

2023-2024 REVENUE POLICY

Rates

Council proposes to levy four ordinary rates for the 2023-2024 year - Farmland, Residential, Business and Mining. The Residential and Business categories have various sub-categories, a detailed list of the sub-categories appears in the Statement of Proposed Rates to be levied (as attached).

Council proposes to use an ad valorem (rate in the dollar) with a common minimum rate. A detailed summary of the revenue yields appears in the Statement of Proposed Rates to be levied (as attached).

Charges

Council introduced best practice water, sewerage and trade water charges in the 2005-2006 year. With the increasing demands being placed on NSW water resources, the State Government considers it important for water supply authorities (referred to as LWU – local water utility) to set best-practice tariffs for water supply, sewerage and liquid trade waste. Such tariffs are designed to better recognise the true cost of providing the services and comply with the Independent Pricing and Regulatory Tribunal's (IPART) Pricing Principles for Local Water Authorities handed down in 1996. The IPART Pricing Principles are consistent with the Council of Australian Governments' (COAG) Strategic Framework for Water Reform developed in 1994. All Australian Governments agreed to comply with this framework in 1998 and such compliance is required under National Competition Policy.

Water

The pricing for water for properties in Walcha is based on an access charge and a usage charge. In accordance with Sections 501 and 502 of the Local Government Act 1993, Council will levy an access charge to all assessments connected and all those that are capable of being connected (within 225 metres of a water main) to Council's water supply. Where connection to a Council main is required or a mains extension is required, the owner shall pay the relevant connection fee calculated in accordance with Council's fees and charges.

The fixed access charge is calculated according to the following formula:

$$AC = AC_{20} \times \frac{D^2}{400}$$

Where:

AC	=	Customer's Annual Access Charge (\$)
AC ₂₀	=	Annual Access Charge for a 20mm diameter water supply service connection (\$)
D	=	Diameter of customer's water supply service connection (mm)

The basis for this formula comes from fluid mechanics where in simple terms, the flow through a pipeline is directly proportional to the area of the pipeline. As the area of a pipeline is equal to $\pi \frac{D^2}{4}$ then the flow through a pipeline is directly proportional to the diameter squared. Therefore if the diameter of a pipeline doubles the flow and therefore the access charge increase fourfold assuming everything else remains constant.

2023-2024 REVENUE POLICY

Using the abovementioned formula the following access charges are proposed for 2023-2024:

Connection Size	Access Fee \$
20 mm	\$447.00
25 mm	\$699.00
32 mm	\$1,145.00
38 mm	\$1,615.00
50 mm	\$2,796.00
75 mm	\$6,290.00
100 mm	\$11,183.00

The usage charge for residential customers in 2023-2024 will comprise the following two steps:

0 – 200 kilolitres	-	\$4.12 per kilolitre
201 kilolitres and above		\$5.46 per kilolitre

The treated water usage charge for non-residential customers will be a flat \$4.12 per kilolitre. The usage charge for untreated water will be a flat \$2.14 per kilolitre.

Sewerage

Residential

For residential customers, the best practice guidelines recommend that there should be a uniform sewerage bill for all properties based on the estimated volume of sewerage discharged from all residential customers. In accordance with Sections 501 and 502 of the Local Government Act 1993, Council will levy an access charge to all assessments connected and all those that are capable of being connected (within 75 metres of a sewer main) to Council's sewerage system. Where connection to a Council main is required or a mains extension is required, the owner shall pay the relevant connection fee calculated in accordance with Council's fees and charges.

The annual residential sewerage bill is calculated as the Sewer Discharge Factor (SDF) times the annual non-residential sewerage access charge plus SDF times the product of the sewer usage charge (UC) and the average residential consumption. That is:

$$B_R = (SDF \times SAC_{20}) + (SDF \times C_R \times UC)$$

Where:

B_R	=	Annual residential sewerage bill (\$)
SDF	=	Sewer Discharge Factor – the proportion of total residential water consumption that is discharged to the sewerage system. A typical value for NSW is $SDF = 0.78$
SAC_{20}	=	Annual Non Residential Sewer Access Charge service connection (\$). Calculated to be \$573.00 for Walcha.
C_R	=	Average annual residential water consumption (kl) for Walcha is 128 kl.
UC	=	Sewer usage charge (\$/kl). Has been set at \$1.26/kl.

2023-2024 REVENUE POLICY

Based on the above formula the proposed sewerage charge for residential customers is \$573.00 per year. The unoccupied sewerage charge for residential customers is \$293.00 per year.

Non Residential

For non-residential customers, the sewerage bill recommended by the Guidelines is similar and is as follows:

$$B = (SDF \times SAC) + (SDF \times C \times UC)$$

Where:

B	=	Annual non-residential sewerage bill (\$)
SDF	=	Sewer Discharge Factor – the proportion of total water consumption that is discharged to the sewerage system
SAC	=	Customers Annual Sewer Access Charge
		$SAC = SAC_{20} \times \frac{D^2}{400}$
C	=	Customer's annual water consumption (kL).
UC	=	Sewer usage charge (\$/kL). This has been set at \$1.26/kL.

The SDF for non-residential customers varies according to the type of business. The non residential sewer access charge is set at \$574.00 per user, per annum. The vacant non-residential access charge is set at \$281.00 per user, per annum.

Trade Waste

The Guidelines also recommend that local water utilities responsible for sewerage must levy appropriate trade waste fees and charges on all its liquid trade waste dischargers in addition to the non-residential sewerage bills.

Council's liquid trade waste recommended fees and charges in 2023-2024 are:

- Application fee – fee based on category with a minimum charge of \$216.00
- Annual Trade Waste Fee:
 - Classification A \$106.00
 - Classification B \$211.00
 - The annual fee for Classification C dischargers will be set on a case by case basis depending on the complexity of monitoring required (for charging purposes and other administrative requirements).
- Re-inspection fee - \$101.00
- Trade Waste usage charge - \$1.91/kL with appropriate pre-treatment.
- Trade Waste usage charge - \$17.69/kL without appropriate pre-treatment.
- Food waste disposal charge - \$34.00/bed.
- Portable toilet - \$20.00/kL.
- Septic Waste
 - Normal (combined effluent and sludge) - \$3.00/kL.
 - Effluent only - \$3.00/kL.
 - Sludge only - \$29.00/bed.

2023-2024 REVENUE POLICY

Dischargers requiring nil or minimal pre-treatment of their liquid trade waste will only pay an annual trade waste fee together with a re-inspection fee where required. That is:

$$TW = A + I$$

Where:

TW	=	Total annual trade waste fees and charges (\$)
A	=	Annual trade waste fee (\$)
I	=	Re-inspection fee (\$) (where required)

Dischargers with prescribed pre-treatment will pay a trade waste usage charge per kL plus the annual trade waste fee. That is:

$$TW = A + I + (C \times UC_{TW} \times TWDF)$$

Where:

TW	=	Total annual trade waste fees and charges (\$)
A	=	Annual trade waste fee (\$)
I	=	Re-inspection fee (\$) (where required)
C	=	Customer's annual water consumption (kL)
UC _{TW}	=	Trade waste usage charge (\$/kL) of \$1.91/kL
TWDF	=	Trade waste discharge factor

The TWDF represents the estimated proportion of a customer's metered water consumption that is discharged to the sewerage system as liquid trade waste.

2023-2024 REVENUE POLICY

The following table represents sewerage and trade waste discharge factors.

Business Description	Discharge Factor	
	Sewer	Trade Waste
Bakery	95	25
With a residence attached ¹	70	18
Bed and Breakfast/Guesthouse (max. 10 persons)	75	NA ²
Butcher	95	90
With residence attached ¹	70	65
Cakes/Patisserie	95	50
Car Dealership	80	70
Car Detailing	95	90
Caravan Park (with commercial kitchen)	75	25
Caravan Park (no commercial kitchen)	75	NA ²
Caravan Park + Laundry (no commercial kitchen)	75	50
Club	95	30
Community Hall (minimum food only)	95	NA ²
Concrete Batching Plant	2	1
Craft/Stonemason	95	80
Day Care Centre	95	NA ²
Delicatessen, mixed business (no hot food)	95	NA ²
With residence attached	70	
Dental Surgery with X-ray	95	80
With a residence attached ¹	70	60
Hairdresser	95	NA ²
High School	95	25 ⁵
Hospital	95	60
Hotel	100	25
Joinery	95	10
Laundry	95	92 ⁵
Mechanical Workshop ³	95	70
Mechanical Workshop with car yard	85	70
Medical Centre	95	25 ⁵
Motel small (breakfast only, no hot food)	90	NA ²
Motel (other than breakfast only, no hot food)	90	20
Nursing Home	90	50
Office Building	95	NA ²
Panel Beating/Spray Painting	95	70
Primary School	95	10 ⁵
Printer	95	85
Restaurant ⁴	95	50
Self Storage	90	NA ²
Service Station	90	70
Supermarket	95	70
Swimming Pool (commercial)	85	NA ²
Take Away Food	95	50
Veterinary (no X-ray), Kennels, Animal Wash	80	NA ²

Notes:

¹ If a residence is attached, that has garden watering, the residential SDF should be applied.

² A trade waste usage charge is not applicable for this Category 1 activity.

³ Includes lawn mower repairers, equipment hire.

⁴ Includes café, canteen, bistro, etc.

⁵ A trade waste usage charge applies if appropriate pre-treatment has not been installed or has not been properly operated or maintained.

2023-2024 REVENUE POLICY

Waste Management Charges

Annual Domestic Waste Management (DWM) service charge is comprised of – 1 x 140L (Red) General Waste bin, 1 x 240L (Yellow) Recycling Waste bin and 1 x 240L (Green) Green Waste bin.

Annual Commercial Waste Management (CWM) service charge is comprised of – 1 x 240L (Red) General Waste bin and 1 x 240L (Yellow) Recycling Waste bin.

Fees

Council proposes to charge fees for the 2023-2024 financial year. Generally, Council will endeavour to ensure that all fees charges are raised equitably. A Statement with respect to each type of fee proposed to be charged and the amount of each charge is attached in the Statement of Fees and Charges.

Private Works

Private works will only be performed by Council when the Director Infrastructure & Development so approves but shall not be carried out if such private work interferes with Council's works programme. Quotes will be provided by the Director and must be formally accepted by the customer prior to works commencing. The quote will be calculated on a per job basis and include charges for labour, plant hire, materials and any other costs relating to the private works.

Payment in advance for work being carried out is not required except where:

- considered necessary by the General Manager
- the customer is not currently a rate payer, full payment in advance is required unless prior approval by the General Manager

Where payment in advance is required, 50% of the work value shall be paid prior to the work being commenced. Details of individual private works charges are available from the Infrastructure Department.

Where required by law, the 10% Goods and Services Tax (GST) will be added to the cost of all private works.

Goods and Services Tax (GST)

All fees and charges have been prepared using the most current available information in relation to the GST impact on the fees and charges at the time of publication of the Strategic Plan. However, the GST legislation is subject to change during the year, accordingly if a fee that is shown as being subject to GST is subsequently proven not to be liable to the tax the fee or charge will be reduced by the amount of the tax. Conversely if Council is advised that a fee, which is shown not to be subject to GST, becomes liable to the tax the charge or fee will be increased by the amount of the tax.

Proposed Borrowings

Council has resolved to borrow funds to purchase a Skid Steer Loader and Planer which was planned for delivery 2022-2023 however due to significant delivery delays will not be completed until 2023-24 with an estimated borrowing of \$130,000. Additionally, borrowing is planned for the purchase of a Smooth Drum Roller in 2023-2024 to the value of approximately \$250,000.



2023-2024 REVENUE POLICY

Proposed Rates to be Levied

Scenario 1 – No Special Rate Variation

Rate peg only (3.7% per IPART)

RATING CATEGORY	NUMBER OF ASSESSMENTS	LAND VALUE	MINIMUM RATE	MINIMUM REVENUE	AD VALOREM RATE	AD VALOREM REVENUE	TOTAL REVENUE
Farmland	95	18,792,140	\$500.00	52,500	\$0.00108163	3,151,846	3,204,346
	657	2,916,638,000					
Residential	139	13,359,230	\$500.00	74,500	\$0.00150002	29,666	104,166
	56	26,747,000					
Residential – Walcha	463	22,455,800	\$500.00	230,001	\$0.00503654	175,730	405,730
	261	46,532,400					
Business	11	366,120	\$500.00	5,500	\$0.00258116	3,719	9,219
	3	1,604,000					
Business – Walcha Centre	24	702,070	\$500.00	12,000	\$0.00747562	71,653	83,653
	64	9,831,700					
Business – Walcha Industrial	13	292,600	\$500.00	4,000	\$0.00553939	28,304	32,304
	22	5,282,100					
Mining	0	-	\$500.00	-	\$0.01092694	-	-
	0	-					
TOTALS:	1,808	3,062,603,160		\$378,501		\$3,460,917	\$3,839,419

Note: At the time of Revenue Policy update IPART has not released its decision on Walcha Council's Special Rate Variation application.



2023-2024 REVENUE POLICY

Scenario 2 – Special Rate Variation 36.5%

RATING CATEGORY	NUMBER OF ASSESSMENTS	LAND VALUE	MINIMUM RATE	MINIMUM REVENUE	AD VALOREM RATE	AD VALOREM REVENUE	TOTAL REVENUE
Farmland	95	18,792,140	\$590	58,410	\$0.00142621	4,159,748	4,218,159
	657	2,916,638,000					
Residential	139	13,359,230	\$590	72,570	\$0.00240000	64,193	136,763
	56	26,747,000					
Residential – Walcha	463	22,455,800	\$590	194,111	\$0.00730000	339,687	533,798
	261	46,532,400					
Business	11	366,120	\$590	5,900	\$0.00390000	6,256	12,156
	3	1,604,000					
Business – Walcha Centre	24	702,070	\$590	11,800	\$0.01002000	98,514	110,314
	64	9,831,700					
Business – Walcha Industrial	13	292,600	\$590	3,540	\$0.00740000	39,088	42,628
	22	5,282,100					
Mining	0	-	\$590	-	\$0.01092694	-	-
	0	-					
TOTALS:	1,808	3,062,603,160		\$346,332		\$4,707,485	\$5,053,816

Note: At the time of Revenue Policy update IPART has not released its decision on Walcha Council's Special Rate Variation application.

2023-2024 REVENUE POLICY

ANNUAL CHARGES	No. Services	Amount	Total
Water Access		\$	\$
Residential (20mm) – Treated	707	447.00	316,029.00
Residential (25mm) - Treated	39	699.00	27,261.00
Residential (38mm) - Treated	3	1,615.00	4,845.00
Residential (50mm) - Treated	2	2,796.00	5,592.00
Residential (100mm) - Treated	1	11,183.00	11,183.00
Residential (Vacant) - Treated	28	447.00	12,516.00
Non-Residential (20mm) - Treated	118	447.00	52,746.00
Non-Residential (25mm) - Treated	22	699.00	15,378.00
Non-Residential (38mm) - Treated	9	1,615.00	14,535.00
Non-Residential (50mm) - Treated	5	2,796.00	13,980.00
Non-Residential (100mm) – Treated	4	11,183.00	44,732.00
Non-Residential (Vacant) – Treated	13	447.00	5,811.00
Untreated (20mm)	3	447.00	1,341.00
Untreated (25mm)	3	699.00	2,097.00
Untreated (38mm)	2	1,615.00	3,230.00
			531,276.00
Sewer Access		\$	\$
Residential (Occupied)	697	573.00	399,381.00
Residential (Unoccupied)	32	293.00	9,376.00
Non-Residential (Occupied) – 20mm	96	574.00	55,104.00
Non-Residential (Occupied) – 25mm	14	897.00	12,558.00
Non-Residential (Occupied) – 38mm	5	2,072.00	10,360.00
Non-Residential (Occupied) – 50mm	3	3,588.00	10,764.00
Non-Residential (Occupied) – 100mm	1	14,350.00	14,350.00
Non-Residential (Unoccupied)	13	281.00	3,653.00
			515,546.00
Waste Management		\$	\$
Annual Domestic Waste Management (DWM)	828	737.00	610,236.00
DWM – Annual Additional 140L General Waste	5	258.00	1,290.00
DWM – Annual Additional 240L Recycling Waste	2	195.00	390.00
Annual Commercial Waste Management (CWM)	246	759.00	186,714.00
CWM – Annual 240L Green Waste Charge	21	76.00	1,596.00
CWM – Annual Additional 240L General Waste	6	387.00	2,322.00
CWM – Annual Additional 240L Recycling Waste	8	195.00	1,560.00
Annual Waste Management– Rural	922	284.00	261,848.00
Annual Waste Management - Unoccupied Town	59	226.00	13,334
Commercial Recycling – Cardboard and Paper - Woolpack Collection Service	452	19.00	8,588
Commercial Recycling – Cardboard and Paper– 240L Bin Collection Service	76	10.00	760.00
			1,088,638.00

¹ – Average rate – actual charge depends on water usage

² – Number of services varies depending on demand