8.3 Making of the Annual Rates and Charges

CSP Objective:	Outcome 4.1 Public funds and assets are managed strategically, transparently and efficiently.
CSP Strategy:	4.1.1 Public funds are managed in accordance with Financial Management Standards and the Local Government Act, with accurate and timely reporting.
Delivery Program:	4.1.1.1 Strengthen financial reporting, ensure legislative compliance, and promote long-term sustainability by enhancing scrutiny and oversight processes while optimising funding opportunities, and improving procurement practices.

Summary

Council is required to make the rates and charges for the 2026-27 financial year in accordance with the *Local Government Act 1993* to allow the income to be raised to fund Council’s operations.

Financial implication

Before Council can issue its rates and charges notice for the new financial year it must "make" each rate and annual charge by way of Council resolution.

Risk implication

Rates and charges are a key requirement and revenue item for Councils. Appropriate pricing is important from both a financial sustainability perspective and a community service perspective.

Policy

Local Government Act 1993

Consultation (internal)

Councillors

Chief Executive Officer

Kiama Municipal Council Directors

Kiama Municipal Council Managers

Communication/Community engagement

The Integrated Planning and Reporting suite of documents was publicly exhibited for a period of 28 days to allow community input and consideration of the proposed draft documents. The exhibition period occurred from 24 April 2026 to 24 May 2026.

Attachments

Nil

Enclosures

Nil

RECOMMENDATION

That Council:

1. adopts the following rates and charges for the 2026-27 financial year in accordance with Section 535 of the *Local Government Act 1993* (the Act) inclusive of a 3.2% rate increase as prescribed by the NSW Independent Pricing & Regulatory Tribunal (IPART):

   (a) in accordance with section 494 of Act the Base Amount plus Ad valorem Amount of the ordinary rate or in accordance with section 548 of the Act the Minimum Amount of the ordinary rate as set out hereunder for the various categories of all rateable land in the area for the year commencing 1 July 2026 will be:

Category	Base amount $	% s 500 of the Act	Plus: ad valorem $
Residential	$1,003.00	49.96	0.00101010
Residential – mixed development	$1,003.00	33.93	0.00101010
Rural residential	$1,003.00	25.52	0.00092200
Farmland	$1,003.00	27.54	0.00070800
Business – Commercial / Industrial	$1,003.00 minimum applies	N/A	0.00342477
Business – Ordinary	N/A	N/A	0.00183500

   (b) in accordance with section 496 of the Act the following annual charges for the Domestic Waste Management Service for the year commencing 1 July 2026 will be:

Category	Charge per annum
Domestic Waste Management Charge	
Fortnightly 240 litre red lid bin Fortnightly recycling 240 litre yellow lid bin Weekly food/garden organics 240 litre green lid bin Access to User Pays On-call Clean-up Service	$945.95
Fortnightly 140 litre red lid bin Fortnightly recycling 240 litre yellow lid bin Weekly food/garden organics 240 litre green lid bin Access to User Pays On-call Clean-up Service	$706.86
Fortnightly 80 litre red lid bin Fortnightly recycling 240 litre yellow lid bin Weekly food/garden organics 240 litre green lid bin Access to User Pays On-call Clean-up Service	$674.52

Services offered to STRA properties ONLY in urban collection zones	
Weekly 240 litre red lid bin Fortnightly recycling 240 litre yellow lid bin Weekly food/garden organics 240 litre green lid bin Access to User Pays On-call Clean-up Service	$1,891.89
Tourist Accommodation Waste Management Charge	
Weekly service 80 litre red lid bin Fortnightly recycling 240 litre yellow lid bin *(Suitable for a one-bedroom unit)*	$606.38
Weekly service 140 litre red lid bin Fortnightly recycling 240 litre yellow lid bin *(Suitable for a two-bedroom unit)*	$638.72
Weekly service 240 litre red lid bin Fortnightly recycling 240 litre yellow lid bin *(Suitable for three-bedroom unit)*	$920.54
Rural Waste Collection Service Charge	
Fortnightly service 240 litre red lid bin Fortnightly recycling 240 litre yellow lid bin	$550.94
Other Domestic Waste Management Charges	
Domestic Waste Vacant Land Charge	$78.54
Additional recycling 240 litre bin	$119.00
Additional food/garden organics 240 litre bin	$142.00
Additional garbage bin 240 litre bin (fortnightly service). Must have an existing 240 litre waste service to be eligible - *Limit one per household.*	$345.35

(c) that the Domestic Waste Management Service charges be based on the number of separate occupancies or domiciles (whether occupied or not) contained in each rateable property for which the service is available.

(d) that in accordance with section 496A of the Act the following annual charges for Stormwater Management Services – Urban Areas for the year commencing 1 July 2026 will be:

Stormwater Management Service Charge	Charge per Annum
Residential property	$25
Residential Strata unit	$12.50 per unit
Business property	$25/350m^2 (or part thereof) capped at $150

Business Strata Lot	$25/350m^2$ (or part thereof) minimum of $5

(e) that in accordance with section 501 of the Act the Onsite Sewerage Management System – Annual approval charge for the year commencing 1 July 2026 will be:

Category	Charge per annum
High risk sites	$300.00
Low risk sites	$75.00

2. In accordance with provisions of Section 566 of the Act resolves that the maximum allowable interest rate of 9.5% be applied to all outstanding rates and charges for the year commencing 1 July 2026.

Background

The making of Rates and Annual Charges is an administrative function usually undertaken as part of the adoption of the Integrated Planning and Reporting (IP&R) document suite.

Section 533 of the *Local Government Act 1993* (the Act) provides that Council must make the rates and charges before 1 August in the year for which the rates and charges are made, after having given appropriate public notice in relation to the draft plans. Each rate and charge is to be made for a specific year (Section 534) and the rate and charge is to be made by a resolution of Council (Section 535).

Key considerations

The notional yield from rates has been increased by the full amount allowable under IPART's determination being the prescribed rate peg of 3.2%. This decision reflects Council's current financial position and has been made after considering the potential impacts on ratepayers.

Policy and legislation

Relevant legislation applicable to the subject of this report includes:

- Section 494 of the Act – Ordinary rates must be made and levied annually.
- Section 496 of the Act – Making and levying of annual charges for domestic waste management services.
- Section 496A of the Act – Making and levying of annual charges for stormwater management services.
- Section 497 of the Act – What is the structure of a rate?
- Section 498 of the Act – The ad valorem amount.
- Section 499 of the Act – The base amount.

- Section 500 of the Act – Limit on revenue that can be raised from base amount.
- Section 501 of the Act – For what services can a Council impose an annual charge?
- Section 502 of the Act – Charges for actual use.
- Section 503 of the Act – What is the relationship between rates and charges?
- Section 504 of the Act – Domestic waste management services.
- Section 566 of the Act – Accrual of interest on overdue rates and charges.

Strategic alignment and impact on financial sustainability

The making of the rates and charges will allow Council to raise income that is required to undertake the works and activities included in the 2026/2027 Operational Plan. The making of rates and charges is a requirement under the Act.

Rating Structure

Table based on 3.2% Rate peg

Table based on 3.2% Rate peg

Rating Category	No. of Rateable Properties	Land Value	Average Land Value	Ad Valorem (Rate in $)	Base Rate Amount ($)	Base Rate % age	Ad Valorem Yield ($)	Base Rate Yield ($)	Total Rate Yield ($)
Residential Rates	10,089	$10,025,744,698	$993,730.27	0.00101010	$1,003.00	49.96%	$10,127,005	$10,112,220	$20,239,225
Residential Rates - Mixed Development	18	$34,107,130	$1,933,510.77	0.00101010	$1,003.00	33.93%	$34,452	$17,693	$52,145
Rural Residential Rates	137	$432,905,592	$3,159,894.83	0.00092200	$1,003.00	25.52%	$399,139	$136,746	$535,885
Farmland Rates	239	$890,870,000	$3,727,489.54	0.00070800	$1,003.00	27.54%	$630,736	$239,717	$870,453
Business Ordinary Rates	41	$21,301,440	$519,547.32	0.00183500	N/A	0.00%	$39,088	N/A	$39,088
Business Commercial / Industrial Rates	556	$392,470,083	$705,881.44	0.00342477	$1,003 Minimum applies		$1,550,063	N/A	$1,550,063
Business Comm/Ind Rates - Mixed Development	30	$50,099,870	$1,650,193.35	0.00342477	$1,003 Minimum applies	0.00%	$171,581	N/A	$171,581
Total	11,110	$11,847,498,813					$12,952,063	$10,506,375	$23,458,438

(Note rounding may impact the Total amounts)

Item 8.3

In order for Council to levy rates and charges for the 2026-27 rating year, Council is required to resolve the making of all rates and annual changes, in accordance with the *Local Government Act 1993* and the *Local Government (General) Regulation 2021*.

Following publication of Council's draft Revenue Policy, in accordance with Section 532 of the Act, the rating structure was updated by re-doing the calculations based on Supplementary Notices from the Valuer-General dated up to 9 May 2026. The revision resulted in small changes to the ad valorem amounts and the revised rating structure for 2026-27 for ordinary rates is presented in the above table. These changes have already been included in the Delivery Program and Operational Plan documentation provided with the accompanying 2026-27 IP&R suite of documents report.

Community engagement

Council exhibited its draft suite of IP&R documents, including the draft rates and annual charges, as required under the Act following the Council resolution from the 21 April 2026 Council meeting. The IP&R documents were exhibited for a minimum of 28 days as required by the Act.

There were no submissions received that related to the subject of this report.

Conclusion

Following no submissions being received and the identification of the required changes, it is recommended that the Making of Rates and Annual Charges, be adopted by Council, with proposed changes, as outlined in the recommendation.