

**CCL001-21 New Rates 2021**  
(Report by Chief Financial Officer)

**RECOMMENDATION:** The Mayor, Councillor Greene and Councillor Katris

1. Financial Sustainability

- (a) That Council acknowledge the concerns expressed by the Audit Risk and Improvement Committee at its July 2020 meeting, over the projected operating and cash flow deficits and that the estimates indicate that Council will not be financially sustainable and this will expose Council to significant risks to service delivery, governance and reputation.
- (b) That Council note the Audit Risk and Improvement Committee has recommended that Council consider measures to immediately address the key financial sustainability risk, particularly in regard to increasing revenues to secure Council's immediate and long term future.
- (c) That Council notes the forecast operating financial sustainability issues have accelerated from original estimates due to COVID-19 higher than anticipated costs and reduced income in 2019/20 and 2020/21.
- (d) That Council note the findings of the NSW Productivity Commission December 2020 report, that the average rates per capita in NSW (\$591 in 2019) are significantly lower than the average for all other states (\$835) and for Georges River (\$454).

2. Community Engagement

- (a) That Council notes the outcome of the comprehensive and thorough community engagement program during 2019 and 2020 for the proposed New Rates 2021, which:
  - i. Affirmed strong community support for a single rating system including support for the minimum rates for business and residential as proposed in 2020, including 100% support by members of the Citizen Advice Group and 89% of webinar participants; and
  - ii. Demonstrated a multi-year Special Rate Variation of 5.8% in 2021/22 (3.3% Special Rate Variation and 2.5% assumed rate peg), followed by 5.8% per year for 4 years has considerable community support, including 100% support by members of the Citizen Advice Group and 65% of webinar participants in 2020.
- (b) That Council note the community's lack of support for a reduction in the

level or standard of services provided by Council.

- (c) That Council adopt the revised Long Term Financial Plan within the Resourcing Strategy.

3. IPART Applications

- (a) That consistent with community support and desire for a fairer and more equitable rate structure, Council submits a Minimum Rate application to the Independent Pricing and Regulatory Tribunal (IPART) to harmonise the residential minimum rates for rateable residential properties to \$965.80.
- (b) That consistent with community support and desire for a fairer and more equitable rate structure, Council submits a Minimum Rate application to IPART to harmonise the ordinary business minimum rates for rateable business properties to \$1,100.
- (c) That consistent with community support and desire for a fairer and more equitable rate structure, Council submits a Minimum Rate application to IPART to harmonise the business subcategory minimum rate for the Strategic Centres of Kogarah and Hurstville to \$1,500.
- (d) That consistent with community support and desire for a fairer and more equitable rate structure, Council submits a SRV application to IPART to seek a permanent increase to general permissible rate income of 5.8% per year for 5 years (comprising 3.3% SRV and an assumed IPART rate peg of 2.5% per year).
- (e) That consistent with the adopted Budget Strategy since 2016, and in conjunction with the SRV application, Council continues to identify operating savings and/or additional operating income of \$12 million to establish a financially sustainable future for Georges River Council.
- (f) That Council adopts the submissions to IPART, as attached to this report:
- IPART Application form Part A Special Variation 2021/22;
  - IPART Application form Part B Special Variation 2021/22;
  - IPART Application form Part A Minimum Rate Increase 2021/22; and
  - IPART Application form Part B Minimum Rate Increase 2021/22.
- (g) That the Council website is updated with a link for community members to continue to provide feedback on the proposed rating system application, while it is being assessed by IPART.
- (h) That Council note that the IPART applications are required to be submitted before 9 February 2021.
- (i) That the General Manager be delegated authority to undertake any necessary minor administrative or editorial changes, to the submission to IPART.



4. Service/Staff Reductions and Deletions

- (a) That should Council not proceed with the IPART application to increase the total rate income the General Manager immediately proceed with the reduction in services including the removal of 40 staff positions across the service areas identified in this report.

5. Exposure Draft Bill

- (a) That Council note the Exposure Draft of a Bill on the local government rating system does not include any options that would resolve Council's financial challenges.
- (b) That the General Manager prepare a report to Council following the introduction of the Draft Bill to Parliament (estimated March/April 2021), on any financial options that may become available for inclusion in Council's draft 2021/22 Budget process.

**Record of Voting:**

For the Motion: The Mayor, Cr Greene, Deputy Mayor Councillor Agius and Councillors Badalati, Elmir, Grekas, Katris, Konjarski, Landsberry, Liu, Payor, Symington and Tegg.

Against the Motion: Councillors Hindi (abstained) and Kastanias

