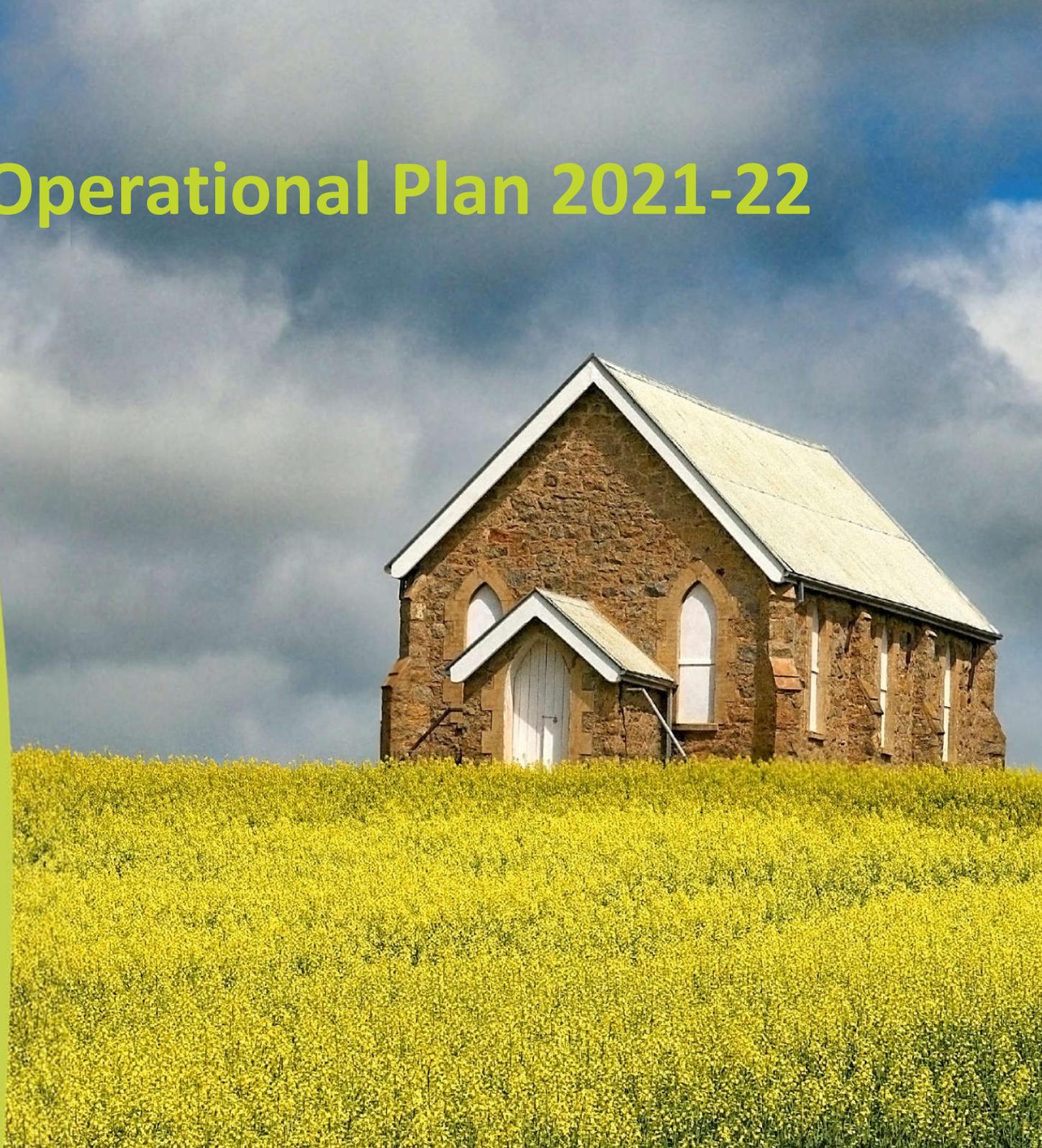


Operational Plan 2021-22



**COOTAMUNDRA-
GUNDAGAI** REGIONAL
COUNCIL

Revenue Policy 2021-22



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Introduction

Council's Revenue Policy goal is to effectively and equitably manage revenue raising, service level and asset management decisions, and to ensure ongoing financial sustainability.

The Long Term Financial Plan seeks to:

- Be under-pinned by a sound financial strategy that will ensure Council's financial sustainability is protected and improved,
- Accommodate asset maintenance and asset renewal and replacement activity and be fully integrated with Council's Asset Management Plans, and
- Accommodate service levels proposed in Council's Delivery Program and Operational Plan.

Council's financial strategies to meet these goals are:

- To explore all cost effective opportunities to maximise Council's revenue base,
- To ensure ratepayer's value for money by providing effective and efficient service,
- To generate revenue in an equitable manner over time and ensure that there is capacity to finance peaks in asset renewal costs and other outlays when necessary,
- To build up cash reserves over the ten year planning period to enable infrastructure renewals as projected in Council's Asset Management Plans.

Rates

Rating Principles

The objective of this Revenue Policy is to ensure that rates are levied in a fair and equitable manner so as to provide sufficient funds to carry out the general services which benefit all the ratepayers of the area.

Council aims to set rates and charges at a level that provides a sustainable income but does not impose undue hardship on property owners.

Council is committed to a rates and charges process that is ethical, transparent, open, accountable and compliant with legal obligations (including the NSW Local Government Act 1993 and the Local Government (General) Regulation 2005 (NSW)).

Council rates administration will be honest, diligent and applied consistently and fairly across all properties.

In accordance with the NSW Local Government Act, 1993, Council will adopt four categories of ordinary rate, being Farmland, Residential, Business and Mining.

An ordinary rate will be applied to each parcel of rateable land within the local government area.

The ordinary rate applicable for each assessment will be determined by the property's categorisation, which is dependent upon the dominant use.

Special Rate Variation

During 2020-2021, faced with very significant cost pressures resulting from the May 2016 amalgamation of the former Cootamundra and Gundagai Shire Councils and the subsequent rate freeze, after extensive community consultation Council took the difficult decision to apply for a Special Rate Variation to allow increases of rates by more than the annual rate pegging increase.

On 14 May 2021, the NSW Independent Pricing and Regulatory Tribunal (IPART) approved a Special Rate Variation for Cootamundra-Gundagai Regional Council consisting of the following annual and cumulative increases to Council's general income, to remain permanently in Council's general income (*inclusive* of the annual rate pegging increase per below). Full details of IPART's approval may be found here <https://www.ipart.nsw.gov.au/files/9834cdbc-e39a-4264-8680-27599ee31024/LG-Determination-Cootamundra-Gundagai-Councils-special-variation-application-for-2021-22.pdf>

Year	Annual increase in general income	Cumulative increase in general income
2021-22	20.0%	20.0%
2022-23	16.0%	39.2%
2023-24	5.0%	46.2%
2024-25	5.0%	53.5%

Council is recognisant that a number of ratepayers will find that their rates and charges for 2021-22 and future years will increase significantly from previous years, and will be significantly impacted by the Special Rate Variation. Ratepayers that may experience difficulty in paying their rates by due dates are encouraged to consider Council’s Rates & Charges Financial Hardship Policy as noted later in this document.

Rate Pegging

The Independent Pricing and Regulatory Tribunal (IPART) determines the rate peg, or allowable annual increase, that applies to local government rate income. In September 2020, IPART announced the rate peg to apply in the 2021-22 financial year will be 2.0%. The Special Rate Variation approved is inclusive of this rate pegging increase.

Existing Special Rate Variation

The former Gundagai Shire Council had applied for a special rate variation that is currently impacting Council’s total permissible rates income.

2014-15 Special Variation for Gundagai Main Street Upgrade of 12.82%

In June 2014, the Independent Pricing and Regulatory Tribunal (IPART) approved a special rate variation of 15.12%. This increase included the rate peg of 2.3% that was available to all councils, plus an additional 12.82% that was raised specifically for the purposes of the Gundagai main street upgrade. The increase will be retained in Council’s general income base for 10 years from that period, and from 1 July 2024, Council’s general income will be reduced by the amount of that expiring Special Rate Variation.

Valuations

Cootamundra-Gundagai Regional Council's land values were last updated by the NSW Valuer-General (VG) in 2019.

The VG provides property valuations to local government authorities on a cyclical basis, in accordance with the NSW Valuation of Land Act 1916.

For the purposes of the 2021-22 rating year, the Base Date for land values is 1 July 2019.

Supplementary notices of valuation are also issued by the VG outside the usual valuation cycle because of changes to property that are recorded on the Register of Land Values.

Council is advised of changes to land values and makes any resulting adjustments to rates.

Existing valuations may be reviewed by the VG for the following reasons:

- Newly created parcels of land
- The transfer of part of land which is included in an existing valuation
- The amalgamation of parcels of land into a single valuation
- Changes to zoning and other changes

The VG has issued a large number of supplementary notices in recent months, and these changes will continue to affect Council's rates and property database as they are issued up to 30 June 2021.

Amalgamation of Rating Structures in previous year 2020-2021

In accordance with the NSW Government's policy that there be a 4-year rate path freeze for any newly created council under the Local Government Amendment (Rates – Merged Council Areas) Act, the two rating structures adopted by the former Cootamundra and Gundagai Shires as at 12 May 2016 continued to apply for 4 years from that time.

The NSW Government advised that newly elected councils would review the rate structure during their first term.

This 4-year period expired in 2019-2020, and with the assistance of external expertise and with due regard to the rating principles as outlined above, Council undertook this full review, and amalgamated the rating structures (rates harmonisation) effective from 1 July 2020.

The special rate variation previously approved for the former Gundagai Shire Council continues to apply within the harmonised rate structure.

For the 2020-2021 year, Council also undertook a full review of other charges (Waste, Stormwater Management, On-Site Sewerage Management, Water, Sewer and Liquid Trade Waste) and amalgamated the charging structures of each of the former Shire Council areas, and harmonised these charges effective from 1 July 2020, so that going forward they are uniform throughout the Cootamundra-Gundagai Regional Council area.

Rating Structures

Council aims to derive revenue from ordinary rates for each rating category as outlined in the table below.

The rating structure uses an ad-valorem component (multiplied by the land value of the property as determined by the Valuer-General), together with a base amount component of \$368.50 applied to all rateable assessments.

Rating Categories

Rating Category (s514-518)	Number of Assessments	Ad Valorem Rate	Base Amount \$	Base Amount %	Land Value	2021/22 Estimated Income	% Yield
Farmland	1280	0.25229	\$368.50	10.57%	\$1,581,583,725	\$4,461,858	48.43%
Residential	4676	0.58574	\$368.50	45.61%	\$350,796,210	\$3,777,860	41.00%
Business	517	1.44101	\$368.50	19.57%	\$54,347,937	\$973,674	10.57%
Mining	0	0.25229	\$368.50	-	-	-	-

Pensioner Concessions

Council provides a pensioner concession for eligible pensioners. Owners who become eligible pensioners during the year are entitled to a pro-rata concession of their rates (and applicable/eligible charges), calculated on a quarterly basis. Concessions are also reversed on a quarterly basis when owners become ineligible for the concession. In the event that an eligible pensioner has not claimed the concession previously, Council will grant the concession for the current year only.

Charges

Council proposes to levy annual and service charges for the following:

- Domestic Waste Management Charges (Section 496 LGA), including Organic/Green Waste collection and Vacant charges)
- Residential Waste Management Charges – Other (Section 501 LGA)
- Non-Residential Waste Management Charges (Section 501 LGA)
- Rural Waste Charge (Section 501 LGA)
- Stormwater Management Service Charges (Section 496A LGA)
 - Residential
 - Residential Strata
 - Business (Non-Residential)
 - Business (Non-Residential) Strata
- Water Access Charges (Section 501 LGA)
- Sewer Access Charges (Section 501 LGA)
- Water Consumption (Usage) Charges (Section 502 LGA)
- Non-Residential Sewer Usage Charges (Section 502 LGA)
- (Non-Residential) Liquid Trade Waste Charges (Section 501/502 LGA)
- On-Site Sewerage Management Administration Charge (Section 501 LGA)

Pro-rata Service Charge

The levying of service charges will be calculated pro-rata for the time that the service was made available. In instances where a historical service charge adjustment is required, this will be limited to the reimbursement or refund (or levy) of one previous financial year, in addition to the current financial year, where applicable.

Waste Management Charges

Charge Description	Amount \$	2021/22 Estimated Yield
Domestic Waste Management Annual Charge per service (1 service per Assessment)	\$474.00	\$1,934,394
Organics/Green Waste Annual Charge per service (1 service per Assessment)	\$62.00	\$229,090
Residential Waste Management – Other Annual Charge per service (1 service per Assessment)	\$474.00	\$124,662
Rural Waste Charge Annual Charge per Assessment	\$70.00	\$136,920
Unoccupied (Vacant) Waste Annual Charge per Assessment	\$70.00	\$13,440
Commercial Waste Management Annual Charge per Service	\$474.00	\$312,840

Stormwater Management Service Charges

Council levies annual Stormwater Management Charges to both residential and business properties, subject to exemptions under the Local Government Act, 1993. All revenue generated is applied to stormwater management improvements.

Charge Description	Amount \$	2021/22 Estimated Yield
Residential Stormwater Management Annual Charge	\$25.00	\$78,725
Residential Strata Stormwater Management Annual Charge	\$12.50	\$1,600
Business (Non-Residential) Stormwater Management *** \$25.00 per 350 square metres of land size, or part thereof Annual Charge – Maximum \$250.00	***	\$47,000
Business (Non-Residential) Strata Stormwater Management *** The greater of \$5.00, or the assessment's proportion of the charge that would apply if the total land area was not strata'd. Annual Charge	***	\$326

On-Site Sewerage Management Admin Charge

Charge Description	Amount \$	2021/22 Estimated Yield
On-Site Sewerage Management Administration Charge Annual Charge	\$48.00	\$74,400

Water Access Charges

Charge Description	Residential Charge Amount \$	2021/22 Estimated Yield Residential	Non-Residential Charge Amount \$	2021/22 Estimated Yield Non-Residential
Strata Water Access Charge	\$416.00	(included in 20mm below)	\$416.00	(Included in 20mm below)
Water Access Charge 20mm	\$416.00	\$1,479,296	\$416.00	\$193,648
Non-Residential Community Water Access Charge 20mm			\$208.00	
Water Access Charge 25mm	\$650.00	\$29,250	\$650.00	\$43,550
Non-Residential Community Water Access Charge 25mm			\$325.00	
Water Access Charge 32mm	\$1,065.00	\$14,910	\$1,065.00	\$17,040
Non-Residential Community Water Access Charge 32mm			\$532.50	
Water Access Charge 40mm	\$1,664.00	\$23,296	\$1,664.00	\$42,432
Non-Residential Community Water Access Charge 40mm			\$832.00	
Water Access Charge 50mm	\$2,600.00	\$23,400	\$2,600.00	\$117,000
Non-Residential Community Water Access Charge 50mm			\$1,300.00	
Water Access Charge 63mm	\$4,128.00	-	\$4,128.00	\$4,128
Water Access Charge 75mm	\$5,850.00	-	\$5,850.00	\$17,550
Water Access Charge 80mm	\$6,656.00	-	\$6,656.00	\$13,312
Non-Residential Community Water Access Charge 80mm			\$3,328.00	

Charge Description	Residential Charge Amount \$	2021/22 Estimated Yield Residential	Non-Residential Charge Amount \$	2021/22 Estimated Yield Non-Residential
Water Access Charge 100mm	\$10,400.00	\$10,400	\$10,400.00	\$57,200
Non-Residential Community Water Access Charge 100mm			\$5,200.00	
Vacant Water Access Charge	\$416.00	\$42,016	\$416.00	\$22,048
Vacant Non-Residential Community Water Access Charge			\$208.00	

Sewer Access Charges

Charge Description	Residential Charge Amount \$	2021/22 Estimated Yield	Non-Residential Charge Amount \$	2021/22 Estimated Yield
Residential Sewer Access Charge	\$624.00	\$2,094,040	-	-
Non-Residential Sewer Access Charge 20mm	-	-	\$520.00	\$162,500
Non-Residential Community Sewer Access Charge 20mm	-	-	\$260.00	
Non-Residential Sewer Access Charge 25mm	-	-	\$624.00	\$31,200
Non-Residential Community Sewer Access Charge 25mm	-	-	\$312.00	
Non-Residential Sewer Access Charge 32mm	-	-	\$728.00	\$11,648
Non-Residential Community Sewer Access Charge 32mm	-	-	\$364.00	
Non-Residential Sewer Access Charge 40mm	-	-	\$998.00	\$18,463
Non-Residential Community Sewer Access Charge 40mm	-	-	\$499.00	
Non-Residential Sewer Access Charge 50mm	-	-	\$1,248.00	\$33,072
Non-Residential Community Sewer Access Charge 50mm	-	-	\$624.00	
Non-Residential Sewer Access Charge 63mm	-	-	\$1,572.00	\$1,572
Non-Residential Sewer Access Charge 75mm	-	-	\$1,872.00	\$3,744
Non-Residential Sewer Access Charge 80mm	-	-	\$1,996.00	\$2,994
Non-Residential Community Sewer Access Charge 80mm	-	-	\$998.00	

Charge Description	Residential Charge Amount \$	2021/22 Estimated Yield	Non-Residential Charge Amount \$	2021/22 Estimated Yield \$
Non-Residential Sewer Access Charge 100mm	-	-	\$2,496.00	\$6,240
Non-Residential Community Sewer Access Charge 100mm			\$1,248.00	
Vacant Sewer Access Charge	\$364.00	\$56,420	\$364.00	\$25,844
Vacant Non-Residential Community Sewer Access Charge			\$182.00	

Water Usage Charges

Tariff (Residential & Non-Residential)	Amount \$
First 39 kilolitres (kl) per quarter	\$2.08 per kl
Use above 39 kilolitres (kl) per quarter	\$3.12 per kl
Tariff (Non-Residential Community)	Amount \$
First 39 kilolitres (kl) per quarter	\$1.56 per kl
Use above 39 kilolitres (kl) per quarter	\$2.34 per kl

Non-Residential Sewer Usage Charges

Sewer Usage	Amount \$
All usage	\$2.76 per kl

Liquid Trade Waste Charges

Charge Description	Amount \$	2021/22 Estimated Yield
Liquid Trade Waste Annual Charge	\$240.00	\$89,760
Liquid Trade Waste Usage Charge (Category 2 Business)	\$4.16 per kl	Per usage

Payment of Rates and Charges

Payment Arrangements

Council land rates and annual charges are paid in a single annual payment or by quarterly instalments. If a payment is made by a single annual payment, it is due by 31 August, and if it is paid by quarterly instalments it is due by 31 August, 30 November, 28 February and 31 May.

On or before 31 October, 31 January and 30 April, Council will send reminder notices (Instalment Notices) separately from the Rates Notice to each person paying by quarterly instalments. (s.562 NSW Local Government Act 1993).

For the payment of rates and charges, Council accepts payment by BPay, BPoint (telephone and online), cheque, money order, credit card, EFTPOS, and cash. Note that payments cannot be made by direct credit to Council's bank account.

Council provides an optional direct debit facility for the payment of rates and charges periodically (weekly, fortnightly, monthly or quarterly on nominated due dates). If a scheduled direct debit is dishonoured, a \$10.00 fee in addition to any applicable bank charges will be added onto the rates and charges balance owing.

There is no discount available for early payment of rates and charges.

Interest on Overdue Rates and Charges

Interest on overdue rates and charges shall be set in accordance with section 566(3) of the NSW Local Government Act 1993, applying the maximum rate of interest payable as determined by the Minister of Local Government. The interest rate on overdue rates and charges that is to apply for the year from 1 July 2021 to 30 June 2022 is 6.00% per annum, calculated daily.

A three day grace period will apply so that interest will not be charged on overdue balances paid within three days of the due date. If an overdue balance is not paid within the three day grace period, interest will be charged based upon the number of days since the account became overdue.

Debt Recovery

Council has a responsibility to recover monies owing to it in a timely, efficient and effective manner, to finance its operations and to ensure effective cash flow management.

Council aims to ensure effective control over debts owed to Council, including overdue rates, fees, charges, and interest, and to establish debt recovery procedures for the efficient collection of receivables and management of outstanding debts, including deferment and alternative payment arrangements in accordance with Council's Debt Recovery Policy, and relevant Ministerial advices and legislation.

Hardship Assistance

Council recognises that there are cases of genuine financial hardship requiring the appropriate respect of the circumstances, especially in light of the economic circumstances and difficulties that have resulted from Covid-19, Rate Harmonisation, and Special Rate Variation.

Council's Rates and Charges Financial Hardship Policy, and relevant Ministerial advices and related legislation, have established guidelines for the assessment of hardship applications applying the principles of fairness, integrity, confidentiality, and compliance with relevant statutory requirements.

Copies of Notices

The fee to reproduce and supply a copy of a previously issued Rates or Water & Sewer charges notice will be \$6.00 per notice, payable in advance. A copy of a previously issued notice shall only be supplied to the owner of the property (or their nominated and correctly authorised agent) for the period of which the notice is requested.