

10.4. Rating Structure and Annual Charges for the Year 1 July 2023 to 30 June 2024

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ATTACHMENTS	Nil
CSP LINK	5. Our Civic Leadership 5.1 Lead North Sydney's strategic direction

PURPOSE:

The purpose of this report is to establish rates and charges for the year 1 July 2023 to 30 June 2024, according to Sections 534 and 535 of the Local Government Act 1993.

EXECUTIVE SUMMARY:

- Section 534 of the Local Government Act 1993 requires that "Each rate or charge is to be made for a specified year".
- The full IPART rate peg of 3.7% has been applied in calculating rates and is a key assumption in the 2023/24 Budget.
- The minimum ordinary rate has been set at \$681.18.
- Domestic Waste Charges have been increased by 5% per the Draft Revenue Policy appended to the Draft Operational Plan and Budget previously considered by Council.
- Stormwater Management Charges are in accordance with legislation and remain unchanged from previous years.
- The final Ad Valorem rates have been calculated on the count and value of rateable properties as at the completion of the exhibition period. There have been minor changes in the rate in the dollar figures previously reported in the Draft Operational Plan and Budget.

RECOMMENDATION:

1. THAT the following rates for the rating year 1 July 2023 to 30 June 2024 be made by Council:

Category	Ad Valorem	Minimum/Base Amount
Residential Rate	0.057849 cents in the dollar	\$681.18
Business Rate	0.414775 cents in the dollar	\$681.18
Infrastructure Levy	0.002836 cents in the dollar	\$29.04
Environmental Levy	0.003183 cents in the dollar	\$32.59
Crows Nest Mainstreet Levy	0.018878 cents in the dollar	\$120.16
Neutral Bay Mainstreet Levy	0.026834 cents in the dollar	\$133.63

2. THAT the following annual Domestic Waste Management Charges for the rating year 1 July 2023 to 30 June 2024 be made by Council:

Category	Amount
60 Litre (SEC 496 LGA) Council Approved ONLY	\$446.00
60 or 80 Litre (SEC 496 LGA) PENSIONER	\$223.00
80 Litre (SEC 496 LGA)	\$446.00
120 Litre (SEC 502 LGA)	\$743.00
240 Litre (SEC 502 LGA)	\$1,305.00
Service Availability charge	\$63.00

3. THAT the following annual Stormwater Management Charges for the rating year 1 July 2023 to 30 June 2024 be made by Council:

Category	Amount
Residential (Maximum)	\$25.00
Residential Strata Plan or Company Title (Maximum)	\$12.50
Business (Capped)	\$25.00
Business Strata Plan or Company Title (Capped)	\$5.00

Background

The Local Government Act 1993 details steps that councils must take before levying rates and charges, issuing notices and collecting those levies.

Section 532 says that councils must give notice of the rate or charge in their Draft Operational Plan. This has been done. The Plan is also before Council for adoption at this meeting, Item 10.3 Operational Plan & Budget - Post Exhibition.

Section 534 says "each rate or charge is to be made for a specified year". Section 535 says "A rate or charge is made by resolution of the council". Section 377 says that Council may not delegate the making of a rate or charge.

The proposed 2023/24 rating structure uses the full 3.7% allowed to North Sydney Council by a determination of the Independent Pricing and Regulatory Tribunal (IPART).

Report

It is proposed that the distribution of rate notices for the 2023/24 rating year will occur on the commencement of the new rating year and that the following rates be made for the year 1 July 2023 to 30 June 2024:

Ordinary Rates

	MINIMUM		AD VALOREM			TOTALS	%
	No.	\$ Income	No.	Cents in \$	\$ Income	\$ Income	
Residential (\$681.18 min)	28,519	19,426,572	8,326	0.057849	12,582,089	32,008,661	60
Business (\$681.18 min)	1,171	797,662	2,297	0.414775	20,541,515	21,339,177	40
TOTAL	29,690	20,224,234	10,623		33,123,604	53,347,838	

Special Rates (Infrastructure Levy)

	BASE AMOUNT 50%		AD VALOREM			TOTALS
	No.	\$ Incomes	No.	Cents in \$	\$ Income	\$ Income
All rateable properties (base \$29.04)	40,313	1,170,690	40,313	0.002836	1,170,794	2,341,483

Special Rates (Environmental Levy)

	BASE AMOUNT 50%		AD VALOREM			TOTALS
	No.	\$ Incomes	No.	Cents in \$	\$ Income	\$ Income
All rateable properties (base \$32.59)	40,313	1,313,801	40,313	0.003183	1,314,049	2,627,850

Special Rates (Crows Nest Mainstreet Levy)

	BASE AMOUNT 30%		AD VALOREM			TOTALS
	No.	\$ Incomes	No.	Cents in \$	\$ Income	\$ Income
Business properties (base \$120.16)	744	89,399	744	0.018878	208,600	297,999

Special Rates (Neutral Bay Mainstreet Levy)

	BASE AMOUNT 30%		AD VALOREM			TOTALS
	No.	\$ Incomes	No.	Cents in \$	\$ Income	\$ Income
Business properties (base \$133.63)	449	60,000	449	0.026834	140,000	200,000

It is proposed the following Domestic Waste Management Charges be made for the year 1 July 2023 to 30 June 2024:

Category	Amount
60 Litre (SEC 496 LGA) Council Approved ONLY	\$446.00
60 or 80 Litre (SEC 496 LGA) PENSIONER	\$223.00
80 Litre (SEC 496 LGA)	\$446.00
120 Litre (SEC 502 LGA)	\$743.00
240 Litre (SEC 502 LGA)	\$1,305.00
Service Availability charge	\$63.00

It is proposed the following Stormwater Management Charges be made for the year 1 July 2023 to 30 June 2024:

Category	Amount
Residential (Maximum)	\$25.00
Residential Strata Plan or Company Title (Maximum)	\$12.50
Business (Capped)	\$25.00
Business Strata Plan or Company Title (Capped)	\$5.00

There are very minor changes to the Ad Valorem rates proposed in this report compared to those originally outlined as an Appendix to the Draft Operational Plan & Budget. This is due to more recent data being received from the Valuer General for discontinued and new rateable parcels.

Consultation requirements

Community engagement has occurred in accordance with Council's Community Engagement Protocol. This consultation occurred in the context of the public exhibition of the Draft Operational Plan & Budget 2023/24 which included the draft 2023/24 Revenue Policy as an appendix.

Financial/Resource Implications

Rates are Council's primary source of operating income. The rating structure is consistent with the IPART rate peg determination for North Sydney Council for 2023/24 and Council's Revenue Policy. The Domestic Waste Management Charges and the Stormwater Management Charges are consistent with Council's Revenue Policy.

The levels of Rates and Charges proposed in this report are key assumptions underpinning the 2023/24 Operational Plan & Budget

Legislation

Sections 532, 534, 535 and 377 of the Local Government Act NSW 1993 set out procedural steps councils must take each year before they can legitimately levy rates and charges, issue rates notices, and collect the resultant income.

Sections 505, 506 and 507 of the Act give the Minister of Local Government the ability to limit council income including rates (the "rate-peg") and annual charges. In practice, this power is delegated to the Independent Pricing and Regulatory Tribunal (IPART).