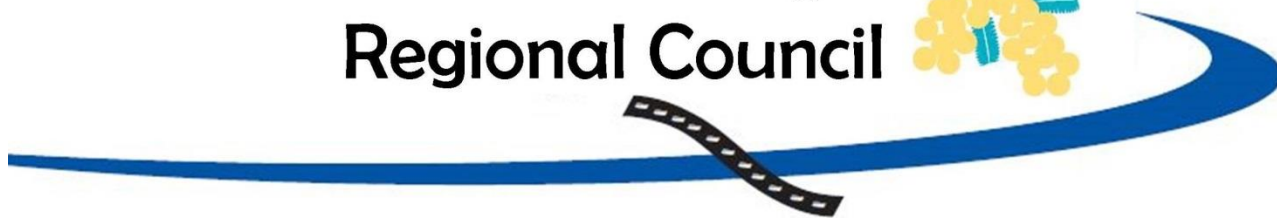


# Cootamundra-Gundagai Regional Council



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# MINUTES

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## ORDINARY COUNCIL MEETING

COUNCIL CHAMBERS  
SHERIDAN STREET, GUNDAGAI

**6.00PM, MONDAY 12 SEPTEMBER 2016**



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## OPEN FORUM

Council conducts open forum sessions at the commencement of each ordinary meeting. During Open Forum sessions, members of the public are invited to address council on any local government issue.

Any general questions posed during the Open Forum section will be answered by the Chairperson or answered later in writing, and questions will be uploaded to Council's website with other Frequently Asked Questions.

Commenced at 6.00pm.

### 1) MR DAVID GRAHAM

1. Mr Graham asked a question relating to *Agenda Item 5 Response to IPART's Draft Report for Review of the Local Government Rating System*. Mr Graham asked whether the State Government would now be required to pay rates on land used for commercial enterprise.

The General Manager responded, stating that the IPART report has recommended that existing exemptions from rates be amended, so that land used for residential and commercial purposes is generally rateable, including government owned land.

Mr Graham asked that Council's submission be reworded to reinforce how strongly it supports this issue as it has a significant effect on the Council's ratepayer base, having a large proportion of land used for State Forestry that is currently exempt from land rates.

2. Mr Graham requested information about the way that Council is dealing with the legal fees billed in relation to the former Gundagai Shire Council's legal challenge *Walcha Council and Ors v Minister for Local Government and Ors*.

The Administrator advised that Council had received accounts that appeared to be incorrect, and that Council has appointed the Crown Solicitors Office to handle the matter on Council's behalf.

3. Mr Graham asserted that the Crown Solicitors Office had not had any contact with the legal representatives appointed by Gundagai Shire Council.

The General Manager advised that this was incorrect, with the first correspondence having been forwarded from the Crown Solicitors Office on behalf of Council in early August.

## 2) MR GORDON LINDLEY

1. Mr Lindley asked why Council is wasting money on the issue of changing the Council's name to Cootamundra-Gundagai Regional Council when the 'court case' may return the original councils, and asked who will pay for the return to the previous arrangements.

The Administrator advised there would be no additional cost to Council in relation to changing the name from Gundagai Council to Cootamundra-Gundagai Regional Council, and that Council needed to move forward with the merger which has been proclaimed as the 'court case' may not be determined for some time.

2. Mr Lindley questioned why the discussion about the option for a name that includes 'Cootamundra' was different at the Gundagai public meeting (7/6/15) and the Cootamundra public meeting (9/6/15).

The Administrator advised that at the Gundagai meeting she did not have the assurance from the Minister that he would accept either Cootamundra-Gundagai or Gundagai-Cootamundra, and rather than offer something which could not be delivered, the known possibilities were discussed. She further advised that at 5.55pm on 9/6/15 the Minister contacted her and agreed that either Cootamundra-Gundagai or Gundagai-Cootamundra would be acceptable, and that as there was no time to include this in the presentation it was simply verbally relayed to the meeting in Cootamundra.

3. Mr Lindley asked whether the budget for the capital budget for the Gundagai main street project has been reduced.

The Administrator advised the budget has not been cut, and confirmed that the total budget is the same as was resolved by Gundagai Shire Council prior to the Council merger.

4. Mr Lindley asked whether the road surface of the Gundagai main street will be hot mix asphalt pavement.

The Director of Engineering Services advised that the hot mix asphalt pavement was planned to be used for the road surface. The General Manager advised that the project will be completed up to the budget as adopted, and clarified that the hot mix asphalt pavement is dependent on Federal Government funding through the Roads to Recovery program.

THESE ARE THE MINUTES TO THE ORDINARY MEETING OF COOTAMUNDRA-GUNDAGAI REGIONAL COUNCIL HELD ON 12 SEPTEMBER AT THE GUNDAGAI OFFICE COMMENCING AT 6.19 PM.

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**PRESENT**

Administrator Christine Ferguson

**Also Present**

Interim General Manager, Director Development and Community, Director Corporate Services, Director Operations, Director Asset Management.

**APOLOGIES**

Nil

**ADOPTION OF MINUTES**

That the Minutes of the Meeting of Council held on Monday 15 August 2016 be confirmed as a true and correct record of the meeting.

01/09/16 **RESOLVED – Moved: Ferguson                      Seconded: Ferguson**

That the Minutes of the Meeting of Council held on Monday 15 August 2016 be confirmed as a true and correct record of the meeting.

**2. COUNCIL**

**1) AGENCY FACILITY AT STOCKINBINGAL AND WALLENDBEEN**

Introduction

The former Cootamundra Shire Council has two agencies (one at Wallendbeen, one at Stockinbingal) contracted to collect ratepayer's money on behalf of the Council. The agency is responsible for accurate record keeping of transactions and remitting payment to the Council office. The agency is paid a small fee (presently \$2.20) per transaction.

Now that Cootamundra Shire Council has been amalgamated with Gundagai Shire Council, considerations about the continuing feasibility and desirability of this service have been made. It is noted that both of the agency agreements have expired (with the most recent Wallendbeen agreement being signed in 2003 and the Stockinbingal agreement signed in 2013). The agreement period is two years and accordingly, Cootamundra-Gundagai Regional Council needs to determine whether the agency agreements are terminated or renewed.

Discussion

It is recommended that the agency agreements be terminated for the following reasons:

- The former Gundagai Shire Council does not have any agency facilities.
- Since the inception of the agency provision, additional payment options (notably BPay, BPoint and an increase in Direct Debit facilities) have been made available to ratepayers. The agencies are only able to receipt cheque, cash and money order payments (not EFTPOS/Credit card). Customer service staff have noticed a reduction in the number of payments made through the agency facility.
- The total number of customers utilising the agency facility is minimal. In 2015/16 the Stockinbingal agency served 14 distinct ratepayers, while the Wallendbeen agency served 12.
- The use of the agencies requires additional administrative tasks for Council office workers. This includes the requirement of the Customer Service Officer



to record individual agency transactions, reconcile and balance payments and process the quarterly payment of fees to the agencies.

- Ratepayer's payments to Council are delayed by using the agency facility. Payments have been received by the Council office up to 14 days after payment has been made to the agency. To accommodate this, Council staff have manually checked and adjusted ratepayer accounts if required, to ensure that no ratepayer has been disadvantaged by the levying of interest as a result of delayed payment.
- The agency agreements are currently expired and therefore termination would be reasonable. Under the agreement, the termination clause states: "This agreement may be terminated by either party by the giving of one month's notice in writing."
- The total amount remitted to the agencies for the 2015/16 rating year was \$162.80. While this is not a significant cost to Council, neither is it significant revenue for each agency.
- Council staff have contacted each of the agencies and neither showed a high level of concern or disappointment with the possibility of the agency agreement being terminated.

It is proposed that the low level of usage, coupled with the Council office administrative tasks required to manage this facility, are not commensurate. Other payment methods have been made available which are likely to provide satisfactory alternatives for ratepayers to remit payment to the Council office.

### **RECOMMENDATION**

**The agency agreement held with Lorraine and Kevin Roser of the Stock-Up Store, Stockinbingal and Raymond Freebody of the Wallendbeen Post Office, Wallendbeen be terminated effective close of business Friday 14 October 2016.**

**02/09/16 RESOLVED – Moved: Ferguson      Seconded: Ferguson**

**The agency agreement held with Lorraine and Kevin Roser of the Stock-Up Store, Stockinbingal and Raymond Freebody of the Wallendbeen Post Office, Wallendbeen be terminated effective close of business Friday 14 October 2016.**

**6. PLANT**

**2) PLANT REPORT – PURCHASE OF PRIME MOVER**

Introduction

This report is to seek endorsement of the actions of Council staff in purchasing a second hand Prime Mover rather than the new prime mover allowed for in the 2016/17 Gundagai area budget and plant replacement program.

Discussion

The previous Gundagai Shire Council made allowance of \$350,000 in the draft budget which has subsequently been incorporated into the Gundagai Area plant replacement program for the purchase of a new Prime Mover to complement the semi configuration for the water tank, new bulk lime tanker and the existing float operations of Council.

In researching potential options Council staff came across several low km second hand prime movers that would suit Council purposes and reduce the up-front expenditure required.

Quotes have been sourced for a prime mover in the 500hp range suitable to tow the water tanker, bulk lime tanker and the float.

Quotations ranged as follows:

Freightliner Coronado 2011

- 711,579km
- 550 hp
- \$95,455 ex GST

DAF CF85 2010

- 469,439km
- 460hp
- \$88,000 ex GS

Hino FS 2848

- 2,916km
- 480hp
- \$141,363 ex GST

Mack Trident 2013

- 221,807km
- 535hp
- \$138,180 ex GST

The Freightliner and the DAF were both rejected on the basis of age and mileage, and were not considered suitable for Council's needs. Both have since been sold.

Council staff undertook an inspection of the Mack Trident and the Hino FS 2848 at Wagga Trucks. While the Hino is a newer model, it was slightly more expensive than the Mack, slightly lower powered and its configuration meant the turntable would need to be altered substantially to increase the loading over the front wheels as required to be more efficient for Council's needs.

The Mack Trident is the preferred option, needing no modification, and is available immediately from Wagga Trucks. It meets Council requirements and has been inspected by the operator and Council's mechanic. This truck will suit Council's needs for the next seven years and will retain its value in that time.

Due to the nature of the second hand market, which Council has experienced in recent times in sourcing the telehandler and bulk lime tanker, suitable vehicles come and go at a moment's notice. Therefore, once Council's mechanic's had inspected the truck and determined its condition and suitability a decision was needed. A report was presented to Council's administrator requesting approval to purchase this Prime Mover Mack Trident from Wagga Trucks. This was approved and the truck has now been purchased.

**RECOMMENDATION**

**That Council endorse the purchase of the Mack Trident for \$138,180 plus GST, with the funds for the purchase to be taken from Council's Plant Reserve, Gundagai area.**

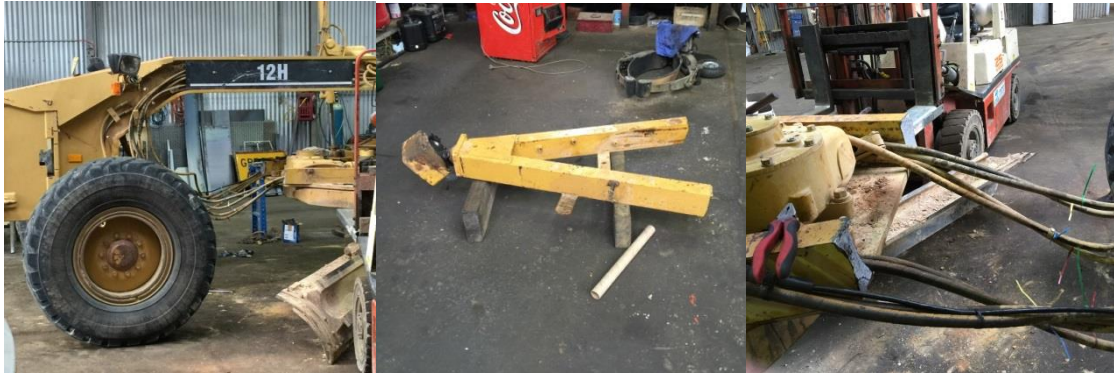
**03/09/16 RESOLVED – Moved: Ferguson      Seconded: Ferguson**

**That Council endorse the purchase of the Mack Trident for \$138,180 plus GST, with the funds for the purchase to be taken from Council's Plant Reserve, Gundagai area.**

### **3) PLANT REPORT – CATERPILLAR 12H GRADER PLANT 230**

#### **Introduction**

On Tuesday 30 August 2016 while undertaking maintenance grading Plant No 230, being the Caterpillar 12H grader based at the Cootamundra depot, suffered a catastrophic failure in the A- Frame which supports the blade assembly.



Council will need to accelerate the Plant Replacement program, Cootamundra area, to replace Plant No 230.

#### **Discussion**

This machine has done approximately 12,000 hours and is due for replacement.

Initial quotes for a new A Frame are in the order of \$28,000 for parts only, following which fitting will need to be undertaken.

It is estimated that prior to the failure of this part the machine had a value of between \$80,000 - \$90,000 as a trade-in. It is felt that undertaking this work would be an over investment in the machine and it would be more economical to sell it for spares. In its current state it is likely that council could still achieve \$50,000 as a trade-in, as it could be broken down into component parts for repair of other machines.

Plant No 230 was due for replacement this year and Council had anticipated \$80,000-\$90,000 trade-in and allocated \$240,000 -\$250,000 from the plant reserve (Cootamundra area) for the new replacement. The plant reserve (Cootamundra area) is currently sitting at \$650,000. It is estimated that a new grader of equivalent specification is in the order of \$320,000.

Council currently has four graders in the fleet – two in the Gundagai Depot and two in the Cootamundra depot, for the road network and the RMS Road maintenance contract. Maintaining a fleet of a minimum of four graders is essential.

As part of the replacement, investigations will be undertaken into the option of having full machine control ability installed on the machine. This will allow full designs to be uploaded into the grader reducing the need for survey set-out on jobs, and would also increase quality production critical for compliance with RMS quality systems under the RMCC.

This investigation and further recommendations will be furnished as a separate report to a later Council meeting. Having this fitted as part of this tender is not critical as the modern graders and GPS control systems are inherently compatible.

It is suggested that Council commence the process to receive tenders for a replacement using Local Government Procurement.

### **RECOMMENDATION**

**That Council:**

- 1. Include the replacement of Plant 230 Cat 12H Grader (Cootamundra Depot) in the plant replacement program for the 2016/17 financial year.**
- 2. Seek tenders for a new equivalent machine as a priority using Local Government Procurement.**

**04/09/16 RESOLVED – Moved: Ferguson      Seconded: Ferguson**

**That Council:**

- 1. Include the replacement of Plant 230 Cat 12H Grader (Cootamundra Depot) in the plant replacement program for the 2016/17 financial year.**
- 2. Seek tenders for a new equivalent machine as a priority using Local Government Procurement.**

**14. COUNCIL BUILDINGS AND PROPERTY MANAGEMENT**

**4) RESCISSION MOTION - 'DOG ON THE TUCKERBOX' LEASE AGREEMENT**

Introduction

Council has received a request for the rescission of Minute Number 270 of the Gundagai Shire Council meeting of 8 July 2014, which reads:

270 *IT WAS RESOLVED on the motion of Cr Gain, seconded by Cr Graham that:*

- *The Dog on the Tuckerbox lease be renewed to Mr Robert Lewis Gillies for a further five (5) year period from 11 July 2014 to 10 July 2019;*
- *A letter be sent to the Lessee advising of Council's determination, and further stating that Council is prepared to consider a variation to create a new lease which would see longer term options, but on conditions, and*
- *The General Manager be tasked to drafting a new lease, through Council's appointed solicitors, in consultation with the lessee, for subsequent determination by Council.*

and the passing of a new resolution reading:

*That Council:*

1. *Guarantee Mrs Denny Allnut sole rights to operate the 'Dog on the Tuckerbox' site under the terms and conditions of the previous draft lease until 10 July 2019, or until such time as a new lease is developed and agreed between Council and Mrs Allnut.*
2. *Undertake to develop a new five year lease, to commence at the time of signing, taking into account the potential to redevelop the 'Dog on the Tuckerbox' site during the course of that lease.*

Discussion

On 8 January 2014 the former Gundagai Shire Council minutes record a decision to offer the lease of the 'Dog on the Tuckerbox' to Mr Robert Lewis Gillies for the period 11 July 2014 to 10 July 2019, on certain conditions included in the draft lease.

A copy of the draft lease, including special conditions forms **TABLED DOCUMENT 1 SEPTEMBER 2016 (Pages 1-21)**

For a variety of reasons related to the inability of Mr Gillies to comply with the special conditions the lease was never formalised, and Mr Gillies has now vacated the premises.

For the majority of the time Mr Gillies held the previous lease, and during the period of the draft lease up to the departure of Mr Gillies, the business was being either substantially or fully operated by a 'silent partner', Mrs Denny Allnut, a resident of Gundagai.

Mrs Allnut has for some years been covering all Council costs associated with the lease, and many of the business costs, and should have been named as a partner on the draft lease, but was omitted as a result of the actions of Mr Gillies.

Mrs Allnut continues to operate the business and it is suggested that Council should resolve a motion to formalise this arrangement.

#### The 'Dog on the Tuckerbox' Site

The 'Dog on the Tuckerbox' as a site is in extremely poor condition, being made up of a variety of old and poorly maintained buildings (shop, dwelling, service station), and various converted and original shipping containers with associated lean-to structures. Whilst some of these structures could be redeemed, collectively they are beyond redemption and should be replaced.

The area surrounding the site houses a large collection of materials sourced from clearing sales, etc, and deposited in an unruly manner around the site. All of this material should be removed and the site cleared and made available for redevelopment.

The toilets to the shop entered separately from the rear of the building and are used as public toilets there are no public toilets associated with the 'Dog on the Tuckerbox' site. These are basic and inadequately drained, causing regular issues for the operator and potentially Council.

Additionally there is no accessible potable water supply to the 'Dog on the Tuckerbox' or the 'Five Mile' area generally.

Council staff have commenced an investigation into the potential to rebuild and rejuvenate the 'Dog on the Tuckerbox' complex and as such any new lease arrangement needs to take account of the potential impact of such an action. This will

ensure that all parties are aware of the potential for both interruption and improvement in the facilities provided at the site during the course of the lease.

### **RECOMMENDATION**

**That Council:**

- 1. Guarantee Mrs Denny Allnut sole rights to operate the 'Dog on the Tuckerbox' site under the terms and conditions of the previous draft lease until 10 July 2019, or, until such time as a new lease is developed and agreed between Council and Mrs Allnut.**
- 2. Undertake to develop a new five year lease, to commence at the time of signing, taking into account the potential to redevelop the 'Dog on the Tuckerbox' site during the course of that lease.**

**05/09/16 RESOLVED – Moved: Ferguson      Seconded: Ferguson**

**That Council:**

- 1. Guarantee Mrs Denny Allnut sole rights to operate the 'Dog on the Tuckerbox' site under the terms and conditions of the previous draft lease until 10 July 2019, or, until such time as a new lease is developed and agreed between Council and Mrs Allnut.**
- 2. Undertake to develop a new five year lease, to commence at the time of signing, taking into account the potential to redevelop the 'Dog on the Tuckerbox' site during the course of that lease.**



**34. FINANCIAL PLANNING AND REVENUE**

**5) RESPONSE TO IPART'S DRAFT REPORT FOR REVIEW OF THE LOCAL GOVERNMENT RATING SYSTEM**

Introduction

On 22 August 2016, IPART released its Draft Report for the *Review of the Local Government Rating System*. The Draft Report explains IPART's analysis, and lists their draft recommendations and findings.

A copy of the Draft Report forms **TABLED DOCUMENT 2 SEPTEMBER 2016 (Pages 22-177)**

Discussion

Council has been invited to lodge a submission to the Draft Report by 14 October 2016. Council's comments in relation to IPART's recommendations appear below and follow the format of the Draft Report list of draft recommendations a Clause 1.7.

Council begins with the proposition that IPART's Draft Report for the *Review of the Local Government Rating System* has failed to address the fundamental constraint to local government's long-term viability and sustainability; the rate peg. With a key goal of the review being to enhance councils' ability to implement sustainable fiscal policies over the long term, Council suggests that the scope of this review should be expanded to include the core issue of inadequate revenue streams. To overlook the review of the appropriateness of rate pegging would be a missed opportunity for reform.

**Allow councils to use CIV as an alternative to UV in setting rates**

1 Councils should be able to choose between the Capital Improved Value (CIV) and Unimproved Value (UV) methods as the basis for setting rates at the rating category level. A council's maximum general income should not change as a result of the valuation method they choose.

*Agreed. Councils should be given this flexibility. However recommendations 3 and 33 below call for the need for all Council areas to hold and administer CIV data. This duplicate data requirement will add an administrative burden and cost to the rating system, and will likely result in ratepayer confusion.*

2 Section 497 of the Local Government Act 1993 (NSW) should be amended to remove minimum amounts from the structure of a rate, and section 548 of the Local Government Act 1993 (NSW) should be removed.

*Agreed. However, allowances need to be made for merged Councils presently using minimum amounts so they may continue to do so until the rate freeze expires.*

### **Allow councils' general income to grow as the communities they serve grow**

3 The growth in rates revenue outside the rate peg should be calculated by multiplying a council's general income by the proportional increase in Capital Improved Value from supplementary valuations.

– This formula would be independent of the valuation method chosen by councils for rating.

*Agreed. Growth in revenue should incorporate the proportional increases to land valuations (irrespective of the land valuation method used). However, there is no comment as to how a decrease in CIV will be addressed.*

4 The Local Government Act 1993 (NSW) should be amended to allow councils to levy a new type of special rate for new infrastructure jointly funded with other levels of Government. This special rate should be permitted for services or infrastructure that benefit the community, and funds raised under this special rate should not:

– form part of a council's general income permitted under the rate peg, nor  
– require councils to receive regulatory approval from IPART.

*Agreed in principle. Details concerning the approvals process need to be provided.*

5 Section 511 of the Local Government Act 1993 (NSW) should be amended to reflect that, where a council does not apply the full percentage increase of the rate peg (or any applicable Special Variation) in a year, within the following 10-year period, the council can set rates in a subsequent year to return it to the original rating trajectory for that subsequent year.

*Agreed.*

### **Give councils greater flexibility when setting residential rates**

6 The Local Government Act 1993 (NSW) should be amended to remove the requirement to equalise residential rates by 'centre of population'. Instead, councils should be allowed to determine a residential subcategory, and set a residential rate, for an area by:

– a separate town or village, or  
– a community of interest.

*Agreed.*

7 An area should be considered to have a different 'community of interest' where it is within a contiguous urban development, and it has different access to, demand for, or costs of providing council services or infrastructure relative to other areas in that development.

*Not applicable to Cootamundra-Gundagai Regional Council as Council will be dependent on the use of 'separate town or village'.*

8 The Local Government Act 1993 (NSW) should be amended so, where a council uses different residential rates within a contiguous urban development, it should be required to:

- ensure the highest rate structure is no more than 1.5 times the lowest rate structure across all residential subcategories (i.e., so the maximum difference for ad valorem rates and base amounts is 50%), or obtain approval from IPART to exceed this maximum difference as part of the Special Variation process, and
- publish the different rates (along with the reasons for the different rates) on its website and in the rates notice received by ratepayers.

*Not applicable to Cootamundra-Gundagai Regional Council.*

9 At the end of the 4-year rate path freeze, new councils should determine whether any pre-merger areas are separate towns or villages, or different communities of interest.

– In the event that a new council determines they are separate towns or villages, or different communities of interest, it should be able to continue the existing rates or set different rates for these pre-merger areas, subject to metropolitan councils seeking IPART approval if they exceed the 50% maximum differential. It could also choose to equalise rates across the pre-merger areas, using the gradual equalisation process outlined below.

– In the event that a new council determines they are not separate towns or villages, or different communities of interest, or it chooses to equalise rates, it should undertake a gradual equalisation of residential rates. The amount of rates a resident is liable to pay to the council should increase by no more than 10 percentage points above the rate peg (as adjusted for permitted Special Variations) each year as a result of this equalisation. The Local Government Act 1993 (NSW) should be amended to facilitate this gradual equalisation.

*Agreed in principle, but unlikely to affect Cootamundra-Gundagai Regional Council. The 10% should apply to the pre-merger residential category and not be at the level of individual residential assessment.*

### **Better target rate exemption eligibility**

10 Sections 555 and 556 of the Local Government Act 1993 NSW should be amended to:

- exempt land on the basis of use rather than ownership, and to directly link the exemption to the use of the land, and
- ensure land used for residential and commercial purposes is rateable unless explicitly exempted.

*Agreed.*

11 The following exemptions should be retained in the Local Government Act 1993 (NSW):

- section 555(e) Land used by a religious body occupied for that purpose
- section 555(g) Land vested in the NSW Aboriginal Land Council
- section 556(o) Land that is vested in the mines rescue company, and
- section 556(q) Land that is leased to the Crown for the purpose of cattle dipping.

*Agreed.*

12 Section 556(i) of the Local Government Act 1993 (NSW) should be amended to include land owned by a private hospital and used for that purpose.

*Agreed in principle, but unlikely to affect Cootamundra-Gundagai Regional Council.*

13 The following exemptions should be removed:

- land that is vested in, owned by, or within a special or controlled area for, the Hunter Water Corporation, Water NSW or the Sydney Water Corporation (Local Government Act 1993 (NSW) section 555(c) and section 555(d))
- land that is below the high water mark and is used for the cultivation of oysters (Local Government Act 1993 (NSW) section 555(h))
- land that is held under a lease from the Crown for private purposes and is the subject of a mineral claim (Local Government Act 1993 (NSW) section 556(g)), and
- land that is managed by the Teacher Housing Authority and on which a house is erected (Local Government Act 1993 (NSW) section 556(p)).

*Agreed.*

14 The following exemptions should not be funded by local councils and hence should be removed from the Local Government Act and Regulation

- land that is vested in the Sydney Cricket and Sports Ground Trust (Local Government Act 1993 (NSW) section 556(m))
- land that is leased by the Royal Agricultural Society in the Homebush Bay area (Local Government (General) Regulation 2005 reg 123(a))
- land that is occupied by the Museum of Contemporary Art Limited (Local Government (General) Regulation 2005 reg 123(b)), and
- land comprising the site known as Museum of Sydney (Local Government (General) Regulation 2005 reg 123(c)).

The State Government should consider whether to fund these local rates through State taxes.

*Not applicable to Cootamundra-Gundagai Regional Council.*

15 Where a portion of land is used for an exempt purpose and the remainder for a non-exempt activity, only the former portion should be exempt, and the remainder should be rateable.

*Agreed.*

16 Where land is used for an exempt purpose only part of the time, a self-assessment process should be used to determine the proportion of rates payable for the non-exempt use.

*Agreed.*

17 A council's maximum general income should not be modified as a result of any changes to exemptions from implementing our recommendations.

*Council objects to this recommendation. Instead, it is proposed that where the value of exempt land that has become rateable exceeds 5% of the total rateable land, Council may increase its general income proportionate to the change in rateable land value.*

*Any change less than 5% in land value would likely be inconsequential and need not be considered.*

18 The Local Government Act 1993 (NSW) should be amended to remove the current exemptions from water and sewerage special charges in section 555 and instead allow councils discretion to exempt these properties from water and sewerage special rates in a similar manner as occurs under section 558(1).

*Agreed in principle, but unlikely to affect Cootamundra-Gundagai Regional Council.*

19 At the start of each rating period, councils should calculate the increase in rates that are the result of rating exemptions. This information should be published in the council's annual report or otherwise made available to the public.

*Council objects to this recommendation. The suggestion that "councils would be required to calculate the impact of exemptions in their area by calculating the ad valorem twice – once with all land being rated and once with the exemptions removed" would be too onerous a task. It would require all exempt land to be categorised and sub-categorised to determine potential impact to rates (so as to determine which ad valorem amounts would be affected). Council suggest this should be amended with a more simple method: Council report on the number, and total land value of, rateable assessments and exempt assessments.*

#### **Replace the pensioner concession with a rate deferral scheme**

20 The current pensioner concession should be replaced with a rate deferral scheme operated by the State Government.

– Eligible pensioners should be allowed to defer payment of rates up to the amount of the current concession, or any other amount as determined by the State Government.

– The liability should be charged interest at the State Government's 10-year borrowing rate plus an administrative fee. The liability would become due when property ownership changes and a surviving spouse no longer lives in the residence.

*Agreed that the liability for pension concessions should rest with the State Government. Further consideration should be made to the social welfare principle of the pension concession as this policy approach does not reduce the cost of rates to eligible pensioners.*

#### **Provide more rating categories**

21 Section 493 of the Local Government Act 1993 (NSW) should be amended to add a new environmental land category and a definition of 'Environmental Land' should be included in the LG Act.

*Agreed.*

22 Sections 493, 519 and 529 of the Local Government Act 1993 (NSW) should be amended to add a new vacant land category, with subcategories for residential, business, mining and farmland.

*Agreed in principle. Flexibility must be ensured by allowing, but not enforcing, the use of vacant land categories.*

23 Section 518 of the Local Government Act 1993 (NSW) should be amended to reflect that a council may determine by resolution which rating category will act as the residual category.

– The residual category that is determined should not be subject to change for a 5-year period.

– If a council does not determine a residual category, the Business category should act as the default residual rating category

*Council is unsure of this recommendation's ability to meet the desired outcome. Should this be adopted, the Local Government Act will be required to define "Business" in the event that it is no longer the 'catch-all' category.*

24 Section 529 (2)(d) of the Local Government Act 1993 (NSW) should be amended to allow business land to be subcategorised as 'industrial' and or 'commercial' in addition to centre of activity.

*Agreed.*

25 Section 529 (2)(a) of the Local Government Act 1993 (NSW) should be replaced to allow farmland subcategories to be determined based on geographic location.

*Agreed.*

26 Any difference in the rate charged by a council to a mining category compared to its average business rate should primarily reflect differences in the council's costs of providing services to the mining properties.

*Agreed.*

### **Recovery of council rates**

27 Councils should have the option to engage the State Debt Recovery Office to recover outstanding council rates and charges.

*Agreed.*

28 The existing legal and administrative process to recover outstanding rates should be streamlined by reducing the period of time before a property can be sold to recover rates from five years to three years.

*Agreed.*

29 All councils should adopt an internal review policy, to assist those who are late in paying rates, before commencing legal proceedings to recover unpaid rates.

*Many councils' already have a Debt Recovery Policy which outlines the actions Council will undertake in attempting to recover unpaid rates. This includes the steps leading up to, and including, legal proceedings. Generally, it is only those ratepayers who are non-communicable with Council who are pursued through the Court process. In creating a policy outlining the internal review process, responsibility for communication about an inability to pay is passed to Council, when it should remain the ratepayer's responsibility. Further, care should be taken to ensure additional processes do not*

*become burdensome and that councils do not become inconvenienced further by ratepayers learning and using 'the system' to avoid timely payment.*

30 The Local Government Act 1993 (NSW) should be amended or the Office of Local Government should issue guidelines to clarify that councils can offer flexible payment options to ratepayers.

*Clarity would be beneficial; however, Council's policy has always been to accept flexible payment options.*

31 The Local Government Act 1993 (NSW) should be amended to allow councils to offer a discount to ratepayers who elect to receive rates notices in electronic formats, e.g., via email.

*Agreed in principle. Provided this is an option, rather than a prescription, for each council as it would be an onerous task to monitor delivery methods and to calculate discounts.*

32 The Local Government Act 1993 (NSW) should be amended to remove section 585 and section 595, so that ratepayers are not permitted to postpone rates as a result of land rezoning, and councils are not required to write-off postponed rates after five years.

*Agreed.*

#### **Other draft recommendations**

33 The valuation base date for the Emergency Services Property Levy and council rates should be aligned.

– The NSW Government should levy the Emergency Services Property Levy on a Capital Improved Value basis when Capital Improved Value data becomes available state-wide.

*Council agrees that the valuation base dates for the ESPL and council rates should be aligned.*

*However, Council is concerned with the use of CIV in delivering equity in the ESPL revenue. For example, using the CIV would not accurately reflect the cost of fighting a fire when comparing vacant rural land with rural land that has structures and sheds erected.*

*Further, Council is concerned with how this impacts on recommendation 1, above. Recommendation 1 suggests that a Council should choose between CIV or UV. However, if a council must use CIV for the ESPL calculation and chooses to use UV for land rates, it would be required to maintain two separate land valuation databases, adding administrative time and cost, and decreasing transparency and simplicity for the ratepayer.*

34 Councils should be given the choice to directly buy valuation services from private valuers that have been certified by the Valuer General.

*Agreed.*

## **RECOMMENDATION**

**That Council lodge a submission in response to IPART's *Review of the Local Government Rating System based on the comments above.***

**06/09/16 RESOLVED – Moved: Ferguson      Seconded: Ferguson**

**That Council lodge a submission in response to IPART's *Review of the Local Government Rating System based on the comments above, and with a stronger emphasis on the Council's agreement that rates exemptions based only on State Government ownership should be removed.***



## **6) INVESTMENT REPORT**

The purpose of this report is to provide Council with a list of Council funds invested as at 31 August 2016.

A summary of investments for the Cootamundra Area as at 31 August 2016 forms **TABLED DOCUMENT 3 SEPTEMBER 2016 (Page 178)**.

A summary of investments for the Gundagai Area as at 31 August 2016 forms **TABLED DOCUMENT 4 SEPTEMBER 2016 (Page 179)**.

## **RECOMMENDATION**

**That the Investment Reports as at 31 August 2016 be received and noted.**

**07/09/16 RESOLVED – Moved: Ferguson      Seconded: Ferguson**

**That the Investment Reports as at 31 August 2016 be received and noted.**

## CUSTOMER SERVICES GROUP

### 36. CUSTOMER SERVICE AND RECEPTION

#### 7) GUNDAGAI PRESCHOOL KINDERGARTEN INC – REQUEST FOR CONTRIBUTION

##### Introduction

Council has received correspondence from the Gundagai Preschool Kindergarten Inc. requesting a contribution equal to the 2016/17 rates levied on Assessment 20974, 89 First Avenue, Gundagai.

##### Discussion

Historically Gundagai Shire Council has entertained similar requests from the Preschool. On all occasions the request has been agreed to.

The letter of request is **TABLED DOCUMENT 5 SEPTEMBER 2016 (Page 180)**

##### RECOMMENDATION

**That Council make a contribution to the Gundagai Preschool Kindergarten of \$1,528.56 equal to the 2016/17 rates levied for Assessment 20974, 89 First Avenue, Gundagai.**

**08/09/16 RESOLVED – Moved: Ferguson      Seconded: Ferguson**

**That Council make a contribution to the Gundagai Preschool Kindergarten of \$1,528.56 equal to the 2016/17 rates levied for Assessment 20974, 89 First Avenue, Gundagai.**

**There being no further business the meeting closed at 6.24pm.**

**These Minutes were confirmed by resolution of Council at the Council Meeting held on Monday 10 October 2016 and endorsed by:**

\_\_\_\_\_  
**ADMINISTRATOR**

\_\_\_\_\_  
**INTERIM GENERAL MANAGER**