

8.8. Rating Structure and Annual Charges for the Year 1 July 2022 to 30 June 2023

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ATTACHMENTS: Nil

PURPOSE:

According to Sections 534 and 535 of the Local Government Act, Council must make rates and charges for a year before annual Rates Notices can be issued. The recommendations in this report are that Council makes rates, Domestic Waste Management Charges and Stormwater Management Charges for the year 1 July 2022 to 30 June 2023

EXECUTIVE SUMMARY:

The 2022/23 Rating Structure has been calculated per an IPART determination and applies an Additional Special Variation to increase the general income by 2.0%. It also includes a 2.0% increase in the minimum rates for both residential and business properties.

The 2022/23 rate peg for North Sydney Council had been set at 0.9% including a 0.7% general rate peg and a 0.2% population growth factor. This increase is included in the Additional Special Variation determination. It is not in addition to the 2.0% variation.

The minimum ordinary rate for 2022/23 has been set at \$656.88. 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 have been minor changes in the rate in the dollar of properties in the same category previously reported in the Draft Operational Plan and Budget.

Domestic Waste Management Charges have been increased by approximately 1%. The Stormwater Manage Charge is the maximum allowed by legislation.

FINANCIAL IMPLICATIONS:

Council rates are the primary source of operating income. The rating structure is consistent with the IPART approval for an Additional Special Rate Variation and Council's Revenue Policy. The Domestic Waste Management Charges and the Stormwater Management Charges are consistent with Council's Revenue Policy.

RECOMMENDATION:

1.THAT Council make the following rates for the financial year 1 July 2022 to 30 June 2023:

Category	Ad Valorem	Minimum/Base Amount
Residential Rate	0.089453 cents in the dollar	\$656.88
Business Rate	0.491387 cents in the dollar	\$656.88
Infrastructure Levy	0.004221 cents in the dollar	\$27.99
Environmental Levy	0.004738 cents in the dollar	\$31.41
Crows Nest Mainstreet Levy	0.022052 cents in the dollar	\$120.00
Neutral Bay Mainstreet Levy	0.032171 cents in the dollar	\$133.33

2. THAT Council make the following annual Domestic Waste Management Charges for the financial year 1 July 2022 to 30 June 2023:

Category	Amount
60 Litre (SEC 496 LGA) Council Approved ONLY	\$424.00
60 or 80 Litre (SEC 496 LGA) PENSIONER	\$212.00
80 Litre (SEC 496 LGA)	\$424.00
120 Litre (SEC 502 LGA)	\$707.00
240 Litre (SEC 502 LGA)	\$1,242.00
Service Availability charge	\$60.00

3. THAT Council make the following annual Stormwater Management Charges for the financial year 1 July 2022 to 30 June 2023:

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

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 Local Government Act 1993 details the steps that councils must take before levying rated 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 8.05 Operational Plan & Budget - Post Exhibition. Section 534 says councils must “make” the rate or annual charge for a specified year. Section 535 says the Council must “make” the rate or charge by a resolution of Council. Section 377 says that Council may not delegate the making of a rate or charge.

The proposed 2022/23 rating structure is based on a determination of the Independent Pricing and Regulatory Tribunal (IPART). The increase of 2.0% applies an Additional Special Variation.

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 2022/23 which included the draft 2022/23 Revenue Policy as an appendix.

DETAIL

It is proposed the distribution of rates notices for the 2022/23 rating year will occur upon the commencement of the new financial year and the following rates be made for the year 1 July 2022 to 30 June 2023:

Ordinary Rates

	MINIMUM		AD VALOREM			TOTALS	%
	No	\$ Values	No	Cents in \$	\$ Value	\$ Value	
Residential (\$656.88 min)	28,427	18,673,127	8,400	0.089453	12,195,623	30,868,750	60
Business (\$656.88 min)	1,154	758,040	2,331	0.491387	19,821,141	20,579,181	40
TOTAL	29,581	19,431,167	10,731		32,016,764	51,447,932	

Special Rates (Infrastructure Levy)

	BASE AMOUNT 50%		AD VALOREM			TOTALS
	No.	\$ Values	No.	Cents in \$	\$ Value	\$ Value
All rateable properties (base \$27.99)	40,312	1,128,333	40,312	0.004221	1,128,431	2,256,764

Special Rates (Environmental Levy)

	BASE AMOUNT 50%		AD VALOREM			TOTALS
	No.	\$ Values	No.	Cents in \$	\$ Value	\$ Value
All rateable properties (base \$31.41)	40,312	1,266,200	40,312	0.004738	1,266,647	2,532,847

Special Rates (Crows Nest Mainstreet Levy)

	BASE AMOUNT 30%		AD VALOREM			TOTALS
	No.	\$ Values	No.	Cents in \$	\$ Value	\$ Value
Business properties (base \$120)	745	89,400	745	0.022052	208,594	297,994

Special Rates (Neutral Bay Mainstreet Levy)

	BASE AMOUNT 30%		AD VALOREM			TOTALS
	No.	\$ Values	No.	Cents in \$	\$ Value	\$ Value
Business properties (base \$133.33)	450	59,999	450	0.032171	139,998	199,997

It is proposed the following Domestic Waste Management Charges be made for the year 1 July 2022 to 30 June 2023:

Category	Amount
60 Litre (SEC 496 LGA) Council Approved ONLY	\$424.00
60 or 80 Litre (SEC 496 LGA) PENSIONER	\$212.00
80 Litre (SEC 496 LGA)	\$424.00
120 Litre (SEC 502 LGA)	\$707.00
240 Litre (SEC 502 LGA)	\$1,242.00
Service Availability charge	\$60.00

It is proposed the following Stormwater Management Charges be made for the year 1 July 2022 to 30 June 2023:

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