

CENTRAL DARLING SHIRE COUNCIL REVENUE POLICY 2023-24

Statement of Revenue

Overview

The Statement of Revenue details how rates and annual charges are set, as well as fees and charges for use of Council facilities and services.

Ordinary Rates

Ordinary rates contribute to essential services such as the road network, street lighting, street cleaning, footpaths, parks, sport and recreation facilities, environmental planning and conservation, rangers, pest control, town planning and building control, community services, and much more.

The total amount of ordinary rates Council can charge is capped by legislation. For 2023-24, the Independent Pricing and Regulatory Tribunal (IPART) has approved a rate peg increase of 3.7% on this capped amount, which is shared between all ratepayers according to the individual land value and rating category of their property.

Council is compelled, under the Valuation of Land Act 1916, to use the latest valuations when it calculates and levies ordinary rates. Land valuations are determined by the NSW Valuer General (the VG), the independent statutory authority responsible for determining land values in NSW.

The VG has recently revised all valuations in NSW. These revised land values, with a base date of 1 July 2022, will be used to calculate and levy rates for the first time in 2023-24. Whilst individual land values may increase, decrease or remain unchanged, from the values used for rating in previous years, rate pegging means that Council's total rate income doesn't increase due to land valuation increases.

However, properties with a higher-than-average valuation increase will incur rate increases above the rate peg of 3.7%, while properties with lower than average increases will incur less significant increases or reduced rates compared to previous years.

When setting ordinary rates, the Local Government Act 1993 provides Council with a limited range of options to even out changes that result from valuation increases, as set out below;

- Ad Valorem Rate only;
- Ad Valorem Rate which is subject to a minimum amount of the rate; or
- A Base Amount to which an ad valorem amount is added.

All available rate structures are primarily based on the unimproved land value of property. Council may also set different rates for different categories. These methods or structures can be used to move rate burden between different rate payer groups without changing the total amount of rates available to Council.

Historically Council has adopted a Base Amount plus Ad Valorem Rate structure. Application of a uniform Base Amount Rate provides for an equal and minimum contribution by all ratepayers to the base costs of running Council.

Categories

In accordance with s 514 of the Local Government Act 1993, all parcels of rateable land in Council's area have been classified into one of the following categories of Ordinary rates:

Farmland s 515 of the Local Government Act 1993

Land is categorised as farmland if it is a parcel of rateable land valued as one assessment where its dominant use is for farming, and which has a significant and substantial commercial purpose or character and is engaged in for the purpose of profit on a continuous or repetitive basis.

Land is not to be categorised as farmland if it is rural residential land.

Residential s 516 of the Local Government Act 1993

Land is categorised as residential if it is a parcel of rateable land valued as one assessment and its dominant use is for residential accommodation or rural residential land or, if it is vacant land, it is zoned or otherwise designated for use under an environmental planning instrument for residential purposes.

Mining s 517 of the Local Government Act 1993

Land is to be categorised as mining if it is a parcel of rateable land valued as one assessment and its dominant use is for a coal mine or metalliferous mine.

Business s 518 of the Local Government Act 1993

Land is to be categorised as business if it cannot be categorised as farmland or residential. Caravan parks and manufactured home communities are to be categorised business.

The categorisation of all rateable land was determined as at 1 January 1994 with the issue of the rate notice in January 1994. New parcels of land created since that date have been categorised with the issue of subsequent rate notices. Where subsequent changes in categorisation have occurred, written notices to this effect have been issued in accordance with s 520 of the Local Government Act 1993.

Ordinary Rates 2023-24

Category	No. of Properties	Base Rate Amount	Base Rate Income	Rateable Land Values	Ad Valorem Rate in \$	Ad Valorem Rate Income	Total Ordinary Rate Income	Base Rate % of Total Income
Farmland	373	\$130.00	\$48,490	\$1,028,511,580	0.000428	\$440,203	\$488,693	10%
Residential	1,051	\$130.00	\$136,630	\$3,554,350	0.066626	\$236,812	\$373,442	37%
Mining	0	\$130.00	\$0	\$0	0.054677	\$0	\$0	0%
Business	134	\$130.00	\$17,420	\$606,580	0.054677	\$33,166	\$50,586	34%
Totals	1,558		\$202,540	\$1,032,672,510		\$710,181	\$912,721	

Annual Charges

In addition to ordinary rates, Council will levy annual charges for the following services in 2023-24:

Domestic waste management services – s496 of the Local Government Act 1993

Waste management services (non-domestic) – s501 of the Local Government Act 1993

Water supply services - s501 of the Local Government Act 1993

Sewerage services - s501 of the Local Government Act 1993

Domestic Waste Management Service Charges

Domestic Waste is defined in the Local Government Act 1993 as *“waste on domestic premises of a kind and quantity ordinarily generated on domestic premises and includes waste that may be recycled, but does not include sewage.”*

Council levies a domestic waste management service charge on all parcels of rateable land to which a domestic waste management service is available. This charge covers the cost of providing domestic waste collection services, whole of life cost for managing waste including the remediation of landfills.

Section 504 of the Local Government Act 1993 requires that the cost of providing Domestic Waste Management Services must be fully covered by the income derived from charges for these services.

Domestic Waste Service Charges Levied under Section 496 of the Local Government Act 1993	Charge Unit	2022-23 Charge	2023-24 Charge	No. of Properties/ Services	Forecast Income
Domestic Waste Management Availability Charge					
<u>Purpose:</u> Fund waste management facilities to meet potential future demands from vacant land. <u>Applies to:</u> All vacant parcels of rateable land within any of Council's waste collection areas.	Per Property	\$314.00	\$322.00	230	\$74,060
Domestic Waste Management Service					
<u>Purpose:</u> Entitlement to a weekly collection of a 240 litre waste bin & free access to dispose of domestic waste at Council's Waste Management Facility in the town the property is located in. <u>Applies to:</u> All properties within the Ivanhoe, Menindee or Wilcannia Council's waste collection areas, with an approval for a residential building.	Per Property	\$663.00	\$680.00	578	\$393,040
Domestic Waste Management Service – Sunset Strip					
<u>Purpose:</u> Provide Sunset Strip residents with free access to the dispose of domestic waste at the Sunset Strip Waste Management Facility. <u>Applies to:</u> All properties in Sunset Strip with an approval for a residential building.	Per Property	\$80.00	\$82.00	136	\$11,152
Domestic Waste Management Service – White Cliffs					
<u>Purpose:</u> Provide residents of the White Cliffs township with free access to dispose of domestic waste at the White Cliffs Waste Management Facility. <u>Applies to:</u> All properties in the township of White Cliffs with an approval for a residential building.	Per Property	\$66.00	\$68.00	197	\$13,396

Domestic Waste Management – Additional Bin Collection Services					
<u>Purpose:</u> Weekly collection of additional 240 litre waste bin (additional charge per bin). <u>Applies to:</u> All properties within the Wilcannia, Ivanhoe or Menindee Waste Collection areas where an additional Domestic Waste Collection service(s) has/have been requested and provided.	Per Bin	\$663.00	\$680.00	62	\$42,160

Waste Management Charges – Non Domestic

Council levies a Waste Management Charge on all parcels of land from which non-domestic waste is generated. The service is not available for the disposal of industrial waste or hazardous materials.

This charge covers the costs attributable to the collection of non-domestic waste and the whole of life cost for managing non-domestic waste, including the remediation of landfills.

Waste Management Service Charges - Non Domestic Levied under Section 501 of the Local Government Act 1993	Charge Unit	2022-23 Charge	2023-24 Charge	No. of Properties/ Services	Forecast Income
Waste Management Service					
<u>Purpose:</u> Entitlement to a weekly collection of a 240 litre waste bin. <u>Applies to:</u> All properties within any of Council's waste collection areas where a Waste Collection service has been requested and provided.	Per Property	\$663.00	\$680.00	121	\$82,280
Waste Management Additional Bin					
<u>Purpose:</u> Entitlement to a weekly collection of additional 240 litre waste bins. <u>Applies to:</u> All properties within any of Council's waste collection areas where an additional Non Domestic Waste Collection service(s) has/have been requested and provided.	Per Bin	\$663.00	\$680.00	67	\$45,560

Water Supply Charges

In accordance with NSW Government guidelines, Council is required to adopt a pricing policy for water supply services and sewerage services delivery charges. Such a pricing policy requires that the cost of providing services in one area are funded from charges levied for those services in that area.

The price of this service should be set at a rate sufficient to enable the recovery of annual operating and maintenance costs and to enable a contribution to be made towards the cost of replacement of the infrastructure assets utilised in providing the service.

All rateable properties that are connected to, or within 225 metres of, Council's water supply pipe, are subject to an annual water service charge.

Additional charges apply for each kilolitre of water used, as measured by individual water meters with Water Usage accounts issued on a quarterly basis.

Ivanhoe Water Supply Service

The service is provided to supply both filtered and raw water to residents in the township of Ivanhoe and a rural water supply.

Water Service Charges - Ivanhoe					
Service Charge Description	Charge Unit	2022-23 Charge	2023-24 Charge	No. of Services	Forecast Income
Filtered Water Connected	Per Connection	\$300.00	\$308.00	136	\$41,888
Non- Potable/Raw Water Connected	Per Connection	\$503.00	\$516.00	137	\$70,692
Filtered Water Availability	Per Property	\$224.00	\$230.00	40	\$9,200
Non Potable/Raw Water Availability	Per Property	\$224.00	\$230.00	41	\$9,430
Filtered Water Usage	Per Kilolitre (kL)	\$4.08	\$4.18		
Non Potable/Raw Water Usage – Rateable Properties	Per Kilolitre (kL)	\$1.77	\$1.81		
Filtered Water Usage – Metered Non Rateable Properties	Per Kilolitre (kL)	\$4.91	\$5.03		
Non Potable/Raw Water Usage – Metered Non Rateable Properties	Per Kilolitre (kL)	\$4.08	\$4.18		

Wilcannia Water Supply Service

The Service is provided to supply both filtered and raw water to residents in the township of Wilcannia and a rural water supply. Raw water connections to rateable properties are unmetered.

While a number of options are being explored, the current price structure is based on sourcing and treating water from existing bores and the Darling River.

In the event of severe water shortage, Rural users will no longer be connected to the town supply until such time as water supply has been increased. Rural users can obtain water by carting from the bore located at Warrawong Farm in Wilcannia.

Water Service Charges - Wilcannia					
Service Charge Description	Charge Unit	2022-23 Charge	2023-24 Charge	No. of Services	Forecast Income
Filtered Water Connected	Per Connection	\$257.00	\$263.00	271	\$71,273
Non- Potable/Raw Water Connected	Per Connection	\$1,011.00	\$1,036.00	250	\$259,000
Filtered Water Availability	Per Property	\$169.00	\$173.00	102	\$17,646
Non Potable/Raw Water Availability	Per Property	\$169.00	\$173.00	104	\$17,992
Filtered Water Usage	Per Kilolitre (kL)	\$3.66	\$3.75		
Non Potable/Raw Water Usage – Rateable Properties	Per Kilolitre (kL)	Not Applicable			
Filtered Water Usage – Metered Non Rateable Properties	Per Kilolitre (kL)	\$3.66	\$3.75		
Non Potable/Raw Water Usage – Metered Non Rateable Properties	Per Kilolitre (kL)	\$3.66	\$3.75		

White Cliffs Water Supply Service

The service is provided to supply non-potable water to residents in the township of White Cliffs.

Council is working towards bringing the White Cliffs water supply up to a potable standard. Should these works be completed in the 2023-24 period, Water Supply Service charges set for non-potable supply will continue to apply for potable supply.

Water Service Charges – White Cliffs					
Service Charge Description	Charge Unit	2022-23 Charge	2023-24 Charge	No. of Services	Forecast Income
Filtered Water Connected	Per Connection	\$974.00	\$998.00		
Non Potable/Raw Water Connected	Per Connection	\$974.00	\$998.00	169	\$168,662
Filtered Water Availability	Per Property	\$852.00	\$873.00		
Non Potable/Raw Water Availability	Per Property	\$852.00	\$873.00	32	\$27,936
Filtered Water Usage	Per Kilolitre (kL)	\$3.98	\$4.08		
Non Potable/Raw Water Usage – Rateable Properties	Per Kilolitre (kL)	\$3.98	\$4.08		
Filtered Water Usage – Metered Non Rateable Properties	Per Kilolitre (kL)	\$3.98	\$4.08		
Non Potable/Raw Water Usage – Metered Non Rateable Properties	Per Kilolitre (kL)	\$3.98	\$4.08		

Sewerage Services

In accordance with NSW Government guidelines, Council is required to adopt a pricing policy for water supply services and sewerage services delivery charges. Such a pricing policy requires that the cost of providing services in one area are funded from charges levied for those services in that area.

Sewerage services are provided by Council only within the township of Wilcannia.

Sewerage Services - Wilcannia

The service is provided as a means of disposing of domestic strength effluent.

Sewerage Service Charges apply to all rateable properties that are either;

- connected to a Council sewer, or;
- within 75 metres of a Council sewer and from which sewage could be discharged to that Council sewer.

Where a property has more than two (2) connections to Council's sewer, additional charges apply for each additional connection.

Service Charge Description	Charge Unit	2022-23 Charge	2023-24 Charge	No. of Services	Forecast Income
Sewerage Service Charge	Per property – up to 2 connections	\$915.00	\$938.00	253	\$237,314
Sewerage Service Additional Charge	Per connection – more than 2 connections	\$315.00	\$323.00	146	\$47,158

Pensioner concessions

Council provides a rate reduction to eligible pensioners under the Local Government Act, of:

- 50% of the combined Ordinary Rate and Domestic Waste Management Service Charge, to a maximum of \$250 per annum;
- 50% of the Water Service Charge to a maximum of \$87.50 per annum; and
- 50% of the Sewerage Service Charge to a maximum of \$87.50 per annum

Where there is a change in eligibility, concessions are adjusted from the commencement of the quarter following the change in eligibility.

The NSW Government subsidises Council for 55% of the cost of pensioner concessions with Council bearing the remaining 45%.

There are approximately 140 eligible pensioners in the Central Darling Shire. The total value of pensioner concessions for 2023-24 will be approximately \$32,500 with the net cost to Council estimated at \$14,600.

Maximum Interest on Overdue Rates and Charges

In accordance with section 566(3) of the Act, it has been resolved by Council that the rate of interest payable on overdue rates and charges for the 2023-24 rating year will be 9% being the maximum rate prescribed by The Independent Pricing and Regulatory Tribunal under the regulations.