

Circular Details	20-19 / 26 May 2020 / A702258
Previous Circular	19-05 – Information about Rating 2019-20
Who should read this	Councillors / General Managers / Council staff
Contact	Performance Team (02) 4428 4100 / olg@olg.nsw.gov.au
Action required	Information / Council to Implement

Information about Ratings 2020-21

What's new or changing

- The maximum boarding house tariffs for 2020-21 have been determined.
- The maximum interest rate payable on overdue rates and charges for 2020-21 has been determined.
- The section 603 certificate fee for 2020-21 has been determined.
- The statutory limit on the maximum amount of minimum interest rates for 2020-21 has been determined for commencement on 1 July 2020.

What this will mean for your council

Councils should incorporate these determinations into their 2020-21 rating structures and Operational Plan Statement of Revenue Policies.

Key points

Boarding House Tariffs

In accordance with section 516 of the *Local Government Act 1993* (the Act), it has been determined that for the purpose of the definition of 'boarding house' and 'lodging house', the maximum tariffs, excluding GST, that a boarding house or lodging house may charge tariff-paying occupants are:

- Where **full board and lodging** is provided:
\$397 per week for single accommodation; or
\$656 per week for a family or shared accommodation
- Where **less than full board or lodging** is provided:
\$267 per week for single accommodation; or
\$441 per week for family or shared accommodation

Maximum Interest Rate on Overdue Rates and Charges

In accordance with section 566(3) of the Act, it has been determined that the maximum rate of interest payable on overdue rates and charges for the period 1 July 2020 to 31 December 2020 (inclusive) will be **0.0% per annum** and that the maximum rate of interest payable on overdue rates and charges for the period 1 January 2021 to 30 June 2021 (inclusive) will be **7.0% per annum**.

The interest rate has been set at 0.0% for the first half of the 2020-21 financial year in response to the financial impacts faced by the community as a result of the COVID-19 Pandemic.

The methodology used to calculate the interest rate applicable for the period 1 January 2021 to 30 June 2021 is the Supreme Court methodology (the Reserve Bank cash rate plus 6%), rounded to the nearest half per cent of the maximum interest rate for the previous year. The cash rate used for the purposes of the maximum interest rate for local government is based on the cash rate as at 4 December 2019.

Notice giving effect to these decisions will be published in the NSW Government Gazette.

Section 603 Certificate

Under section 603 of the Act, councils may issue a certificate as to the amount (if any) of rates, charges, etc due or payable to the council for a parcel of land. Section 603(2) states the application must be accompanied by the approved fee. In accordance with the approved methodology, the approved fee for 2020-21 is determined to be **\$85**. This is unchanged from the 2019-20 fee.

This determination applies to the issuing of a certificate for the matters specified in section 603(2) of the Act. Where a council offers to provide other information as an optional service, the council is not prevented from separately determining an approved fee for that additional service. Furthermore, a council is not prevented from determining approved fees for additional services required by an applicant for the expedited processing of a section 603 certificate.

Statutory limit on the maximum amount of minimum rates

Following a recommendation by IPART, clause 126 of the *Local Government (General) Regulation 2005* will be amended on 1 July 2020 by the *Local Government (General) Amendment (Minimum Rates) Regulation 2019* so that under section 548(3)(a) of the Act, the maximum amount of the minimum ordinary rate to be **\$554** for 2020-21.

The maximum amount of a minimum special rate (not being a water supply special rate or a sewerage special rate) prescribed by section 548(3)(b) of the Act will remain unchanged at **\$2**.

Where to go for further information

The NSW legislation website at www.legislation.nsw.gov.au.



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