



BUSINESS PAPER

EXTRAORDINARY MEETING OF COUNCIL

To be held at 5:00 pm on

Monday 25 July 2022

Council Chambers, Level 10,
Council Administration Building, 41 Burelli Street, Wollongong

(Note: In accordance with the Code of Meeting Practice, Councillors will be able to attend and participate in this meeting via electronic means)

Order of Business

- 1 Opening Meeting
- 2 Acknowledgement of Traditional Custodians
- 3 Civic Prayer
- 4 Apologies
- 5 Conflicts of Interest
- 6 Petitions and Presentations
- 7 Public Access Forum
- 8 Call of the Agenda
- 9 Lord Mayoral Minute
- 10 Urgent Items
- 11 Reports to Council
- 12 Confidential Business
- 13 Conclusion of Meeting

Members

Lord Mayor –
Councillor Gordon Bradbery AM (Chair)
Deputy Lord Mayor –
Councillor Tania Brown
Councillor Ann Martin
Councillor Cameron Walters
Councillor Cath Blakey
Councillor David Brown
Councillor Dom Figliomeni
Councillor Elisha Aitken
Councillor Janice Kershaw
Councillor John Dorahy
Councillor Linda Campbell
Councillor Mithra Cox
Councillor Richard Martin

QUORUM – 7 MEMBERS TO BE PRESENT

Statement of Ethical Obligations

In accordance with clause 3.23 of the Model Code of Meeting Practice, released by the NSW Office of Local Government, Councillors are reminded of their Oath or Affirmation of Office made under section 233A of the Act and their obligations under Council's Code of Conduct to disclose and appropriately manage conflicts of interest

OATH OR AFFIRMATION OF OFFICE

The Oath or Affirmation is taken by each Councillor whereby they swear or declare to undertake the duties of the office of councillor in the best interests of the people of Wollongong and Wollongong City Council and that they will faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the *Local Government Act 1993* or any other Act to the best of their ability and judgment.

CONFLICTS OF INTEREST

All Councillors must declare and manage any conflicts of interest they may have in matters being considered at Council meetings in accordance with the Council's Code of Conduct. All declarations of conflicts of interest and how the conflict of interest was managed will be recorded in the minutes of the meeting at which the declaration was made.

Councillors attending a meeting by audio-visual link must declare and manage any conflicts of interest they may have in matters being considered at the meeting in accordance with Council's Code of Conduct. Where a councillor has declared a pecuniary or significant non-pecuniary conflict of interest in a matter being discussed at the meeting, the councillor's audio-visual link to the meeting will be suspended or terminated for the time during which the matter is being considered or discussed by Council, or at any time during which Council is voting on the matter.

Councillors should ensure that they are familiar with Parts 4 and 5 of the Wollongong City Council **Code of Conduct for Councillors** in relation to their obligations to declare and manage conflicts of interests.

Staff should also be mindful of their obligations under the Wollongong City Council **Code of Conduct for Staff** when preparing reports and answering questions during meetings of Council.

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ITEM 1 ADJUSTMENT TO MAKING OF RATES FOR 2022-23

Council at its meeting of 27 June 2022 ‘made the rates’ for 2022-23 by resolution as part of the Our Wollongong Our Future Integrated Planning process. After that adoption, a minor error has been identified that requires a reduction to the rates in the dollar for all ordinary rates to ensure Council complies with its allowed General Income or Rate Peg. The variation will not impact Council’s budget but will allow a reduction in the average rate increases from around 1.9% to 1.78%.

RECOMMENDATION

- 1 Council amends its Revenue Policy, Fees & Charges 2022-2023 adopted on 27 June 2022, to adjust the rates in line with the revised rates table included within this report.
- 2 Council make the revised rates for the period 1 July 2022 to June 2023 as specified in the table below inclusive of the special rate variation of 1.8% approved by the Independent Pricing and Regulatory Tribunal (IPART).

Rating Category	Name of sub-category	Number of Properties	Ad Valorem Rate *	Amount \$	Percentage Total Rate	Notional Income Yield
Residential		81,012.90	0.00202636	\$796.31 (B)	50.00%	129,023,015
Farmland		121.00	0.00147095	\$1046.09 (M)	4.13%	340,054
Business	Ordinary	295.00	0.00208051			53,124
Business	Commercial	2,095.15	0.01309066	\$1046.09 (M)	11.79%	21,666,368
Business	3c Regional Business	280.48	0.01656030	\$936.70 (M)	4.99%	6,944,307
Business	Light Industrial	1,330.47	0.01013789	\$1046.09 (M)	33.37%	6,985,971
Business	Heavy Industrial	478.00	0.01647128	\$1046.09 (M)	24.69%	7,304,337
Business	Heavy 1 Activity 1	39.00	0.02566445	\$936.70 (M)	2.56%	8,878,732
Mining		12.00	0.01190666	\$1046.09 (M)	16.67%	996,120
Special Rates	Wollongong Mall Rate	73.00	0.00664115			1,241,092
Special Rates	City Centre Rate	670.19	0.00064411			442,763
* Ad valorem Rate is presented as rate in dollar as this is how it will be presented on the rate notice					TOTAL	183,875,884
(B) = Base Amount, (M) = Minimum Rate						

REPORT AUTHORISATIONS

Report of: Brian Jenkins, Chief Financial Officer
 Authorised by: Renee Campbell, Director Corporate Services - Connected + Engaged City

ATTACHMENTS

There are no attachments for this report.

BACKGROUND

At its meeting of 27 June 2022 Council resolved that “Council make the rates and annual charges for the period 1 July 2022 to June 2023 as specified in the Post Exhibition Revenue Policy 2022-2023 and note the minor changes from those exhibited in the draft Revenue Policy, Fees and Charges endorsed on 2 May 2022, including the special additional rate variation increase of 1.8% (approved by the Independent Pricing and Regulatory Tribunal (IPART)).”

After the adoption of the rates, as staff were completing their final checks and balances in preparation for rate issue, it was identified that the potential billing run (Total Rates Notices) was going to exceed the allowable permissible income. On investigation, it was identified that there was an error in the number of minimum charges in Light Industrial properties recorded, and that had caused an understatement in our original rating model. The understatement was due to a late, but significant, change to a property that had been subdivided into a large number of strata titles, each being below the minimum value, and each property now incurring a minimum charge of \$1046.09. This change would have resulted in total rates exceeding the permissible income of \$183,875,884 by around \$252,000.

An adjustment to the rates in the dollar through a Council resolution would provide an opportunity to reduce the rates for all ordinary rates across each Category and Subcategory without impacting the budget and ensuring Council will be within the allowable permissible income limits.

The revised rates and charges and the revised estimated yields are detailed in the two tables below. It is noted that the Ad Valorem (Rates in the Dollar) has decreased for all Ordinary Rates and the Base Charge has reduced for Residential property. The minimum charges for all Business categories have remained unchanged as have the Special Rates. The Revised Notional Income has changed slightly due to rounding.

Rating Category	Name of sub-category	Number of Properties	Adopted Ad Valorem Rate *	Adopted Base Amount \$	Revised Ad Valorem Rate *	Revised Base Amount \$
Residential		81,012.90	0.00202887	\$797.29 (B)	0.00202636	\$796.31 (B)
Farmland		121.00	0.00147277	\$1046.09 (M)	0.00147095	\$1046.09 (M)
Business	Ordinary	295.00	0.00208308		0.00208051	
Business	Commercial	2,095.15	0.01310682	\$1046.09 (M)	0.01309066	\$1046.09 (M)
Business	3c Regional Business	280.48	0.01658075	\$936.70 (M)	0.01656030	\$936.70 (M)
Business	Light Industrial	1,330.47	0.01015033	\$1046.09 (M)	0.01013789	\$1046.09 (M)
Business	Heavy Industrial	478.00	0.01649162	\$1046.09 (M)	0.01647128	\$1046.09 (M)
Business	Heavy 1 Activity 1	39.00	0.02569614	\$936.70 (M)	0.02566445	\$936.70 (M)
Mining		12.00	0.01192137	\$1046.09 (M)	0.01190666	\$1046.09 (M)
Special Rates	Wollongong Mall Rate	73.00	0.00664115		0.00664115	
Special Rates	City Centre Rate	670.19	0.00064411		0.00064411	

* Ad valorem Rate is presented as rate in dollar as this is how it will be presented on the rate notice

Rating Category	Name of sub-category	Number of Properties	Revised Ad Valorem Rate *	Revised Base Amount \$	Adopted Notional Income	Revised Notional Income
Residential		81,012.90	0.00202636	\$796.31 (B)	129,182,316	129,023,015
Farmland		121.00	0.00147095	\$1046.09 (M)	340,468	340,054
Business	Ordinary	295.00	0.00208051		53,190	53,124
Business	Commercial	2,095.15	0.01309066	\$1046.09 (M)	21,690,704	21,666,368
Business	3c Regional Business	280.48	0.01656030	\$936.70 (M)	6,952,867	6,944,307
Business	Light Industrial	1,330.47	0.01013789	\$1046.09 (M)	6,772,202	6,985,971
Business	Heavy Industrial	478.00	0.01647128	\$1046.09 (M)	7,313,205	7,304,337
Business	Heavy 1 Activity 1	39.00	0.02566445	\$936.70 (M)	8,889,694	8,878,732
Mining		12.00	0.01190666	\$1046.09 (M)	997,348	996,120
Special Rates	Wollongong Mall Rate	73.00	0.00664115		1,241,092	1,241,092
Special Rates	City Centre Rate	670.19	0.00064411		442,763	442,763
* Ad valorem Rate is presented as rate in dollar as this is how it will be presented on the rate notice					183,875,849	183,875,884
(B) = Base Amount, (M) = Minimum Rate						

As this proposed amendment to the rates and charges is a reduction in cost to the advertised and adopted charges it is considered that there is not a requirement to re-engage with the community on the change. On average the revised charges will result in a 1.78% increase in rates for 2022-23 as opposed to the original 1.9% average increase that was reported and adopted in June.

PROPOSAL

It is proposed that Council adjust the rates and charges adopted on 27 June 2022 and replace them with the lower rate charges provided in the following table. It is also proposed that the Revenue Policy tables be updated to reflect the new rates in the dollar, base rate and minimum charges shown below.

Rating Category	Name of sub-category	Number of Properties	Ad Valorem Rate *	Amount \$	Percentage Total Rate	Notional Income Yield
Residential		81,012.90	0.00202636	\$796.31 (B)	50.00%	129,023,015
Farmland		121.00	0.00147095	\$1046.09 (M)	4.13%	340,054
Business	Ordinary	295.00	0.00208051			53,124
Business	Commercial	2,095.15	0.01309066	\$1046.09 (M)	11.79%	21,666,368
Business	3c Regional Business	280.48	0.01656030	\$936.70 (M)	4.99%	6,944,307
Business	Light Industrial	1,330.47	0.01013789	\$1046.09 (M)	33.37%	6,985,971
Business	Heavy Industrial	478.00	0.01647128	\$1046.09 (M)	24.69%	7,304,337
Business	Heavy 1 Activity 1	39.00	0.02566445	\$936.70 (M)	2.56%	8,878,732
Mining		12.00	0.01190666	\$1046.09 (M)	16.67%	996,120
Special Rates	Wollongong Mall Rate	73.00	0.00664115			1,241,092
Special Rates	City Centre Rate	670.19	0.00064411			442,763
* Ad valorem Rate is presented as rate in dollar as this is how it will be presented on the rate notice					TOTAL	183,875,884
(B) = Base Amount, (M) = Minimum Rate						

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2032 Goal 4, we are a connected and engaged community

It specifically delivers on core business activities as detailed in Corporate Strategy Service Plan 2022-23 to deliver development of the ten year Community Strategic Plan, Council’s four year Delivery Program, and Operational Plan.

Council is required to make the rates prior to 1 August each year. This recommendation will ensure Council meets its statutory obligations for making the rates and complying with permissible General Income.

RISK MANAGEMENT

This report ensures Council’s compliance with the Local Government Act, 1993 in relation to the making and issuing of rates for 2022-2023.

FINANCIAL IMPLICATIONS

The adjustment to the Rates in the Dollar and Base Charge does not impact the 2022-2023 Budget (no change) but ensures compliance with the legislation in terms of the allowable General Income requirements or Rate Peg.

CONCLUSION

The changes to the making of the rate proposed in this report will ensure compliance with Local Government legislation and create a lower than previously adopted rate for Council ratepayers.