

GM3) UPCOMING FEDERAL ELECTION – ALGA (E.01-03, SC159)

The Australian Local Government Association (ALGA) have provided Council with a list of National priorities that will form the basis of their campaign advocating for improvements to Local Government Industry at the upcoming Election.

- Of the 17 items identified, (please see attached) not all relate specifically to Coolamon Shire Council. However, as an industry, it is important to support our National Industry body as it advocates and negotiates with the Federal Government in regard to Local Government issues. Attachment No. 3

Recommendation

That Council supports the National Funding Priorities of the Australian Local Government Association (ALGA) in advocating for the 17 identified priorities which would contribute an estimate of \$6.46 Billion per year to Australia's GDP and create 43,444 jobs.

RESOLVED on the motion of Cllr Maslin and seconded by Cllr Hatty that Council supports the National Funding Priorities of the Australian Local Government Association (ALGA) in advocating for the 17 identified priorities which would contribute an estimate of \$6.46 Billion per year to Australia's GDP and create 43,444 jobs. 38/03/2022

GM4) RATE PEGG (R.04-05, SC325)

IPART recently determined a rate peg of 0.7% to be used by Councils as part of their annual increase to rates.

As a sector, Local Government was extremely disappointed with this outcome and believed that the financial indicators used by IPART to determine this figure were flawed. This was an industry wide response to this outcome that was believed to be well below expectation and market conditions.

- RERO has written a letter to IPART expressing its concerns and belief that it is a structurally flawed percentage increase. A copy was distributed to numerous Politicians including the Premier. Please see attached letter. Attachment No. 6.1

In addition, Local Government NSW also made representations on the Industry's behalf seeking that this determination be reviewed.

→ As a result of these numerous representations and responses to the Office of Local Government, the new Minister has released a Statement advising that an opportunity will be provided for a special rates variation specifically associated with this year's IPART determination. Please see attached. Attachment No. 6.2

→ Councils will be permitted to increase their rate peg up to the amount identified in their Long Term Financial Plan, capped at a maximum of 2.5%. Attachment No. 6.3

Coolamon Shire Council, in last year's Long Term Financial Plan, identified a 2.5% general rate peg increase. This was based on Award wage increases, ESL, fuel prices and general cost of operating expenses.

In order to participate in this special rate variation, Council need to determine by resolution that they will seek the permitted special rate variation.

It is considered that there are two important issues to consider in applying for the special rate variation:

- The first being that any reduction in not using the maximum rate peg has a long term financial effect that is extenuated over time. For example, if Council only took a 0.7% rate peg then the base for next year's rates will be lower and compound over the subsequent years. This creates a large reduction in income by the time you have reached the 10th year in your Long Term Financial Plan.
- The second issue is that the Industry has fought very hard to identify and advocate for the inadequacies of this determined rate peg by IPART and failure to take it up would only be supporting IPART's ill determined rate peg figure and undermining the sectors advocacy.

The rate peg nominated by IPART at 0.7% is an income of approximately \$18,000, which is significantly under our previous budget estimates. A 2.5% rate peg is approximately \$64,000. The additional \$46,000 is spread across 2,900 ratepayers, an approximate \$16.00 difference per annum for each ratepayer.

This income is important in Council maintaining the services that it currently provides. Any erosion in this cost creates pressure on our ability to meet community expectations and can ultimately mean decisions need to be made to cut or reduce these services.

Council has long held the opinion that it is better to take the maximum increases annually, rather than get to a position where a special rate variation is required to maintain ongoing operations.

Recommendation

- 1) That Coolamon Shire Council resolves to apply for a permanent special variation under Section 508(2) of the Act for the 2022/2023 financial year to include a 2.5% rate peg in accordance with the previously advertised Long Term Financial Plan.
- 2) That in resolving the above, Council acknowledges:
 - That this is \$46,000 above the stated 0.7% IPART determination.
 - That this will ensure Council can continue to maintain its current services.
 - That the rate is considered reasonable.

RESOLVED on the motion of Clr Crocker and seconded by Clr Hutcheon: 39/03/2022

- 1) **That Coolamon Shire Council resolves to apply for a permanent special variation under Section 508(2) of the Act for the 2022/2023 financial year to include a 2.5% rate peg in accordance with the previously advertised Long Term Financial Plan, and**
- 2) **That in resolving the above, Council acknowledges:**
 - **That this is \$46,000 above the stated 0.7% IPART determination.**
 - **That this will ensure Council can continue to maintain its current services.**
 - **That the 2.5% rate peg is considered reasonable.**

**GM5) COOLAMON BUSINESS PARK - DEED OF COMPULSORY ACQUISITION
(I.03-14, SC1066)**

Coolamon Shire Council has finally received the Deed of Compulsory Acquisition in regard to the additional land owned by Transport for NSW associated with the Coolamon Business Park. Coolamon Shire Council has been working with the Authority to ensure that all conditions of this sale are met.

- a) Council will now need to return the signed copy to Transport for NSW.
- b) Send a copy to the Office of Local Government.
- c) Commence the draft Contract of Sale with Commins Hendriks.

All of these matters have been dealt with under previous resolutions of Council, however, at this point this report is advising where this situation is currently up to.