

8.3. 2021/22 Rating Structure

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ATTACHMENTS: Nil

PURPOSE:

The main financial resource of Council is rates revenue, which needs to be assessed each financial year in accordance with the Local Government Act 1993. In making the rates for the 2021/22 financial year, Council has given public notice of its draft Operational Plan for the year including the Revenue Policy which incorporates the proposed rating structure.

EXECUTIVE SUMMARY:

The 2021/22 Rating Structure has been calculated based on the IPART determination and applies to a special variation increase in the general income of 7.0% and includes a 7.0% increase in the minimum rates for both residential and business rateable properties.

The 2021/22 rate peg for NSW Councils has been set at 2.0%. This increase is included in the SRV determination and is not in addition to the 7.0% variation. The minimum ordinary rate for 2021/22 has been set at \$644.

The final Ad Valorem rates have been established based on the assessment count of rateable properties as at the completion of the exhibition period. There has been minor adjustment slightly increasing the rate in the dollar of properties in the same category to the values as previously reported.

FINANCIAL IMPLICATIONS:

Council rates are the primary source of operating income and the rating structure is consistent with the IPART approval for a Special Rate Variation (SRV) and Council's Revenue Policy.

RECOMMENDATION:

1. THAT Council make the following rates for the financial year 1 July 2021 to 30 June 2022:

Category	Ad Valorum	Minimum/Base Amount
Residential Rate	0 .089344 cents in the dollar	\$644.00 minimum
Business Rate	0.475497 cents in the dollar	\$644.00 minimum
Infrastructure Levy	0.004133 cents in the dollar	\$27.48 base amount
Environmental Levy	0.004641 cents in the dollar	\$30.82 base amount
Crows Nest Mainstreet Levy	0.021752 cents in the dollar	\$112.88 base amount
Neutral Bay Mainstreet Levy	0.032148 cents in the dollar	\$133.04 base amount

LINK TO COMMUNITY STRATEGIC PLAN

The relationship with the Community Strategic Plan is as follows:

5. Our Civic Leadership

5.1 Council leads the strategic direction of North Sydney

BACKGROUND

The proposed 2021/22 rating structure is based upon the determination set by the Independent Pricing and Regulatory Tribunal (IPART). The increase of 7.0% for the General Variation.

CONSULTATION REQUIREMENTS

Community engagement will be undertaken in accordance with Council's Community Engagement Protocol.

DETAIL

It is proposed the distribution of the rates notices for the 2021/22 financial year will occur upon the commencement of the new financial year.

The following rates be made for the year 1 July 2021 to 30 June 2022:

Ordinary Rates

	MINIMUM		AD VALOREM			TOTALS	%
	No	\$ Values	No	Cents in \$	\$ Value	\$ Value	
Residential Properties (\$644.00 min)	28,126	18,113,144	8,514	0.089344	12,247,093	30,360,237	60
Business Properties (\$644.00 min)	1,174	756,056	2,373	0.475497	19,484,116	20,240,172	40
	29,300	18,869,200	10,887		31,731,209	50,600,409	

Special Rates (Infrastructure Levy)

	BASE AMOUNT 50%		AD VALOREM			TOTALS
	No.	\$ Values	No.	Cents in \$	\$ Value	\$ Value
All rateable properties (base \$ 27.48)	40,187	1,104,339	40,187	0.004133	1,104,562	2,208,901

Special Rates (Environmental Levy)

	BASE AMOUNT 50%		AD VALOREM			TOTALS
	No.	\$ Values	No.	Cents in \$	\$ Value	\$ Value
All rateable properties (base \$30.82)	40,187	1,238,563	40,187	0.004641	1,240,346	2,478,909

Special Rates (Crows Nest Mainstreet Levy)

	BASE AMOUNT 30%		AD VALOREM			TOTALS
	No.	\$ Values	No.	Cents in \$	\$ Value	\$ Value
Business properties (base \$112.88)	792	89,401	792	0.021752	208,594	297,995

Special Rates (Neutral Bay Mainstreet Levy)

	BASE AMOUNT 30%		AD VALOREM			TOTALS
	No.	\$ Values	No.	Cents in \$	\$ Value	\$ Value
Business properties (base \$133.04)	451	60,001	451	0.032148	139,997	199,998