



BUSINESS PAPER

EXTRAORDINARY MEETING OF COUNCIL

To be held on

Tuesday, 29 June 2021
5:30pm

at

Armidale Council Chambers

Members

Councillor Ian Tiley (Mayor)
Councillor Debra O'Brien (Deputy Mayor)
Councillor Peter Bailey
Councillor Jon Galletly
Councillor Andrew Murat
Councillor Margaret O'Connor
Councillor Dorothy Robinson

AGENDA

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Item:	5.1	Ref: AINT/2021/16631
Title:	Integrated Planning and Reporting - Adoption of 2021-2022 Operational Plan and Budget	Container: ARC20/4344
Responsible Officer	General Manager	
Author:	Renata Davis, Principal Advisor - Corporate Planning	
Attachments:	1. Operational Plan and Budget 2021-2022 2. Revenue Policy 2021-2022 3. Fees and Charges 2021-2022 4. Deferred and Deleted Budget Items 5. Public Submissions - Operational Plan and Budget 2021-2022	

1. Purpose

The purpose of this report is to present the submissions received following public exhibition of the Draft Operational Plan and Budget 2021-2022, Draft Revenue Policy 2021-2022 and Draft Fees and Charges 2021-2022 and seek adoption of the final documents in accordance with the Integrated Planning and Reporting (IP&R) statutory timeframes.

2. OFFICERS' RECOMMENDATION:

That Council:

- a) Receive and note the submissions contained in the report on the following Integrated Planning and Reporting documents:
 - Draft Operational Plan and Budget 2021-2022;
 - Draft Revenue Policy 2021-2022; and
 - Draft Fees and Charges 2021-2022.
- b) Adopt the following final 2021-2022 Integrated Planning and Reporting documents, including amendments made following public exhibition as outlined in this report:
 1. Operational Plan and Budget 2021-2022;
 2. Revenue Policy 2021-2022; and
 3. Fees and Charges 2021-2022.
- c) Note that the proposed four year rates harmonisation implementation framework effective 1 July 2021 was consulted on as part of the public exhibition process and has been incorporated into the Revenue Policy 2021-2022.

3. Background

On 26 May 2021 Council resolved:

That Council:

- a) Approve the inclusion of the 10.5% permanent Special Rate Variation determined by IPART in the Draft Operational Plan and Budget 2021-2022 and associated documents;

- b) Endorse the following draft documents for public exhibition for a minimum period of 28 days pursuant to the requirements of the NSW *Local Government Act 1993*:
 1. Draft Operational Plan and Budget 2021-2022;
 2. Draft Revenue Policy 2021-2022; and
 3. Draft Fees and Charges 2021-2022.
- c) Note that the community engagement will also cover the proposed four year rates harmonisation implementation framework effective 1 July 2021;
- d) Note that the Draft Operational Plan and Budget 2021-2022 public exhibition period will run from Friday, 28 May to Thursday, 24 June 2021; and
- e) Following the exhibition period a report be presented to Council, which outlines community submissions received, along with the final 2021-2022 Integrated Planning and Reporting documents.

4. Discussion

In compliance with the legislation, the following suite of documents was placed on public exhibition from 28 May 2021 to 24 June 2021:

- Draft Operational Plan and Budget 2021-2022 (including the operational and capital budget)
- Draft Revenue Policy 2021-2022
- Draft Fees and Charges 2021-2022

Council was also required to include the proposed four year rates harmonisation implementation framework effective 1 July 2021 in the consultation process as part of the public exhibition process.

Community feedback received during the public exhibition period is summarised in this report and final copies of the above documents are annexed to this report.

Council's 2021-2022 Operational Plan and Budget has been formed with a Back to Basics approach and is focussed on ensuring the delivery of core services is maintained and that there is an appropriate level of funding directed towards key areas including asset maintenance and renewal.

In formulating the Operational Plan and Budget, Council has had to ensure that the Performance Improvement Order and associated actions are resourced and that what Council presented to IPART in the Special Rate Variation application is reflected in the budget.

This has required strong discipline to ensure that there is no increase in service levels proposed, that financial reserves are at least preserved and that funding is prioritised towards asset renewal.

The 2021-2022 budget position Council has reached is balanced and ensures that it can afford the service levels proposed. However, the budget position is very lean and does not permit expenditure to be undertaken for anything other than what has been proposed in the Operational Plan.

It will be important for this to be recognised by the community now and into the future as the Council will have to continue this path and be run prudently and with a back to core services approach from here as there will not be funding available to do anything else.

Community Engagement and Public Submissions

Following endorsement at the Council Meeting on 27 May 2021, three Integrated Planning and Reporting documents were placed on public exhibition (from 29 May to 24 July 2021) for the legislated 28 day period, these were:

- Draft Operational Plan and Budget 2021-2022
- Draft Revenue Policy 2021-2022
- Draft Fees and Charges 2021-2022

During the submission period, Council received:

17 Formal Submissions

7 attendees for Guyra Public Meeting (and 5 attendees online)

7 attendees at Armidale Public Meeting (and 10 attendees online)

268 visitors to the Your Say page, 0 informal Your Say forum comments

Armidale Regional Council has noted and considered the submissions - both formal and informal. It has determined if any changes are required to be made, or can reasonably be made with available resources, in response to the submissions.

Formal Submissions

Council appreciates the time and effort taken by those who provided feedback on the Operational Plan and Budget and associated documents. There were 17 formal submissions made by community members. These are submissions that are addressed to the CEO and are sent to the Council email address or post office address. All Formal Submissions are attached to this report. Below is a list of the submissions and the Council Staff Recommendation in response:

Submitter	Council Staff Recommendation in Response to Submission
<i>Submission 1</i> Steve McMillan	Council acknowledges the submitters request for \$65,000 for Sports Council. Expenditure across many areas of the organisation has been impacted by the organisation's poor cash position and associated financial constraints and this has been subject to a high level of scrutiny over the past 12 months. Due to its current financial position, Council is unable to accommodate any additional expenditure. Council is working with the Sports Council to direct player levies into a Trust for use at the discretion of the Sports Council on its priority projects list. Within Council's 2021-2022 operational budget \$711k in direct costs annually is allocated towards sportsfield maintenance and Council is actively seeking grant funding opportunities to provide funding towards capital initiatives in consultation with the Sports Council. An example is \$350,000 recently awarded to Council under the Regional Sport Facility Fund for Lynches Road Netball Courts Lighting Installation.
<i>Submission 2</i> Dan Calvert	In response to this submission, Council will amend wording around the Special Rate Variation (SRV) on pages 8 and 11. It will be modified to reflect the submitter's suggestion about the community's response to the SRV. In terms of community support for the SRV options, the combination of written responses and telephone survey results demonstrated that the majority support was for Council to maintain services at the current level. However, it is acknowledged that support was also shown for the reduced services option.

	<p>Full Time Equivalent staff numbers have been added to Page 4 of the Operational Plan. Council's adopted organisation structure has also been included and reflects the revisions made of 24 March 2021 to have three main Divisions of Council. A review of the composition and alignment of the departments allocated to each of these divisions is currently being undertaken.</p> <p>The broad nature of services provided by Council necessitates an appropriate structure to manage those functions in compliance with legislation. With \$1 billion in infrastructure under control and management, Council is required to manage a range of significant risks and requires technical expertise at all levels in the organisation to ensure assets are being adequately maintained and the services provided by way of those assets are delivered in a manner that ensures public safety. Some of the regulatory functions of Council include:</p> <ul style="list-style-type: none">• acting as planning and regulatory authority• acting as water supply authority• acting as roads authority• managing public land; and• provision of waste services. <p>The complexity created by delivering a broad range of services that are essentially all quite different – from running an airport through to approving development applications – means that Council's structure must accommodate the necessary skills and expertise to undertake those functions.</p> <p>Regarding the breakdown of information, Councillors have been provided a full list of departmental costs, however Council doesn't deem it beneficial to present these to the community as they are lengthy in nature and Council seeks to provide information in a consumable and summarised manner.</p> <p>Council appreciates the submitter's effort in identifying potentially deferred items, however a majority of these items are grant funded and must be delivered as per the terms of the grant.</p>
<p><i>Submission 3</i> Helen MacDonald</p>	<p>In response to this submission, the following changes have been made:</p> <ul style="list-style-type: none">• All grant projects have been marked as such in the Operational Plan list.• An explanation about the grant funding requirements has been added on page 8.• The total project cost has been added to the Guyra Main Street Project. <p>Due to its financial position, Council is unable to provide any increases to services, including to City Spaces and Management in Guyra, in the 2021-22 Budget.</p> <p>The \$300,000 for change management costs will be utilised to embed the renewed structure and implement organisational culture improvements. A proportion of this may be to engage consultants, however only where Council requires external assistance and advice.</p> <p>The investment associated with the Performance Improvement Order of \$990,000 is to ensure Council is compliant with legislation and is a mandatory requirement. Actions and progress on the Performance Improvement Order are reported back to the Minister for Local Government.</p>

<p><i>Submission 4</i> Peter Hoare</p>	<p>Due to its current financial position, Council is unable to accommodate any additional expenditure than is outlined in the Budget, however through paid and volunteer staff we are maintaining regular opening hours for Armidale Folk and Hillgrove Museums (Railway Museum is currently closed due to COVID-19 restrictions). Council notes that further grant opportunities are being sought for the Armidale Folk Museum through an Operational Plan action. Council contributes significant amounts to organisations such as NERAM and NECOM, and for many years has contributed to Indigenous Programs including the Aboriginal Cultural Centre and Keeping Place.</p>
<p><i>Submission 5</i> Graham Wilson OAM</p>	<p>Due to its current financial position, Council is unable to accommodate any additional expenditure than is outlined in the Budget, however through paid and volunteer staff we are maintaining regular opening hours for Armidale Folk and Hillgrove Museums (Railway Museum is currently closed due to COVID-19 restrictions). Council notes that further grant opportunities are being sought for the Armidale Folk Museum through an Operational Plan action.</p> <p>In regard to a Heritage Advisor, Council engages an external Heritage Advisor where required for Heritage-based applications.</p>
<p><i>Submission 6</i> NSW Farmers Guyra Branch Callan Schaefer</p>	<p>Council acknowledges the importance of rural roads to the many businesses that rely on them. This year's Budget includes a total increase of \$1.9 million for rural road maintenance, resealing and gravel re-sheeting compared to the 2020-2021 budget. Council will continue to seek to improve current service levels wherever financially feasible and holistically sustainable, acknowledging the challenges presented by the various competing community priorities and the community's capacity and willingness to fund such.</p> <p>Rate harmonisation is a mandatory process required by the NSW Government, however rates will now be harmonised across a four year period following legislation recently passed in the NSW Parliament. This will assist with mitigating negative impacts on individual ratepayers.</p> <p>The 2021-2022 Budget includes a total of \$5.3 million in expenditure on rural roads. Ordinary rates from farmland will contribute approximately \$5 million to Council's funding sources in 2021-2022. It is recognised that many of Council's public services, such as pools, parks and libraries are available for access by everyone in the community and therefore it is reasonable to assume that a contribution to these services should be made by all ratepayers.</p> <p>In response to a rural waste voucher system, Councillors voted against adopting the implementation of a voucher system due to its burden on other waste service users.</p>
<p><i>Submission 7</i> Brian Halstead</p>	<p>Council will take the submitters' suggestions with regard to readability into consideration for next year's Budget. Council will be undertaking a complete rebuild of its suite of Integrated Planning and Reporting Documents in the coming year and Council's recently appointed General Manager has publicly noted that there will be a number of changes made to the format and presentation of this information for the 2022-23 Budget.</p>
<p><i>Submission 8</i> Jill Walker</p>	<p>Due to its current financial position, Council is unable to accommodate any additional expenditure than is outlined in the Budget, however Council is committed to continuing to contribute to the operational costs of the Hillgrove Museum. There is currently funding in the budget to fund a part-time staff member to, among other arts, culture and</p>

	heritage tasks, coordinate volunteers for the Hillgrove Museum and oversee the preservation of the collection. However, this role is currently vacant and Council will determine the timing of the recruitment based on prioritisation in-line with its commitment to fill all funded current vacant roles.
<i>Submission 9</i> Robert Lanz	Due to its current financial position, Council is unable to accommodate any additional expenditure than is outlined in the Budget, however Council is committed to continuing to contribute to the operational costs of the Hillgrove Museum. There is currently funding in the budget to fund a part-time staff member to, among other arts, culture and heritage tasks, coordinate volunteers for the Hillgrove Museum and oversee the preservation of the collection. However, this role is currently vacant and Council will determine the timing of the recruitment based on prioritisation in-line with its commitment to fill all funded current vacant roles.
<i>Submission 10</i> Louise Kelly	There is currently funding in the budget to fund a part-time staff member to, among other arts, culture and heritage tasks, coordinate volunteers for the Hillgrove Museum and oversee the preservation of the collection. However, this role is currently vacant and Council will determine the timing of the recruitment based on prioritisation in-line with its commitment to fill all funded current vacant roles.
<i>Submission 11</i> Jason Walker	There is currently funding in the budget to fund a part-time staff member to, among other arts, culture and heritage tasks, coordinate volunteers for the Hillgrove Museum and oversee the preservation of the collection. However, this role is currently vacant and Council will determine the timing of the recruitment based on prioritisation in-line with its commitment to fill all funded current vacant roles.
<i>Submission 12</i> Edward Barry	There is currently funding in the budget to fund a part-time staff member to, among other arts, culture and heritage tasks, coordinate volunteers for the Hillgrove Museum and oversee the preservation of the collection. However, this role is currently vacant and Council will determine the timing of the recruitment based on prioritisation in-line with its commitment to fill all funded current vacant roles. Any sale of Council land would be in accordance with and subject to Council's Land Divestment Strategy.
<i>Submission 13</i> Judith Grieve OAM	There is currently funding in the budget to fund a part-time staff member to undertake arts, culture and heritage programs including overseeing the preservation of the museums and their collections. However, this role is currently vacant and Council will determine the timing of the recruitment based on prioritisation in-line with its commitment to fill all funded current vacant roles. In the past Council has applied for grants to engage specialist heritage advisors and will continue to seek funding opportunities as required.

Submission 14
 New England Greens

Armidale Regional Council has a large water infrastructure renewal program over the next decade to manage ageing assets. This capital works program is required to provide safe and secure water to residents and businesses.

The water access charge is a fixed charge for the ability to access Council's water supply service and is not a consumption charge. Council's recommended 2021-2022 water access charge at \$300 is relatively low compared to many council's in the New England North West region. Water consumption charges are for actual usage and are set at the following rates in the 2021-2022 Revenue Policy:

Water Consumption Tariff	Stepped Consumption Tariff per Quarter	\$ per Kilolitre
Residential, Commercial and Untreated Water Consumption Stepped Tariff	0 to 100 kilolitres	\$4.20
	101 to 250 kilolitres	\$4.30
	above 250 kilolitres	\$4.60
Non-rateable and Non Profit-Sporting Flat Rate	N/A	\$4.60
Intensive Horticulture – Treated Bulk Water Flat Rate	N/A	\$3.10

Council's estimates for water revenue in 2021-2022 already incorporate an assumed increase of 10% consumption. However, negative impacts on water consumption volumes continue to be experienced due to Covid-19 and many customers took the opportunity during the drought to introduce permanent water saving measures. As a result, based on the most recent information available, an increase in revenue above the 2021-2022 budget is not expected. It is difficult to forecast water consumption with a high level of accuracy due to these factors and the risk remains that a drought situation could occur again. At this time, it is deemed prudent to apply the charges set in the 2021-2022 Revenue Policy to ensure that the operations and maintenance of the water reserve are maintained, as water is an essential community service.

Due to its current financial position, Council is unable to accommodate any additional expenditure. However, Council continues to support community education about heating options and air quality through its sustainability initiatives action item (page 48 or the Operational Plan). This action includes to provide 'air quality education/advocacy programs to improve air quality across the region' during the 2021-2022 Financial Year. Budget for Air Quality and Woodsmoke community Education at Markets was included on the 'Deferred and Deleted Budget Items' list for Councillors' consideration. Council is endeavouring to still carry out a portion of this work as part of Council's regular market stalls.

<p><i>Submission 15</i> Helen Webb</p>	<p>The action item relating to Council’s emissions reduction does not include the purchase of renewable energy, it is an information seeking and distribution project that will inform future actions in relation to Council’s response to climate change.</p> <p>Regarding budget inclusions, \$30,000 for the SNELC Memorandum of Understanding is included in the budget. No budget allocation for Project Zero30 is included, however staff will continue to work on the project.</p> <p>Regarding the Dumaresq Creek rehabilitation works, Council is still in the preliminary stages of the project and no project manager has been engaged.</p>
<p><i>Submission 16</i> Armidale Regional Ratepayers Association</p>	<p>Council will take the submitters suggestions with regard to readability into consideration for next year’s Budget. Council will be undertaking a complete rebuild of its suite of Integrated Planning and Reporting Documents in the coming year and Council’s recently appointed General Manager has publically noted that there will be a number of changes made to the format and presentation of this information for the 2022-23 Budget.</p> <p>The Financial Controller is an advisory role but has broad powers under the Local Government Act. Council still operates the same way as it always has and receives reports and makes decisions as per normal. The General Manager is responsible for managing Council operations. The Financial Controller reviews and provides advice on key decisions that may have financial impacts. He has therefore been involved in the process for development of the 2021-2022 Draft Operational Plan and Budget.</p> <p>Regarding the submitter’s suggestion that Council and the Financial Controller provide monthly expenditure analysis, Council already provides a quarterly financial update to Councillors and the community by way of the quarterly budget review process. This process involves extensive data gathering and analysis. If Council instead undertook this on a monthly basis it would be difficult to undertake within existing resources without impacting other high priority work.</p> <p>Regarding Mall rents, Council does not have any control over commercial rents, however Council can contribute to the aesthetic improvement of the mall infrastructure such as pavements, furniture and gardens in order to improve mall vibrancy.</p>
<p><i>Submission 17</i> Annette Kilarr – Sustainable Living Armidale</p>	<p>The Climate Change Risk Assessment was included on the ‘Deferred and Deleted Budget Items’ list for Councillor consideration. The project was not deemed a priority in 2021-2022 due to Council’s current financial position, however it will be considered for future budgets.</p> <p>Council will release to the public the Integrated Water Cycle Management Strategy and Secure Yield review once these reports are completed, and will engage with the community regarding the recommendations of these reports and Councils actions in response to the reports. Council continues to promote the importance of sustainable water use within allocated resources.</p>

Community Engagement and Informal Feedback

Council’s engagement with the public included:

- The 'Your Say' online portal, including fact sheets on the Operational Plan and Budget, Water and Sewer, and SRV and Harmonisation.
- Public Meetings in Guyra and Armidale, including online access for those who couldn't attend the sessions.
- Social media posts and a media release.

Engagement sessions outlined the key features of the Operational Plan and Budget, along with some of the internal and external challenges Council faced in developing the documents such as the impacts of the COVID-19 pandemic, asset renewal challenges, rates harmonisation legislation, the Special Rate Variation and the Performance Improvement Order requirements. A summary of the budget was also presented, as was an overview of major capital projects and information about the rates harmonisation process. Participants that were present were given the opportunity to ask questions following the presentation.

Physical copies of fact sheets and information snapshots, as well as copies of the documents on public exhibition, were provided to the public during engagement sessions and upon request.

Themes and issues raised in informal feedback received from the community during engagement sessions included:

- Guyra Main street - completion and costs, proposed tree replacements, footpath upgrades
- Guyra saleyards road entry and gravel upgrades
- Ongoing cost-shifting from the State Government
- Progression of, and funding for, the Hydrotherapy Pool
- Increase in the wall height of Malpas and any associated additional costs in water prices
- Completion and availability of the Intergrated Water Cycle Management Strategy
- Current staffing levels
- Current increase in external grants and how Council designs the budget around these grants
- Implementation of rates harmonisation
- Climate Emergency Declaration and Council's response
- Budget responsibility and accountability
- Managing project costs
- Use of consultants in Council operations
- Process and timeframes for renewing Council's strategic documents
- Presentation of budget information

Changes to Documents

Below is a summary of the changes made to the Integrated Planning and Reporting documents following the exhibition period:

Operational Plan

Reference	Change	Comments
Various pages	Labelling of all grant projects in Operational Plan actions	In response to submission #3.
Page 3	Addition of the General Manager's Message	Final comment included
Page 4	Addition of the current Organisational Structure.	In response to submission #2

Page 5	Updated Integrated Planning and Reporting diagram	More readable version included
Page 9	Change 'continue to deliver existing services' to 'either lower or sustain service levels'.	In response to Submission #2. Clarification of community response
Page 9	Addition of 'These projects are governed by the terms of the grant including completion dates and have had to be prioritised for this reason.'	In response to Submission #3. To clarify that many of the prioritised projects are to be completed this FY due to grant funding requirements.
Page 12	Addition of 'to lower or' to the following sentence: 'Community feedback obtained through an extensive consultation process indicated that ratepayers wanted Council to lower or maintain existing services with the majority of responses indicating that the community was unwilling to fund new or increased service levels through rate rises.'	In response to Submission #2
Page 16	Split of LEP and DCP Merge projects into two separate projects.	Request from responsible department as these projects are to be delivered separately.
Various pages	Updates to DP numbers Updates to Responsible Departments	Typos and errors amended.
Page 23	Addition of '(funding sourced from variation of remaining funding on Shingle Hut Bridge project)'	Identification of funding.
Page 25	Removal of the action: 'Contributions to Indigenous Programs'.	This program has not been budgeted and is on the 'Deferred and Deleted Budget Items' list.
Page 26	Removal of '\$10,000 of grants distributed' in Sports Council Administration.	\$10,000 was not included in the budget. Council is working with the Sports Council to direct player levies into a Trust for use at the discretion of the Sports Council on its priority projects list.
Page 51	Changed 3 rd dot point to 'Completed by June 2022.'	Update to completion date in Puddledock Mains Replacement action.
Page 52	Addition of 'Total Project Cost - \$3,400,000' for the Guyra Main Street.	Inclusion of overall project cost in response to Submission #3.

Budget

No changes.

Revenue Policy

Some minor amendments have been made to ensure consistency with charge descriptions in Council's billing system.

Rates Harmonisation Feedback

The proposed four year rates harmonisation implementation framework effective 1 July 2021 was consulted on as part of the public exhibition process for the 2021-2022 Operational Plan and Budget. This framework is outlined in the 2021-2022 Revenue Policy.

Only one submission received referenced rates harmonisation being the submission from NSW Farmers, which stated “Rate harmonisation does not sit well with the Guyra community. This is due to the inequality of farmers who live a long way from Armidale and rarely use the town services yet are paying heavily to maintain such services.”

To mitigate negative impacts on individual ratepayers, Council has proposed to implement rates harmonisation over four years rather than one year.

5. Implications

5.1. Strategic and Policy Implications

Link to the Community Strategic Plan and Delivery Program

Community Strategic Plan – Leadership for the Region

- L2 – Council exceeds community expectations when managing its budget and operations
- L2.3 – Council's strategic planning documents are integrated in a way which delivers community outcomes while effectively managing budgets, asset management and workforce planning
- L2.3.1 – Develop and review Integrated Planning and Reporting Framework in line with statutory requirements

5.2. Risk

Key risks to the Operational Plan and Budget 2021-2022 include:

Maintaining Service Levels

A focus has been made on getting back to basics and not increasing service levels. This focus is in line with the community feedback received from the Special Rate Variation consultation process where the majority view was for Council to continue to deliver existing services within current funding levels. This will only be possible with tight financial controls in place and prioritising decision-making to ensure positive financial outcomes are achieved for Council at all times.

In adopting the 2021-2022 budget a total of \$13.8 million in funding for a range of programs and services was not included due to the inability to fund this expenditure. A full list of these items is tabled at the attachment.

This included a total of \$1.2 million requested to meet required maintenance service levels in roads and parks and \$6.2 million to meet renewal and rehabilitation service levels in Council's roads strategy.

Council will be required to ensure all decisions are supported by an approved budget or a funding source can be identified that does not detrimentally impact the organisation's financial position.

Cash Position

Council is currently forecasting \$3.4 million in unrestricted cash at 30 June 2021 and is projecting this also in the 2021-2022 budget. Unrestricted cash is important as it is main buffer for unexpected events. While the 2021-2022 budget forecasts a consolidated operating surplus of just over \$1 million, this does not translate to the cash position.

The outlook for unrestricted cash remains poor and ideally this would be at \$4-5 million. This is the level of unrestricted cash identified as being reasonable by Finch Consulting who conducted a review of Council’s cash reserves since merger.

Cash reserves are important for councils to ensure that funding can be built up over time to undertake asset renewal and rehabilitation, plan and fund strategic projects and fund long term liabilities such as landfill remediation. Council lacks the capacity to build up cash reserves for any purpose other than recognition of some small amounts relating to asset replacement and landfill rehabilitation.

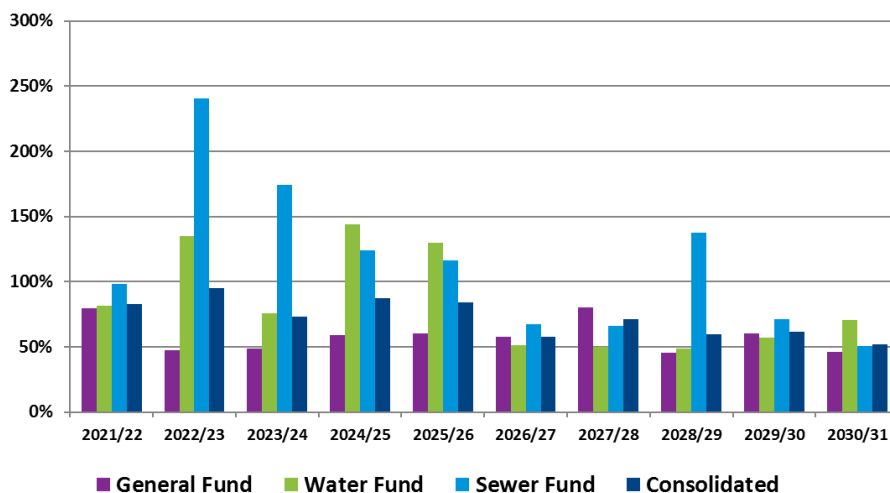
Due to the poor cash position, the outlook for Council for at least the next 5 years at current funding levels is for constrained operating and capital budget positions (Council funding not grants, which we are unable to bank on) to ensure that the unrestricted cash position does not deteriorate beyond current levels.

The resulting impacts are that Council will not be able to consider any increases in service levels and will not have the financial capacity to undertake capital projects outside of core asset renewal programs where there is a requirement for Council funding to be used.

Asset Renewal

Council’s current investment in asset renewal is insufficient over the long term to maintain assets to a satisfactory standard. The graph below shows the projected performance of the Building and Infrastructure Renewals Ratio over the next ten years for each fund. The ratio for the General Fund is well below the benchmark of 100% or higher and is forecast to average 58% over the next ten years. These impacts are reflected in the performance of the Infrastructure Backlog Ratio, which for the General Fund doubles within 10 years based on current projections and exceeds the benchmark of less than 2%.

Council’s infrastructure ratios are unable to be improved without additional funding or significant re-prioritisation of existing funding. There is a large asset base valued at over \$1 billion in infrastructure and the projection for key ratios for infrastructure held by the General Fund are currently at unacceptable levels.



External Events

Council has been managing the combined impacts of drought, fire, flood and pandemic. These events have negatively impacted Council's actual and forecast results over 2019-2020, 2020-2021 and 2021-2022 financial years. Risks remain that actual performance could be more negatively impacted than estimated from some of these events. The ongoing financial impacts from COVID-19 are particularly difficult to predict.

Organisational Capacity

Council has been successful in securing a high number of grants and this will lead to the delivery of key projects in the region. However, resourcing is also being impacted by significant natural disaster recovery works being undertaken on Kempsey Road, the ongoing delivery of existing projects and significant Council-managed contract works being undertaken on State Roads. Council's 2021-2022 Capital Budget is currently estimated at \$65 million and there is no capacity to take on additional projects without something being taken off the list. While it is possible to contract out works, projects still need to be overseen or managed by Council staff to ensure that there is accountability and delivery of quality projects using public funds, regardless of their source.

The significant size of the capital program in addition to other major programs underway will have direct resourcing impacts on many areas of the organisation.

5.3. Sustainability

The Operational Plan and Budget 2021-2022 has been prepared using the Principles of Sound Financial Management as outlined under Section 8B of the NSW *Local Government Act 1993* (the Act).

Section 8B of the Act provides that Council spending should be responsible and sustainable, aligning general revenue and expenses. Council has forecast a 'balanced' budget position for the General Fund in the 2021-2022 Original Budget to ensure that the Council's unrestricted cash position is preserved and does not deteriorate.

Section 223 of the Act states that the role of Council is to:

to determine and adopt a rating and revenue policy and operational plans that support the optimal allocation of the council's resources to implement the strategic plans (including the community strategic plan) of the council and for the benefit of the local area

Council's 2021-2022 Original Budget has been developed in accordance with the Financial Policy and Strategy 2017-2021, which advocates for a financially sustainable position. Financial sustainability is measured through Council's financial results including the performance against key benchmarks developed by the NSW Office of Local Government.

Additionally, Council is operating under a Performance Improvement Order issued by the Minister for Local Government and this requires Council to:

- Adopt surplus budgets that ensure financial sustainability over the long term;
- Adopt a Reserves policy that ensures a minimum of \$4-5m is available as unrestricted cash to fund working capital requirements before setting aside funds as Internal Restrictions; and
- Ensure adequate resources are provided to improve financial ratios.

Over the last 3 financial years Council has improved on previous reported results in key areas of financial sustainability including operating performance results and cash results. This was necessitated by budget forecasts for significant operating deficits and very low levels of cash reserves.

5.4. Financial

Budget Area:	2021-2022 Original Budget						
Funding Source:	General Fund, Water Fund, Sewer Fund						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

2021-2022 Budget

For the 2021-2022 financial year, an extensive process has been undertaken in order to deliver a budget that attempts to strike a balance between remaining fiscally responsible and meeting standards of service delivery that ensure public services and infrastructure are maintained at acceptable levels. This has proved to be a difficult challenge due to the negative financial impacts experienced from COVID-19, bushfire, flood and drought. While the circumstances of some of these events are now past, ongoing negative financial impacts are still being felt by the organisation. COVID-19 currently presents the most difficult ongoing challenge to manage from a financial perspective with ongoing revenue losses from COVID-19 expected to continue beyond 2021-2022.

Council is also operating under a Performance Improvement Order issued by the Minister for Local Government and this requires Council to strive to reach financial targets that will assist the organisation to achieve an improved financial position. This, in turn, will lead to better outcomes for the community through improved financial management, asset management and governance standard outcomes. All of these areas are critical to enable Council to become a high performing organisation.

Due to the above, Council has prioritised funding in the 2021-2022 Original Budget towards improving governance standards, financial sustainability and asset management with a focus on getting back to basics. This is in line with the community feedback received from the Special Rate Variation consultation process where the majority view was for Council to continue to deliver existing services within current funding levels and “live within its means”.

The 2021-2022 Original Budget includes a consolidated operating surplus of \$1 million with the following fund results:

Fund	Operating Result
General Fund	\$100,121
Water Fund	\$690,566
Sewer Fund	\$242,099
Consolidated	\$1,032,786

The 2021-2022 Capital Budget includes approximately \$65 million worth of infrastructure projects including scheduled and ongoing asset renewal investment.

Council was successful in obtaining approval from IPART to continue with the temporary Special Rate Variation on a permanent basis from 2021-2022. This will provide \$1.5 million in funding annually for asset renewals including roads, footpaths, kerb and gutter, community facilities and buildings.

Summary of funding sources for the Capital Budget:

Description	Budget	Grant/Externally Restricted Funding	Council/Internally Restricted Funding
General Fund	\$42,443,686	\$33,547,244	\$8,896,442
Water Fund	\$20,550,993	\$8,001,335	\$12,549,659
Sewer Fund	\$2,280,000	\$150,000	\$2,130,000
Consolidated	\$65,274,679	\$41,698,579	\$23,576,100

Council is forecasting an unrestricted cash position of around \$3.4 million by 30 June 2022. The unrestricted cash position is important as it is Council's main buffer for unexpected events, such as natural disasters. The level of unrestricted cash forecast in the 2021-2022 Original Budget would only cover Council's operational costs for around 3-4 weeks if a situation occurred where Council was unable to receive payments.

While it would be desirable to further improve the cash position beyond this from a financial risk perspective, at this time Council would have to decrease service levels in order to do this. Given the other significant budget challenges faced and the requirement to focus on rebuilding the organisation's core standards and invest appropriately in asset renewal, it has not been possible to build in an increase in unrestricted cash to the 2021-2022 Original Budget; however, this will remain a focus for future budget review processes.

There are a number of items, such as grants applied for where Council has not been advised the outcome, that have not been included in the 2021-2022 Original Budget, due to the lack of certainty around the timing, funding and/or probability of completion. These may be introduced through the budget review process when they reach a point of clarity and funding is available that enables their inclusion.

In an effort to ensure that costs are transparent, all projects are presented in the Operational Plan and Budget 2021-2022 with either a budget amount, or a reference to the associated budget number (full list provided in the budget section).

There is a large number of projects, particularly related to the Capital Program, that are grant funded. These grant projects are identified in the Operational Plan and Budget 2021-2022, along with the financial contribution component (if any) of Council.

6. Consultation and Communication

In accordance with the provisions of the Act, the IP&R suite of documents was exhibited for public comment for a period of 28 days from Friday, 28 May 2021 to Thursday, 24 June 2021.

Council was also required to consult the community on the proposed four year rates harmonisation implementation framework effective 1 July 2021 in conjunction with the public exhibition period on the Draft Operational Plan and Budget 2021-2022.

7. Conclusion

This report recommends that Council adopts the following IP&R documents following the public exhibition period in accordance with the requirements of the Act:

1. Operational Plan and Budget 2021-2022;
2. Revenue Policy 2021-2022; and
3. Fees and Charges 2021-2022.

Item:	5.2	Ref: AINT/2021/17578
Title:	Making of Rates and Charges 2021-2022	Container: ARC17/1962
Responsible Officer	Manager Financial Services	
Author:	Robert McGinness, Revenue Coordinator	
Attachments:	1. Revenue Policy 2021-2022 2. Special Rate Variation - IPART Instrument Notification	

1. Purpose

This report is to formally make rates and charges for the 2021-2022 financial year in accordance with Section 535 of the *NSW Local Government Act 1993* (the Act).

2. OFFICERS' RECOMMENDATION:

That Council:

- a) For the year 1 July 2021 to 30 June 2022, Council adopt the addition of the following for application to Ordinary Rates:
 - i. \$89,294 rate revenue shortfall (catch up) from previous years;
 - ii. 2.0% annual maximum rate peg determined by the Independent Pricing and Regulatory Tribunal; and
 - iii. 10.5% Permanent Special Rate Variation determined by the Independent Pricing and Regulatory Tribunal, inclusive of the 2.0% rate peg.
- b) Note that the proposed four year rates harmonisation implementation framework effective 1 July 2021 was consulted on as part of the public exhibition process for the 2021-2022 Operational Plan and Budget.
- c) In accordance with Section 127(2) and 129 of the *Local Government Amendment Bill 2021*, Council harmonise ordinary rates by passing the following harmonisation resolution:
 - i. Ordinary rates will be gradually harmonised from 1 July 2021;
 - ii. The harmonisation period will occur over four (4) years with the exception of Business - Armidale and Business - Armidale Industrial, which will be harmonised effective 1 July 2021;
 - iii. At the conclusion of the harmonisation period in 2024-2025, Council will have 9 rating categories/sub-categories as follows:

Rate Category	Rate Sub-Category
Residential	Armidale
Residential	Guyra
Residential	Non-Urban
Business	Armidale
Business	Guyra
Business	Non-Urban
Farmland	
Farmland	Intensive
Mining	

- iv. The average percentage change, including the permanent Special Rate Variation and rate peg (estimated beyond 2021-2022), for each rating category and sub-category that will occur in each rating year over the harmonisation period is estimated to be:

Former Guyra Shire Council categories/sub-categories:

Category	Sub Category	2021/2022	2022/2023	2023/2024	2024/2025
Residential	Guyra	4.85%	3.51%	3.18%	2.99%
Residential	Village	1.78%	1.17%	4.36%	-4.95%
Residential	Non-Urban	4.36%	9.69%	8.03%	7.23%
Business	Guyra	3.01%	3.01%	1.66%	4.29%
Business	Village	7.71%	9.46%	10.28%	7.10%
Farmland	Guyra	9.50%	6.71%	8.05%	8.17%
Farmland	Guyra Intensive	2.11%	2.37%	2.48%	2.55%

Former Armidale Dumaresq Council categories/sub-categories:

Category	Sub Category	2021/2022	2022/2023	2023/2024	2024/2025
Residential	Armidale	2.01%	3.01%	2.79%	2.29%
Residential	Armidale (Non-Urban)	1.61%	2.78%	2.54%	3.78%
Residential	Wollomombi	-9.85%	-8.75%	-10.58%	-26.91%
Residential	Ebor	-21.70%	-8.77%	-8.04%	3.73%
Residential	Hillgrove	0.24%	-10.47%	-15.19%	-31.58%
Business	Armidale	4.77%	1.65%	2.49%	2.73%
Business	Armidale Industrial	3.33%	n/a	n/a	n/a
Business	Non-Urban	-25.42%	-14.99%	-14.99%	-10.81%
Mining	Armidale	2.00%	2.50%	2.50%	2.50%
Farmland	Armidale	-0.73%	-1.50%	-2.33%	-1.45%

- d) Pursuant to Section 494 of the *NSW Local Government Act 1993*, Council make and levy the following Ordinary Rates:

Category and Sub-Category	Base Amount \$	Base Amount %	Ad-Valorem Rate in the \$
Residential – Armidale	468.00	40.79	0.005073
Residential - Guyra	238.00	42.92	0.005253
Residential - Wollomombi	215.00	41.39	0.013279
Residential - Ebor	213.00	49.81	0.005524
Residential - Hillgrove	215.00	36.18	0.016727

Residential – Armidale Non Urban	315.00	26.93	0.003159
Residential – Guyra Non Urban	240.00	37.74	0.002636
Residential – Village (Guyra)	190.00	49.65	0.004599
Business – Armidale Non Urban	500.00	43.96	0.002892
Business – Armidale	882.00	18.45	0.013418
Business – Guyra	410.00	44.13	0.009386
Business – Village (Guyra)	145.00	47.28	0.003292
Farmland - Armidale	1,000.00	28.48	0.002148
Farmland – Guyra	750.00	23.07	0.001631
Farmland – Guyra Intensive	1,147.00	17.87	0.007118
Mining	995.00	19.14	0.080286

- e) That pursuant to Section 501 of the *NSW Local Government Act 1993*, Council make and levy the following annual charge for Water Supply Services for the year 1 July 2021 to 30 June 2022:

Charge Description	Charge
Water Access Charge	\$300.00

The Water Access Charge will be applied as follows:

- Single Occupancy – a fixed service access charge will be applied per assessment.
 - Multiple Occupancy (Strata) – a fixed service access charge will be applied per flat/unit.
 - Multiple Occupancy (Community Title) – a fixed service access charge will be applied per flat/unit.
 - Multiple Occupancy (Non Strata) – a fixed service access charge will be applied per assessment.
- f) That pursuant to Section 502 of the *NSW Local Government Act 1993*, Council make and levy the following water usage charges for Water Supply Services for the year 1 July 2021 to 30 June 2022:

Water Consumption Tariff	Stepped Consumption Tariff per Quarter	\$ per Kilotre
Residential, Commercial and Untreated Water Consumption Stepped Tariff	0 to 100 kilolitres	\$4.20
	101 to 250 kilolitres	\$4.30
	above 250 kilolitres	\$4.60
Non-rateable and Non Profit-Sporting Flat Rate	N/A	\$4.60
Intensive Horticulture – Treated Bulk Water Flat Rate	N/A	\$3.10

- g) That pursuant to Sections 501, 502, 551 and 552 of the *NSW Local Government Act 1993*, Council make and levy the following rates and annual charges for Sewerage Supply Services for the year 1 July 2021 to 30 June 2022:

Charge Description	Charge
Residential – Sewerage Access Charge	\$500.00
Vacant – Sewerage Access Charge	\$500.00
Residential – Multiple Occupancy (each additional Occupancy)	\$500.00
Non-Residential – Sewerage Access Charge	
– Minimum Rate	\$500.00
– *Ad Valorem Rate upon connection	\$0.0058
University/Further Education or similar	
– Each additional Water Closet	\$175.00
– Each additional Urinal	\$90.00
Hotel, Motel or similar	
– Each additional Water Closet	\$175.00
– Each additional Urinal	\$90.00
Hospital, School or similar	
– Each additional Water Closet	\$175.00
– Each additional Urinal	\$90.00
Other Non-rateable properties	
– Each additional Water Closet	\$175.00
– Each additional Urinal	\$90.00

* The Non Residential Ad Valorem Sewerage Access Charge will be the greater of the amount of the sewerage rate generated on the land using the ad valorem calculation or the Minimum Rate.

The Sewerage Access Charge will be applied as follows:

- Single residential properties will be charged a single residential sewerage access charge.
- Multiple occupancy residential complexes will be charged a single residential sewerage access charge plus a flat/unit charge for each additional residential flat/unit.
- Commercial properties will be charged the minimum rate while unconnected, upon connection properties will be charged the minimum rate or the ad valorem rate (whichever is greater), with additional charges for multiple water closets and urinals.
- Vacant properties within Council’s sewerage service area will be charged a single vacant sewerage access charge.

h) That pursuant to Section 496 and 501 of the *NSW local Government Act 1993*, Council make and levy the following annual charges for Waste Management Services for the year 1 July 2021 to 30 June 2022:

Charge Description	Charge
Domestic Waste Management	
– Domestic Waste Service	\$425.00
– Additional 140lt Waste Service	\$160.00
– Additional 240lt Organics Service	\$160.00

- Vacant Domestic Waste Management Charge	\$150.00
- Domestic Waste Service - 240lt (Guyra Only)	\$560.00
Commercial Waste Management	
- Commercial Waste Service (1 x 240lt red lid bin) – Collected Weekly	\$425.00
- Commercial Organics 240lt Service – Collected Weekly	\$160.00
- Commercial Organics 240lt Service – Collected 2 x Weekly	\$240.00
- Commercial Organics 240lt Service – Collected 3 x Weekly	\$520.00
- Commercial Recycling Service – Collected Weekly	\$165.00
Rural Waste Management	
- Rural Waste Management Charge former Armidale Dumaresq Council LGA	\$150.00
- Rural Waste Management Charge former Guyra Shire Council LGA	\$108.00
Waterfall Way Regional Landfill	
- Waterfall Way Regional Landfill Levy	\$150.00
- Waterfall Way Regional Landfill Operation Charge	\$70.00

A Vacant Domestic Waste Management Charge is to be levied on all rateable parcels of land within the domestic waste collection boundary, which do not have a dwelling and are zoned for residential use in the Local Environment Plan.

Multiple occupancy residential complexes (non-strata) will have a minimum number of full services equal to 50% of the number of flats. Therefore, a block of twelve (12) flats will have six (6) full services as a minimum.

A rural waste management charge will be levied on all rateable assessments which have a dwelling and do not receive a waste collection service.

The Waterfall Way Regional Landfill levy and operation charge will be levied on all rateable and non-rateable assessments.

- i) That pursuant to Section 501 of the *NSW Local Government Act 1993*, Council make and levy the following annual charge for drainage services for the year 1 July 2021 to 30 June 2022:

Charge Description	Charge
Armidale Drainage Charge	\$50.00

This charge will be levied on all properties within the Armidale City drainage catchment area.

- j) That pursuant to Section 496A of the *NSW Local Government Act 1993*, Council make and levy the following annual charge for stormwater management services for the year 1 July 2021 to 30 June 2022:

Charge Description	Charge
Guyra Stormwater Charge	\$25.00

This charge will be levied on all properties in the township of Guyra.

- k) That pursuant to Section 566(3) of the *NSW Local Government Act 1993*, Council set the maximum rate of interest payable on overdue rates and charges determined by the Office of Local Government at 6.0% per annum between 1 July 2021 and 30 June 2022 (inclusive).

3. Background

Key sources of revenue to support the services and programs in the 2021-2022 Operational Plan and Budget are contained in the 2021-2022 Revenue Policy, attached to this report.

While the Revenue Policy is one of the documents adopted as part of the Operational Plan and Budget, under Section 535 of the Act rates and annual charges must be formally 'made' by Council resolution. This report encompasses the rates and charges that are included in the 2021-2022 Revenue Policy that require formal adoption by Council.

Once adopted the rates and charges will be applied to all properties in the Local Government Area.

The full listing of rates and charges, relevant statutory regulations and the forecast income to be generated is contained in the 2021-2022 Revenue Policy.

The 2021-2022 Revenue Policy was placed on public exhibition along with the Operational Plan and Budget for the period 28 May to 24 June 2021.

4. Discussion

Ordinary Rates

Rates Catchup

Council has a catch up amount of \$89,294 available to it from the audited permissible income returns for the year ended 30 June 2021. Under Section 511 of the Act, Council is permitted to catch up any rate revenue shortfall the following year.

Special Rate Variation

In early 2021 Council applied for a Special Rate Variation (SRV) from the NSW Independent Pricing & Regulatory Tribunal (IPART) of a permanent 8.5% plus 2.0% rate peg (total 10.5%) commencing in 2021-2022. The SRV would make permanent a previous seven year temporary rate increase due to expire 30 June 2021. This funding is critical for Council to continue a program of asset renewal works to manage existing assets across the region.

Following extensive community consultation, Council resolved to apply to IPART for a permanent SRV of 8.5% plus 2% rate peg (total 10.5%) commencing in 2021-2022.

On 17 May 2021 IPART announced that it approved Council's SRV application in full. A copy of IPART's determination is tabled at the attachment.

Funding from the SRV will effectively mean that rate revenue will remain at a similar level to 2020-2021 apart from the increase associated with the rate peg.

Rates Harmonisation

Since amalgamation of Armidale Dumaresq and Guyra Shire Councils in 2016 Council has been required to maintain two rating systems for the local government area. This was due to a four year rate freeze imposed by the NSW Government. This meant that Council could not adjust

rates beyond the rate peg in the first four years after amalgamation which saw different rates being paid in the former local government areas.

The rates path protection period ends on 30 June 2021 and was only applicable to Ordinary and Special Rates and did not apply to Annual Charges. From 1 July 2021 Council must proceed to harmonise the former Armidale Dumaresq and Guyra Shire Council rating structures, which means creating one rating structure for the Armidale Regional Council local government area.

Full harmonisation from 1 July 2021 would have caused some significant shifts in re-balancing rates between rating sub-categories. In recognition of this challenge, the Office of Local Government developed the Exposure Draft Bill *Local Government Amendment (Rates) Bill 2021* in order to provide legislative mechanisms to allow for gradual harmonisation of rating structures.

Council is taking up the gradual harmonisation of rates over four years due to the significant impact on some categories of ratepayers that immediate harmonisation would have. The exception being Business – Armidale and Business – Armidale Industrial, which will be harmonised from 1 July 2021.

The requirements for rates harmonisation are contained in the *Local Government Amendment (Rates) Bill 2021* and include the requirement for Council to pass a harmonisation resolution and undertake public consultation. This has occurred as part of the public exhibition process for the 2021-2022 Operational Plan and Budget.

Water Supply Charges

Charges for water supply services have been determined in accordance with the funding requirements needed to maintain the level of the water reserve. Ongoing impacts from the drought and projections for significant capital investment required in water infrastructure, mean that it is critical Council generates a sufficient level of funding to operate and maintain the water reserve. As such, the water access charge is proposed to be increased by \$50 and water usage charges are proposed to be kept at the same level as 2020-2021.

Sewerage Supply Charges

Charges for sewerage supply services have been set at the level to operate and maintain the sewer reserve.

Non-residential sewerage charges have been harmonised so that there is a consistent application of charges across all ratepayers.

Waste Charges

Charges for waste collection have increased slightly from the previous year in 2021-2022. Charges for rural waste management remain different for the former Armidale Dumaresq Council and Guyra Shire Council areas with the charge for Guyra increasing by \$25 as these are being progressively harmonised.

Charges for Waterfall Way Regional Landfill will be applied to all properties in the region and consist of a landfill levy and operation charge.

Drainage Charges

Charges for drainage and stormwater will apply at the same level as the previous year.

5. Implications

5.1. Strategic and Policy Implications

Community Strategic Plan – Leadership for the Region

L2 – Council exceeds community expectations when managing its budget and operations

L2.3 – Council's strategic planning documents are integrated in a way which delivers community outcomes while effectively managing budgets, asset management and workforce planning

L2.3.1 – Develop and review Integrated Planning and Reporting Framework in line with statutory requirements

5.2. Risk

Council's rates and charges are set in accordance with legislative requirements and rates must be levied in accordance with timeframes set by Section 562 of the Act.

A risk exists that the rates and charges set in the Revenue Policy will not achieve the targets set by the budget process. For ordinary rates and annual charges this is low as the assumptions for setting rates and charges are known (such as rateable land value and number of properties); however, for water usage charges the risk is higher as this is dependent on the volume of water sold and is variable.

5.3. Sustainability

The Revenue Policy supports the revenue levels required across all funds to achieve an operational surplus, which will improve Council's financial sustainability.

5.4. Financial

Budget Area:	2021-2022 Original Budget						
Funding Source:	General Fund, Water Fund, Sewer Fund – Rates and Charges						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Revenue	Remaining Budget
210815	Ordinary Rates	(19,006,990)	-	-	(19,006,990)	(19,006,990)	-
290060	Domestic Waste Annual Charges	(4,657,475)	-	-	(4,657,475)	(4,657,475)	-
290248	Other Waste Annual Charges	(638,719)	-	-	(638,719)	(638,719)	-
290249	Waterfall Way Landfill Charges	(2,876,940)	-	-	(2,876,940)	(2,876,940)	-
230208	Drainage Charges	(467,925)	-	-	(467,925)	(467,925)	-

280010	Water Access Charges	(2,639,600)	-	-	(2,639,600)	(2,639,600)	-
280010	Water Usage Charges	(8,775,979)	-	-	(8,775,979)	(8,775,979)	-
260005	Sewer Access Charges	(6,443,560)	-	-	(6,443,560)	(6,443,560)	-

6. Consultation and Communication

Feedback from the community consultation process has been received on the rates and charges contained in the 2021-2022 Revenue Policy and this is outlined in the report covering the adoption of the 2021-2022 Operational Plan and Budget.

The consultation process included the proposed rates harmonisation implementation framework. Council's engagement with the public included:

- The 'Your Say' online portal, including fact sheets on Rates Harmonisation and a Rates Harmonisation – What Would I Pay? schedule.
- Public Meetings in Guyra and Armidale.
- Social media engagement.

7. Conclusion

This report recommends the Making of Rates and Charges for the 2021-2022 financial year in accordance with Section 535 of the Act and also includes the required harmonisation resolution as required by Section 127(2) of the *Local Government Amendment (Rates) Bill 2021*.

The full listing of rates and charges, relevant statutory regulations and the forecast income to be generated is contained in the 2021-2022 Revenue Policy attached to this report.

The 2021-2022 Revenue Policy was placed on public exhibition along with the Operational Plan and Budget for the period 28 May to 24 June 2021 and included consultation on the proposed rates harmonisation implementation framework.