing rates just defers part of your rates liability to a later date (you have to eventually pay back the postponed amount when you sell or develop the property) and interest charges are payable. If you stay in the property for longer than five years however Council waives some of the postponed rates and interest charges after five years.

Postponement of rates explained

Important note: *The information below was current at the time of publication however the NSW Government has legislated some changes to the postponement of rates provisions which may change your eligibility to be able to apply for postponement, and also may mean that postponed rates and interest may not have to be waived by Council after five years. These changes do not come into effect until the changes are officially proclaimed by the Minister. If the change is proclaimed before your land is re-zoned, these allowances for a postponement of rates may no longer apply in your circumstances.*

If you own land which has been re-zoned, you may be able to postpone part of your rates if your land is:

- Residential and contains a single occupied dwelling which is zoned for residential or commercial use or subdivision.

- Rural land and zoned for a use other than rural land or if subdivision is permitted which will allow a lot of less than 40 hectares. Rural land is “a parcel of rateable land which is valued as one assessment and exceeds 8,000 square metres in area and which is wholly or mainly used for the time being by the occupier for carrying on one or more of the businesses or industries of grazing, animal feedlots, dairying, pig-farming, poultry farming, viticulture, orcharding, bee-keeping, horticulture, vegetable growing, the growing of crops of any kind or forestry”.

Please note that a postponement of rates is **not available to dual occupancies or business/commercial properties** unless the property meets the eligibility criteria for the rural land above (ie the property is dominantly used for farming purposes as well).

Postponing your rates will result in you paying less up-front until you sell or develop the land with part of your rates bill deferred for payment at a later date. At that time, you must pay the postponed amount plus postponed interest charges.

To assess how much you will need to pay and how much will be postponed, the land is given two values to be used for the assessment of rates determined by the Valuer General:

1. **Value to determine how much rates are to be paid:** Land value if property was only used as a single dwelling or for rural use:
2. **Value to determine how much rates are to be postponed:** Full land value under new zoning, less the value 1 amount:

Generally the annual amount you need to pay each year (the amount not postponed) is around the same amount you were paying before the re-zoning, with the postponed balance deferred to a later time.

The postponement provision is usually used for owners who continue to use and occupy their land after the land has been re-zoned but can't afford to pay the rates increase which come about due to valuation increases. By postponing your rates, you can pay the postponed portion when you sell or develop the land.

One benefit of postponing your rates if you plan on holding the land long term is that if the land is held for longer than 5 years, some of the postponed rates will be written off. At any time, you are only liable to pay a maximum of 5 years postponed rates and interest.

After 5 years (ie in year 6 of the postponement), unless the land has been vacated or developed, Council writes off the 1st year of postponed rates and interest before adding on the new postponed amount for that year. In year 7 Council will then write off the amount postponed in the second year of the postponement before adding on the new postponed amount for that year, and so on. You are only ever liable to pay a maximum of 5 years of postponed rates when the land is developed or sold. If you postpone your rates for 10 years

and then sell the property Council by that time would have written off the rates and interest postponed in the first five years but you would have to pay the postponed amount from the last five years.

See the table below showing how much postponed rates would be payable after 10 years if an amount of \$5,000 rates plus \$200 interest was postponed (these amounts do not include the non-postponed amounts payable annually over that time):

	Rates Postponed	Postponed Interest Charges	Postponed Rates and Interest waived by Council	
Year 1	\$5,000	\$200	0	
Year 2	\$5,000	\$200	0	
Year 3	\$5,000	\$200	0	
Year 4	\$5,000	\$200	0	
Year 5	\$5,000	\$200	0	
Year 6	\$5,000	\$200	-\$5,200	(Year 1 waived)
Year 7	\$5,000	\$200	-\$5,200	(Year 2 waived)
Year 8	\$5,000	\$200	-\$5,200	(Year 3 waived)
Year 9	\$5,000	\$200	-\$5,200	(Year 4 waived)
Year 10	\$5,000	\$200	-\$5,200	(Year 5 waived)
	\$50,000	\$2,000	-\$26,000	\$26,000
TOTALS	Total Rates Postponed over 10 years	Total Postponed Interest Charges over 10 years	Less Postponed Rates and Interest waived by Council starting after 5 years	Amount payable after 10 years

In this example although \$50,000 rates and \$2,000 interest charges were postponed, Council would have waived \$26,000 in years 5 to 10 so you would only have to pay a postponed amount of \$26,000 if the property was sold in year 10.

If you plan on holding the land for less than 5 years it may be beneficial for you to not postpone your rates but seek alternative finance options to pay the full rates at much lower mortgage interest rates (potentially 2% to 5%). Postponement interest charges are 6% per annum but this changes each year. Some people may have trouble obtaining finance due to their circumstances so may elect to postpone part of the rates even if they plan on selling the land within a couple of years and paying the deferred rates when they sell the property.

Council is unable to give you advice as to what is best for you. Please seek your own independent advice to see if this suits your circumstances before making any decision about whether or not you postpone your rates increases, or what you do in relation to your property ownership going forward.

Council can always assist any ratepayers who may have difficulty paying their rates by allowing payment arrangements and extensions to suit their individual circumstances. If you need assistance now or in the future when your rates may increase, please email rateshelp@penrith.city or call us on 02 4732 7777.

If you have any queries in relation to this information, please email Council's Rates Coordinator Matthew Saunders: matthew.saunders@penrith.city or contact him directly on 02 4732 7756.

Orchard Hills (North) Re-zoning Valuation Analysis

This information is provided to give an indicative idea only as to what may happen with valuations for any re-zoning in Orchard Hills South, based on what happened with land valuation changes in Orchard Hills (North) with a recent re-zoning. This is general information only and property owners should rely on their own independent advice.

There were 50 properties within the Orchard Hills North Re-zoning area with the change in zoning commencing on 1 October 2023.

For the purpose of this analysis Penrith City Council has looked at the valuation change from 2019 to 2022 with the general revaluation that is carried out every three years, and then the special revaluation carried out in 2023 after the re-zoning had commenced.

A summary of the valuation changes is shown below:

Change from 2019 to 2022 General Revaluation

Number of Properties	Average 2019 Valuation	Average 2022 Valuation	Average Valuation Increase	Average Rates Increase
50	1,543,300	6,836,300	5,293,000	9,942

Change from 2022 to 2023 Re-Zoning Revaluation

Number of Properties	2022 Valuation	2023 Re-zoning Valuation	Average Valuation Increase/ (Decrease)	Average Rates Increase/ (Decrease)
16	5,706,250	4,324,000	- 1,382,250	- 1,881
34	7,368,824	10,063,529	2,694,705	3,816

As an indication for a sample typical 2 hectare (approximate) property that was zoned RU4 but was re-zoned to R1 General Residential the following changes took place:

- 2019 Valuation - \$1,540,000 with rates \$4,643
- 2022 Valuation - \$5,500,000 with rates \$8,832 (increase of \$4,189)
- 2023 Valuation - \$6,510,000 with rates \$10,655 (increase of \$1,823)



The valuation analysis for all properties over the three different valuations shows:

- The bigger valuation increases were with the general revaluation in 2022 compared to the previous valuation from 2019. This was the period when the re-zoning was being drafted and considered by Council and the NSW Government.
- This smaller average valuation increases (with some valuation decreases) after the re-zoning commenced.
- This shows that the valuation uplift with the proposed re-zoning happened before the actual re-zoning went through, likely due to speculative purchasing as confidence of the re-zoning going through increased.
- With the general revaluation that took place in 2022 all properties increased in valuation with an average valuation increase of \$5,293,000 which resulted in an average rates increase in July 2023 of \$9,942.
- With the 2023 re-zoning revaluation, there were 16 properties that decreased in valuation on average by \$1,382,250 equating to an average rates decrease of \$1,881.
- With the 2023 rezoning revaluation, there were 34 properties that increased in valuation on average by \$2,694,705 with an average rates increase of \$3,816.

Based on this analysis, it is fair to estimate that the valuation uplift for Orchard Hills (South) may increase with a similar pattern with general valuation increases which for council rates are done every three years, with more moderate increase to valuations once any future re-zoning takes place.

If you have any queries in relation to this information please contact Rates Coordinator, Matthew Saunders by email matthew.saunders@penrith.city