

# OUR PLACE OUR FUTURE

Statement of Revenue Policy  
2023-2024



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## 2023-24 Statement of Revenue Policy

The objective of the Statement of Revenue Policy is to ensure that rates are levied in a fair and equitable manner so as to provide sufficient funds to carry out the general services which benefit all the ratepayers of the area.

Council aims to set rates and charges at a level that provides a sustainable income but does not impose undue hardship on property owners. The council is committed to a rates and charges process that is ethical, transparent, open, accountable and compliant with legal obligations (including the NSW Local Government Act 1993 and the Local Government (General) Regulation 2005 (NSW)). The administration of rates will be honest, diligent and applied consistently and fairly across all properties.

The range of services provided by Council to the community is diverse and requires different considerations when determining the associated fee or charge. The level of the fee or charge was determined having regard to the following categories:

Code	Description
A	Economic Cost <i>Total cost of providing services for private good.</i>
B	Community Service <i>Services considered to have a level of benefit to the community. Generally, benefits are not solely confined to users. Partially funded by rates.</i>
C	Regulated Charges <i>Federal or State Government set charges.</i>
D	User Pays Principal <i>Services under this category are such that individual costs can be determined and met by the user of the service.</i>
E	Market Forces <i>Services that Council operates in a competitive market and needs to fix charges similar to other providers.</i>
F	Cost Plus <i>Services provided on a commercial basis with an amount of risk profit included.</i>
G	Section 7.11 (Developer Contributions) <i>Items are priced at the level determined by the adopted Council's Developer Contributions Plan. The plans provide for quarterly increases in these fees based on Consumer Price Index (CPI) increases.</i>

Council's full suite of documents within the Integrated Planning and Reporting Framework can be viewed on Council's website [www.council.ithgow.com/ipr](http://www.council.ithgow.com/ipr)

## Rates and Annual Charges Revenue Strategy

Council's Statement of Revenue Policy takes into account a number of factors including:

- the benefit or user pays principle – some ratepayers have more access to, make more use of, and benefit more from the council services paid for by rates;
- the capacity to pay principle – some ratepayers have more ability to pay rates;
- the incentive or encouragement principle – some ratepayers may be doing more towards achieving community goals than others in areas such as environmental or heritage protection and town beautification; and
- the principle of intergenerational equity – future ratepayers should enjoy the same, or improved standard of infrastructure and services at an equivalent future cost.

Council's objectives in the development of this rates structure are to:

- progressively align the ad valorem amount with the provision of infrastructure so that all properties pay a share of the cost of maintenance, renewal, upgrade and debt servicing of infrastructure in proportion to their land values.
- progressively align the base amount with the net cost of service provision, incorporating funding of council's community service obligations (CSOs); and
- explore opportunities to assist ratepayers experiencing financial hardship, such as deferring of interest.

## Capacity to Pay and Hardship Policy

The 'benefit or user pays' principle often conflicts with the 'capacity to pay' principle; and, in setting the rates structure, Council has been mindful of both equity considerations.

An individual ratepayer's ability to pay rates at a particular time may be impacted by external economic factors that create a sustained financial burden, such as natural disasters.

Council has a Hardship Policy and will support all ratepayers who are experiencing financial hardship and are struggling to pay their rates. Council will work with individual ratepayers to consider their circumstances and provide them with options and assistance such as deferred and interest free payment arrangements.

## Statutory Requirements

In accordance with the *Local Government Act 1993* the following statutory requirements are included in this document:

- Statement containing a detailed estimate of the council's income and expenditure;
- Statement of ordinary and special rates;
- Rating structure;
- Statement of charges to apply to rateable and non-rateable properties;
- Statement of fees to be charged and pricing policy of goods and services; and
- Statement of borrowings.

2023/24– 2025/26			
Budget – Income and Expenditure Funds Consolidated (\$'000)			
	2023/24	2024/25*	2025/26*
Operating income	73,060	60,895	62,440
Operating expenditure	54,322	57,503	58,795
Operating result	18,738	3,393	3,644
Operating result before capital	972	711	929

\* Figures from Council’s adopted Long Term Financial Plan Scenario  
3 Service Levels Maintained

Capital Budget 2023/24 – 2025/26*			
	2023/24 \$'000	2024/25* \$'000	2025/26* \$'000
<b>General Fund</b>			
<b>Buildings &amp; Infrastructure</b>			
Asset Renewals	23,201	11,278	11,511
New Assets	7,081	-	-
<b>Water Fund</b>			
Asset Renewals	993	974	998
New Assets	1,616	-	-
<b>Sewer Fund</b>			
Asset Renewals	3,679	1,460	1,522
New Assets	3,942	-	-
<b>Total Capital</b>	<b>40,512</b>	<b>13,711</b>	<b>14,031</b>

\* Figures from Council's adopted Long Term Financial Plan Scenario  
3 Service Levels Maintained

## Cashflow Statement 2023/24 Budget

<b>Cash Flows from Operating Activities</b>	
<b>Receipts:</b>	
Rates and Annual Charges	31,378
User Fees and Charges	7,763
Interest and Investment Revenue Received	1,662
Grants and Contributions	30,034
Bonds and Deposits Received	0
Other	1,361
<b>Payments:</b>	
Employee Benefits and On-Costs	-20,153
Materials and Contracts	-17,502
Borrowing Costs	-552
Bonds and Deposits Refunded	0
Other	-833
<b>Net Cash Provided (or used in) Operating Activities</b>	<b>33,608</b>
<b>Cash Flows from Investing Activities</b>	
<b>Payments:</b>	
Purchase of Infrastructure, Property, Plant and Equipment	-40,512
<b>Net Cash Provided (or used in) Investing Activities</b>	<b>-40,512</b>
<b>Cash Flows from Financing Activities</b>	
<b>Payments:</b>	
<b>Proceeds from Borrowings &amp; Advances</b>	1,000
<b>Repayment of Borrowings and Advances</b>	-2,003
<b>Net Cash Provided (or used in) Investing Activities</b>	<b>-1,003</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>-5,031</b>
<b>plus: Cash, Cash Equivalents and Investments - Beginning of Year</b>	<b>10,584</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>2,677</b>

# Statement of Ordinary and Special Rates

## Strategy – ordinary rates

Council will continue to levy ordinary rates using a structure comprising a base amount to which an ad valorem (rate in the dollar) component is added. The Base Amount will vary, depending on rating category/sub-category combination.

All rateable properties within each category / sub-category, regardless of their land value, are levied the base amount. The balance of income for ordinary rates is derived by multiplying the land value of a property by a rate in dollar for the relevant category / sub- category, which is determined by Council dependent on the property's dominant use. The amount payable by ratepayers under this component is dependent on the land value of the property. In addition, the total amount collected for ordinary rates each year will take account of any approved increase advised by the Minister.

Council has 5 categories of ordinary rate, being residential, farmland, business, mining and quarries. These categories are further divided into subcategories for residential, business and quarries. An ordinary rate will be applied to each parcel of rateable land within the Local Government Area in 2023/24.

The following is the structure of Council's rates:

Type	Category	Sub-Category	Basis
Ordinary	Residential	Lithgow Portland Wallerawang	Each parcel of rateable land valued as one assessment which can be categorised as Residential in accordance with the Local Government Act, 1993 within the Lithgow, Portland & Wallerawang urban areas as set out in the Lithgow Rate Categorisation Map.
Ordinary	Residential	Other	Each parcel of rateable land valued as one assessment which can be categorised as Residential in accordance with the Local Government Act, 1993 but cannot be categorised as 'Residential - Lithgow, Portland & Wallerawang'.
Ordinary	Farmland		Each parcel of rateable land valued as one assessment which can be categorised as Farmland in accordance with the Local Government Act, 1993.
Ordinary	Mining		Each parcel of rateable land valued as one assessment which can be categorised as Mining in accordance with the Local Government Act, 1993.
Ordinary	Business	Lithgow, Portland, Wallerawang	Each parcel of rateable land valued as one assessment which can be categorised as Business in accordance with the Local Government Act, 1993 within the Lithgow, Portland & Wallerawang urban areas as set out in the Lithgow Rate Categorisation Map.

Ordinary	Business	Other	Each parcel of rateable land valued as one assessment which can be categorised as Business in accordance with the Local Government Act, 1993 but cannot be categorised as either 'Business – Lithgow, Portland Wallerawang' or 'Business – Power Generation and Storage'.
Ordinary	Business	Power Generation and Storage	Each parcel of rateable land valued as one assessment which cannot be categorised as farmland, residential or mining and if its dominant use is as a centre for any of the following activities: a) the generation of, or capacity to generate, more than 15 megawatts of electricity; b) the storage of, or capacity to store, more than 50 megawatts of electricity.
Ordinary	Quarries	Quarries	Each parcel of rateable land valued as one assessment which cannot be categorised as farmland, residential or mining and if its dominant use is as a centre for quarrying or works ancillary or properly incidental to quarrying.

## Rating Structure

Ordinary rates under section 494 of the *Local Government Act 1993* and special rates under section 495 of the *Local Government Act 1993*.

In accordance with Section 497 of the Local Government Act 1993, the structure of the Ordinary Rate consists of a base amount and an ad valorem amount.

- The ad valorem amount is set to recover the cost of infrastructure.
- The base amount is set to recover the cost of services and operations.

The table below shows the Base Amount and Ad Valorem amounts with the 3.7% Rate Peg applied along with the estimated income from each category of rates.

Council is awaiting the NSW Independent Pricing and Regulatory Tribunal's (IPART) May 2023 determination on Council's overall 45.7% Special Rate Variation (SRV).

The rating structure will be updated should IPART approve Council's SRV application in May 2023.

<b>Residential</b>				
<b>Category/Sub-Category</b>	<b>Estimated Number of properties</b>	<b>Base Amount</b>	<b>Ad Valorem Amount</b>	<b>Estimated Yield</b>
		<b>(\$)</b>	<b>(c in the \$)</b>	
Residential/Lithgow	5604	353.40	0.31694	5,365,527.86
Residential/Portland	934	291.65	0.20824	554,838.79
Residential/Wallerawang	835	307.90	0.17853	581,649.42
Residential/Other	2446	248.30	0.18038	2,319,274.33
<b>Farmland</b>				
Farmland	1273	460.80	0.13349	2,241,588.47
<b>Business</b>				
Business/Lithgow	303	485.90	1.67309	1,858,277.89
Business/Portland	44	485.90	0.71780	68,712.47
Business/Wallerawang	42	485.90	1.11052	130,840.11
Business/Other	124	329.15	0.19973	136,261.42
Business/Power Generation and Storage - Portland	1	10,584.8	1.44358	46,963.02
Quarry - Clarence	1	329.15	0.18802	7,248.29
Quarry - Newnes Junction	1	329.15	0.18802	2,265.76
Quarry - Wallerawang	1	329.15	0.18802	4,804.03
Quarry - Marrangaroo	1	329.15	0.18802	4,035.02
Quarry - Hartley	1	329.15	0.18802	15,314.34
Quarry - Round Swamp	1	329.15	0.18802	1,194.04
Quarry - Clarence - Lithgow	1	329.15	0.18802	752.20
<b>Mining</b>				
Mining	13	12,183.00	0.91713	1,867,116.92
<b>Total Estimated Yield</b>	<b>11,626</b>			<b>15,206,665.18</b>

## Rate Pegging

The rate peg determined by the Independent Pricing and Regulatory Tribunal (IPART) sets the maximum percentage by which a council may increase its general income for the year, excluding the addition of new properties.

This does not mean that each individual rate assessment will increase by that percentage but does mean that Council's total income from ordinary rates cannot exceed this percentage increase, excluding new properties created through subdivision during the year.

IPART's allowable increase for NSW Councils for the 2023-24 financial year has been set at 3.7%.

The rate peg is determined by measuring changes in IPART's Local Government Cost Index (LGCI). The LGCI reflects the past increase in costs experienced by the average council. In calculating the annual rate peg, IPART may also take into account a productivity factor in addition to the LGCI.

As the local community grows, NSW councils are required to provide services to new residents. A sustainable and efficient rate peg system, which recognises the additional pressures of population growth, would allow councils to recoup the cost increases they face.

The rate peg allows for the general revenue of councils to increase with price increases each year. However, the rate peg does not expressly account for the increase in the volume of services that need to be provided to service population growth or to maintain new local infrastructure.

Under the current approach to the rate peg, councils can raise revenue to service the costs associated with population growth through developer contributions and special variations.

## Land Valuations

The ad valorem component of the rate is calculated with reference to the unimproved land valuations issued by the NSW Valuer General every three years. The proportionate share of rates charged to each assessment is dependent on the land value of the property as compared with all other properties within the same rating category, and the rating structure determined by Council.

The valuation process occurs independently of Council and is something that Council cannot influence. Lithgow City Council has received the 2022 revaluation from the Valuer General and these will be used for rating from 1 July 2023 to 30 June 2026.

Increases in land values do not necessarily lead to similar increases in rates, rather, changes to land valuations do cause a redistribution of the rate levied across all properties.

Land Valuations as at 1 July 2022 will be applied for the 2023/24 Annual Rate Levy.

## Special Rate Variations

Councils use the Special Rates Variation (SRV) process to apply for an increase in their total rate revenue, above the rate peg.

### 2023 Special Variation to Ordinary Rates

The council has submitted an application to IPART for a permanent increase to land rates in accordance with the Council resolution of 23 January 2023.

*If granted, the overall income from land rates will increase by a maximum of 45.7% (including the 3.7% rate peg). Council has committed to limiting any increase in the residential, farming and business (general) rating categories to 27.7% (including the 3.7% rate peg) with the balance of the SRV funds required to be levied against the business power generation sub-category, mining category and new quarrying business sub-categories.*

#### **23 -16 RESOLVED.**

*THAT Council:*

1. *Submit a Special Rate Variation application (by 3 February) under Section 508(2) of the NSW Local Government Act for a permanent Special Rate Variation (SRV) 45.7% increase (including 3.7% rate peg) in 2023/24 for the primary purposes (based on IPART categories) of:
  - a) *Improving financial sustainability.*
  - b) *Maintaining existing services; and*
  - c) *Reducing infrastructure backlogs for asset maintenance and renewals.**
2. *Reaffirm its commitment to limiting any increase in the residential, farming and business (general) rating categories to 27.7% (including the 3.7% rate peg) with the balance of the SRV funds required to be levied against the business power generation sub-category, mining category and a new quarrying business sub-category or sub-categories.*

The table below shows the Base Amount and Ad Valorem amounts should IPART approve Council's application for a 45.7% increase (Including 3.7% rate peg) to its overall income, showing the estimated income for each category.

<b>Residential</b>				
<b>Category/Sub-Category</b>	<b>Estimated Number of properties</b>	<b>Base Amount (\$)</b>	<b>Ad Valorem Amount (c in the \$)</b>	<b>Estimated Yield</b>
Residential/Lithgow	5604	300.00	0.48374	6,851,768.08
Residential/Portland	934	300.00	0.31540	708,533.89
Residential/Wallerawang	835	300.00	0.27049	742,779.78
Residential/Other	2446	300.00	0.23475	2,961,785.19
<b>Farmland</b>				
Farmland	1273	567.42	0.17262	2,862,489.21
<b>Business</b>				
Business/Lithgow	303	600.00	2.05739	1,807,285
Business/Portland	44	600.00	1.25935	57,203
Business/Wallerawang	42	600.00	1.24218	127,658
Business/Other	124	380.00	0.26623	169,978
Business/Power Generation and Storage - Portland	1	13,034.55	12.85676	337,024.90
Quarry - Clarence	1	15,000.00	2.08614	91,769.95
Quarry - Newnes Junction	1	15,000.00	2.08614	36,487.24
Quarry - Wallerawang	1	15,000.00	2.08614	64,650.13
Quarry - Marrangaroo	1	15,000.00	2.08614	56,117.82
Quarry - Hartley	1	15,000.00	2.08614	181,265.36
Quarry - Round Swamp	1	15,000.00	2.08614	24,596.24
Quarry - Clarence - Lithgow	1	15,000.00	2.08614	19,693.82
<b>Mining</b>				
Mining	13	15,002.60	2.20536	4,303,919.41
<b>Total Estimated Yield</b>	<b>11,626</b>			<b>21,964,995.35</b>

## 2019 Special Variation to Ordinary Rates

On 13 May 2019, IPART announced that it had decided to approve the proposed SRV in part for an increase of 9.0% (including rate peg). The rate increase will be retained in the Council's general income base permanently.

The below table outlines the Special Rate Variation expenditure program from the initial SRV.

Special Rate Variation Program s508 (2) of the Local Government Act 1993			
<b>Renewal works to the following roads:</b>	<b>2023/24</b>	<b>Measurement</b>	<b>Reporting</b>  Report 'on-the-ground' works undertaken in the Six-Monthly Progress Report and Annual Report.
	\$		
Peach Tree Road, Megalong Valley	452,664	Road renewal works completed.	
<b>Total Road Renewal</b>	<b>452,664</b>		
General Asset Transport Maintenance	109,285	Maintenance works completed.	
<b>Total Transport SRV Program</b>	<b>561,949</b>		
<b>Renewal of the following drainage infrastructure:</b>	<b>2020/21</b>	<b>Measurement</b>	<b>Reporting</b>  Report on works completed in the Six-Monthly Progress Report and Annual Report.
	\$		
Kerb & Gutter Renewal	82,284	Drainage renewal works completed.	
<b>Total Drainage Renewal</b>	<b>82,284</b>		
General Asset Drainage Maintenance	18,578	Maintenance works completed.	
<b>Total Drainage SRV Program</b>	<b>100,862</b>		
<b>Renewal works to the following buildings:</b>	<b>2020/21</b>	<b>Measurement</b>	<b>Reporting</b>  Report on works completed in the Six-Monthly Progress Report and Annual Report
	\$		
Lithgow Library Roof Repairs	191,996	<b>Buildings &amp; Facilities renewal works completed.</b>	
<b>Total Buildings Renewal</b>	<b>191,996</b>		
General Asset Building Maintenance	20,753		
<b>Total Buildings SRV Program</b>	<b>212,749</b>		
<b>TOTAL EXPENDITURE SPECIAL RATE VARIATION</b>	<b>875,560</b>		
		Maintenance works completed.	

## Parking Special Rate

The special rate for parking for 151 CBD properties will continue within the designated area of Lithgow. At the Council meeting held on 26 November 2018 it was resolved:

18 – 349 RESOLVED

*THAT Council take the following action from the 2019/20 financial year:*

- 1. Utilise the parking special rate for Lithgow CBD capital works and maintenance.*
- 2. Determine a specific program of works and activities which will be funded from the parking special rate for inclusion in each year's Operational Plan.*
- 3. Any parking special rate funds not utilised in a financial year be placed in an internally restricted reserve for future Lithgow CBD capital works and maintenance.*
- 4. That the outcome of the program is reported to the Council annually and that the program is reviewed in 5 years.*

The ad valorem rate and estimated yield is provided below.

The remaining Parking Special Rate income will be allocated to the Main Street Revitalisation project as a co-contribution for the grant funded project. Any parking special rate funds not utilised will be placed in an internally restricted reserve for future Lithgow CBD capital works and maintenance.

Parking Special Rate Income		
	Ad Valorem Amount (\$)	Estimated Yield (\$ GST Exclusive)
Designated area of Lithgow	0.63434	267,763.79

Parking Special Rate – Program of Works	
Project	Budget (\$)
CBD Street Sweeping	95,737
Main Street Banner Program	21,900

## S7.11 and S7.12 Levy Contributions

The council has undertaken a review of its Development Contributions Framework and has proceeded with the introduction of S7.11 and S7.12 (formerly Section 94A) Levy Plans that will apply across the LGA.

The review of the Development Contributions Plan is currently being finalised and will be reported to the Council in the near future.

## Interest

In accordance with section 566(3) of the *Local Government Act 1993*, the Minister for Local Government determines the maximum rate of interest payable on overdue rates and charges. Council is awaiting the Minister's determination on the maximum rate of interest payable on overdue rates and charges for the period 1 July 2023 to 30 June 2024 (inclusive).

## Statement of Fees and Charges

In accordance with Sections 496, 496A, and 501 of the Local Government Act, Council will levy annual fixed charges to each parcel of land for the following services, provided or proposed to be provided:

- Water
- Sewerage (Waste Water)
- Domestic Waste Management
- Non-Domestic Waste Management
- Stormwater Management
- In accordance with Section 502 of the Local Government Act, Council will levy charges for actual use for the following services:
  - Water
  - Sewerage
  - liquid trade waste.

Water, sewerage and waste management charges relating to non-rateable properties will be charged in accordance with Sections 496, 501 and 502 of the Local Government Act. For the purpose of charging these non-rateable properties that actually use these services, the charges to be applied are the same as those charged against rateable properties as these charges are representative of use.

### Waste Management Charges

The charges to apply to domestic waste management are determined in accordance with the Reasonable Cost guidelines issued by the NSW Office of Local Government. The charges determined using these guidelines will apply to domestic as well as non-domestic properties.

### Domestic waste management services

All properties with a domestic waste management service available to their property will be charged an annual charge under Section 496 of the *Local Government Act 1993*.

The charge for multiple services is calculated by the "type of service" multiplied by the "number of services" provided.

The applicable charges for 2023-24 are outlined in the schedule below.

Waste Charges		
Type of Service	Charge (\$) (GST ex)	Estimated Yield (\$) (GST ex)
Residential	519	4,548,516.00
Business	519	323,337.00
Non-Rateable	519	66,432.00
Waste Disposal Urban (GST applies)	243.57	114,721.47
Waste Disposal Rural (GST applies)	198	467,874.00
Additional Residential Waste and Recycling	519	4,671.00
Additional Residential Waste	260.00	3,120.00
Additional Residential Recycling	88.50	14,425.50
Additional Business Waste	260.00	-
<b>Total Estimated Yield</b>		<b>5,542,796.97</b>

## Water Charges

The residential or business water availability charge will be levied on all rateable and non-rateable properties which are connected to the Council's reticulated water supply system. Water usage charges will be levied to all properties using Council's reticulated water supply system.

**The maximum annual concession rebate for eligible pensioner customers was increased from \$87.50 to \$222.50 (additional \$135.00 rebate) from 1 July 2022.**

Water Charges - Rateable		
Annual Access Charge		
Type	Charge (\$)	Estimated Yield (\$)
20mm Connection	408	3,333,768
25mm Connection	458	47,174
32mm Connection	687	9,618
40mm Connection	1,155	34,650
50mm Connection	1,550	91,450
80mm Connection	2,970	2,970
100mm Connection	4,250	51,000
Unpotable Water	220	4,400
Vacant Land Water Access	408	9,792
<b>Total Estimated Yield</b>		<b>3,548,918</b>

<b>Water Charges Non-Rateable</b>			
<b>Annual Access Charge</b>			
<b>Type</b>	<b>Charge (\$)</b>	<b>Estimated Yield (\$)</b>	
20mm Connection	408	23,664	
25mm Connection	458	5,038	
32mm Connection	687	-	
40mm Connection	1,155	10,395	
50mm Connection	1,550	41,850	
80mm Connection	2,970	2,970	
100mm Connection	4,250	42,500	
<b>Total Estimated Yield</b>		<b>126,417</b>	
<b>Water Usage Charges - Residential</b>			
<b>Kiloliters Used</b>	<b>Charge (\$)</b>		
0 - 250 Residential		3.06 / kl	
250+ Residential		5.40 / kl	
<b>Water Usage Charges - Business</b>			
<b>Kiloliters Used</b>	<b>Charge (\$)</b>		
0 - 500 Business		3.06 / kl	
500+ Business		5.40 / kl	

## Sewerage Charges

Council has reviewed the sewerage access and usage charges for 2023/24.

### Sewerage Access Charges

Sewerage charges are levied under the provisions of Section 501 of the Local Government Act to collect revenue from property owners who actually benefit or propose to benefit from the availability or use of a Council sewerage system and comprise of:

- Residential and non-residential properties that are connected to a Council sewer main.
- Vacant land situated within 75 metres of a Council sewer main and is able to be connected to Council's sewerage supply, whether or not the property is actually connected to that sewerage supply.

There is a CPI related increase in annual sewerage access charges. The discharge usage fee (business) has also increased.

Access charges are based on the size of metered water connection with usage being calculated based on water consumption and a Sewer Discharge Factor (SDF). The SDF is the ratio of water consumption to the total water consumption. A typical value is 0.95 for non-residential and may need to be calculated for business categories that have no Guideline value.

Sewerage Charges Rateable Properties		
Annual Sewerage Access Charge		
Type	Charge (\$)	Estimated Yield (\$)
Residential	1,005	7,408,860
Non-Residential 20mm	558	156,798
Non-Residential 25mm	558	18,414
Non-Residential 32mm	613	6,130
Non-Residential 40mm	667	10,672
Non-Residential 50mm	745	35,760
Non-Residential 80mm	882	0
Non-Residential 100mm	876	6,132
<b>Total Estimated Yield</b>		<b>7,642,766</b>

  

Sewerage Usage Charges	
Type	Charge (\$)
Business (most commonly 95% of water usage)	2.45

Sewerage Charges Non-Rateable Properties		
Annual Sewerage Access Charge		
Type	Charge (\$)	Estimated Yield (\$)
Non-Rateable 20mm	520	27,560
Non-Rateable 25mm	520	2,600
Non-Rateable 32mm	571	0
Non-Rateable 40mm	622	6,220
Non-Rateable 50mm	745	16,390
Non-Rateable 80mm	822	822
Non-Rateable 100mm	876	7,008
<b>Total Estimated Yield</b>		<b>60,600</b>

  

Sewerage Usage Charges	
Type	Charge (\$)
Non-Residential (most commonly 95% of water usage)	2.45

## Sewerage Trade Waste Charges

Sewerage Trade Waste means all liquid waste other than sewage of a domestic nature. Under the Best- Practice Management of Water Supply and Sewerage Guidelines, liquid trade waste pricing requires appropriate annual trade waste fees and user charges for all liquid trade waste dischargers.

Local Water Utilities (LWU) must issue a trade waste approval to each liquid trade waste discharger connected to the sewerage system and must annually inspect the premises of each discharger. Council is the LWU.

If a liquid trade waste discharger fails to comply with Council’s approval conditions by creating liquid waste which is not pre-treated and is likely to cause damage to the environment or an extra load on Council’s Sewage Treatment Plant, they will be subject to a non-compliance charge.

The annual trade waste charges are shown below and have increased to reflect the actual cost of treating the liquid trade waste. The annual trade waste charge appears on the annual Rates Notice, while the usage charge is issued with the quarterly water accounts.

Sewerage Trade Waste Charges		
Trade Waste Charge		
Fee description	Charge (\$)	Category
Application Fee - category A / A2	49.48	<b>Low risk</b> - Includes commercial premises not preparing hot food
Application Fee - category B	74.50	<b>Medium risk</b> - Includes commercial premises preparing hot food
Application Fee - category C	152.33	<b>High risk</b> - less complex pre-treatment
Annual Charge - category A / A2	169.50	<b>Low risk</b> - Includes commercial premises not preparing hot food
Annual Charge - category B	251.85	<b>Medium risk</b> - Includes commercial premises preparing hot food
Annual Charge - category C	462.58	<b>High risk</b> - less complex pre-treatment
Discharge Fee - category A	2.10	Discharger with approved pre-treatment
Discharge Fee - category A	10.00	Discharger without approved pre-treatment
Discharge Fee - category B	2.10	Discharger with approved pre-treatment
Discharge Fee - category B	22.00	Discharger without approved pre-treatment
Discharge Fee - category C	2.10	Discharger with approved pre-treatment
Discharge Fee - category C	22.00	Discharger without approved pre-treatment
<b>Total Estimated Yield</b>	<b>\$80,000</b>	

## Septic Tank Charges

Properties with an on-site sewerage management system will be charged an annual charge based on the risk of the system. All on-site sewerage management systems will be allocated a risk rating according to their type, location and proximity to waterways and property boundaries as follows. This risk rating may be altered where an inspection reveals additional risk factors:

### High Risk Systems

Septic Systems located within 100 metres of a permanent watercourse or within 12 metres of a property boundary or another residential dwelling, or within a village.

Septic Systems located on commercial properties including cabins, caravan parks, B&Bs, hotels, mines etc.

High risk systems will be given a two (2) year Approval to Operate and will be inspected every two (2) years.

### Medium Risk Systems

Septic Systems on land 5 hectares and less in size.

Medium risk systems will be given a five (5) year Approval to Operate and will be inspected every five (5) years.

### Low Risk Systems

Septic systems located on rural land greater than 5 hectares provided they are not located within 100 metres of a permanent watercourse or within 12 metres of a property boundary or another residential dwelling.

### All Aerated Wastewater systems (AWTS)

Low risk systems will be given a ten (10) year approval to Operate and inspected every ten (10) years.

Septic Tank Charges		
Type	Charge (\$)	Estimated Yield (\$)
High Risk Systems	114.50	39,388.00
Medium Risk Systems	76.50	55,615.50
Low Risk Systems	51.50	63,293.50
Initial AWTS Administration Fee (1 <sup>st</sup> two years)	114.50	801.50
AWTS Annual Administration Fee	51.50	27,913.00
Commercial AWTS Administration Fee	346.00	11,764.00
<b>Total Estimated Yield</b>		<b>198,775.50</b>

## Stormwater Charges

All urban properties except vacant land that are in the residential and business categories for rating purposes, for which Council provides a stormwater management service will be charged an annual stormwater levy under Local Government Amendment (Stormwater) Act 2005 and the Local Government (General) Amendment (Stormwater) Regulation 2006.

The stormwater levy for 2023/2024 which will remain at \$25 per residential assessment, \$12.50 per strata unit and \$25 per 350 square metres or part thereof for businesses with a cap on business properties of \$1,500.

Income raised from the stormwater charge is allocated to both capital and recurrent projects relating to new or additional stormwater management services such as the:

- Construction & maintenance of drainage systems, pipes basins & waterways,
- Stormwater treatment,
- Stormwater reuse projects,
- Stormwater pollution education campaigns,
- Inspection of commercial & industrial premises for stormwater pollution prevention,
- Stormwater pollution incidents,
- Water quality,
- Flood management, and
- Stormwater Management.

Stormwater Charges		
Type	Charge (\$)	Estimated Yield (\$)
Residential	25.00	158,000.00
Strata Unit (Residential)	12.50	2,137.50
Business	25.00 per 350sq metres (\$1,500 Cap)	87,125.00
<b>Total Estimated Yield</b>		<b>247,262.50</b>

## Statement of Borrowings

To provide for the future needs of our community, Council borrows funds to provide infrastructure and community assets which are not able to be funded out of normal revenue sources. The loans are based on periods that represent the economic life of the facility or asset or a reasonable fixed term, whichever is the lesser. Loans are raised by Council from banks or other recognised financial institutions and secured by a mortgage deed over the revenue of the Council. Proposed new borrowings for the next four years are:

Proposed Loan Borrowings			
Purpose	2023/24	2024/25	2025/26
South Bowenfels Land Development	Amount TBA	-	-

For information on Council's debt cover ratio refer to the Annual Financial Statements available on Council's website.

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## 2023-24 Statement of Revenue Policy

The objective of the Statement of Revenue Policy is to ensure that rates are levied in a fair and equitable manner so as to provide sufficient funds to carry out the general services which benefit all the ratepayers of the area.

Council aims to set rates and charges at a level that provides a sustainable income but does not impose undue hardship on property owners. The council is committed to a rates and charges process that is ethical, transparent, open, accountable and compliant with legal obligations (including the NSW Local Government Act 1993 and the Local Government (General) Regulation 2005 (NSW)). The administration of rates will be honest, diligent and applied consistently and fairly across all properties.

The range of services provided by Council to the community is diverse and requires different considerations when determining the associated fee or charge. The level of the fee or charge was determined having regard to the following categories:

Code	Description
A	Economic Cost <i>Total cost of providing services for private good.</i>
B	Community Service <i>Services considered to have a level of benefit to the community. Generally, benefits are not solely confined to users. Partially funded by rates.</i>
C	Regulated Charges <i>Federal or State Government set charges.</i>
D	User Pays Principal <i>Services under this category are such that individual costs can be determined and met by the user of the service.</i>
E	Market Forces <i>Services that Council operates in a competitive market and needs to fix charges similar to other providers.</i>
F	Cost Plus <i>Services provided on a commercial basis with an amount of risk profit included.</i>
G	Section 7.11 (Developer Contributions) <i>Items are priced at the level determined by the adopted Council's Developer Contributions Plan. The plans provide for quarterly increases in these fees based on Consumer Price Index (CPI) increases.</i>

Council's full suite of documents within the Integrated Planning and Reporting Framework can be viewed on Council's website [www.council.ithgow.com/ipr](http://www.council.ithgow.com/ipr)

## Rates and Annual Charges Revenue Strategy

Council's Statement of Revenue Policy takes into account a number of factors including:

- the benefit or user pays principle – some ratepayers have more access to, make more use of, and benefit more from the council services paid for by rates;
- the capacity to pay principle – some ratepayers have more ability to pay rates;
- the incentive or encouragement principle – some ratepayers may be doing more towards achieving community goals than others in areas such as environmental or heritage protection and town beautification; and
- the principle of intergenerational equity – future ratepayers should enjoy the same, or improved standard of infrastructure and services at an equivalent future cost.

Council's objectives in the development of this rates structure are to:

- progressively align the ad valorem amount with the provision of infrastructure so that all properties pay a share of the cost of maintenance, renewal, upgrade and debt servicing of infrastructure in proportion to their land values.
- progressively align the base amount with the net cost of service provision, incorporating funding of council's community service obligations (CSOs); and
- explore opportunities to assist ratepayers experiencing financial hardship, such as deferring of interest.

## Capacity to Pay and Hardship Policy

The 'benefit or user pays' principle often conflicts with the 'capacity to pay' principle; and, in setting the rates structure, Council has been mindful of both equity considerations.

An individual ratepayer's ability to pay rates at a particular time may be impacted by external economic factors that create a sustained financial burden, such as natural disasters.

Council has a Hardship Policy and will support all ratepayers who are experiencing financial hardship and are struggling to pay their rates. Council will work with individual ratepayers to consider their circumstances and provide them with options and assistance such as deferred and interest free payment arrangements.

## Statutory Requirements

In accordance with the *Local Government Act 1993* the following statutory requirements are included in this document:

- Statement containing a detailed estimate of the council's income and expenditure;
- Statement of ordinary and special rates;
- Rating structure;
- Statement of charges to apply to rateable and non-rateable properties;
- Statement of fees to be charged and pricing policy of goods and services; and
- Statement of borrowings.

2023/24– 2025/26			
Budget – Income and Expenditure Funds Consolidated (\$'000)			
	2023/24	2024/25*	2025/26*
Operating income	73,060	60,895	62,440
Operating expenditure	54,322	57,503	58,795
Operating result	18,738	3,393	3,644
Operating result before capital	972	711	929

\* Figures from Council’s adopted Long Term Financial Plan Scenario  
3 Service Levels Maintained

Capital Budget 2023/24 – 2025/26*			
	2023/24 \$'000	2024/25* \$'000	2025/26* \$'000
<b>General Fund</b>			
<b>Buildings &amp; Infrastructure</b>			
Asset Renewals	23,201	11,278	11,511
New Assets	7,081	-	-
<b>Water Fund</b>			
Asset Renewals	993	974	998
New Assets	1,616	-	-
<b>Sewer Fund</b>			
Asset Renewals	3,679	1,460	1,522
New Assets	3,942	-	-
<b>Total Capital</b>	<b>40,512</b>	<b>13,711</b>	<b>14,031</b>

\* Figures from Council's adopted Long Term Financial Plan Scenario  
3 Service Levels Maintained

Cashflow Statement 2023/24 Budget	
<b>Cash Flows from Operating Activities</b>	
<b>Receipts:</b>	
Rates and Annual Charges	31,378
User Fees and Charges	7,763
Interest and Investment Revenue Received	1,662
Grants and Contributions	30,034
Bonds and Deposits Received	0
Other	1,361
<b>Payments:</b>	
Employee Benefits and On-Costs	-20,153
Materials and Contracts	-17,502
Borrowing Costs	-552
Bonds and Deposits Refunded	0
Other	-833
<b>Net Cash Provided (or used in) Operating Activities</b>	<b>33,608</b>
<b>Cash Flows from Investing Activities</b>	
<b>Payments:</b>	
Purchase of Infrastructure, Property, Plant and Equipment	-40,512
<b>Net Cash Provided (or used in) Investing Activities</b>	<b>-40,512</b>
<b>Cash Flows from Financing Activities</b>	
<b>Payments:</b>	
<b>Proceeds from Borrowings &amp; Advances</b>	1,000
<b>Repayment of Borrowings and Advances</b>	-2,003
<b>Net Cash Provided (or used in) Investing Activities</b>	<b>-1,003</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>-5,031</b>
<b>plus: Cash, Cash Equivalents and Investments - Beginning of Year</b>	<b>10,584</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>2,677</b>

## Statement of Ordinary and Special Rates Strategy – ordinary rates

Council will continue to levy ordinary rates using a structure comprising a base amount to which an ad valorem

(rate in the dollar) component is added. The Base Amount will vary, depending on rating category/sub-category combination.

All rateable properties within each category / sub-category, regardless of their land value, are levied the base amount. The balance of income for ordinary rates is derived by multiplying the land value of a property by a rate in dollar for the relevant category / sub- category, which is determined by Council dependent on the property's dominant use. The amount payable by ratepayers under this component is dependent on the land value of the property. In addition, the total amount collected for ordinary rates each year will take account of any approved increase advised by the Minister.

Council has 5 categories of ordinary rate, being residential, farmland, business, mining and quarries. These categories are further divided into subcategories for residential, business and quarries. An ordinary rate will be applied to each parcel of rateable land within the Local Government Area in 2023/24.

The following is the structure of Council's rates:

Type	Category	Sub-Category	Basis
Ordinary	Residential	Lithgow Portland Wallerawang	Each parcel of rateable land valued as one assessment which can be categorised as Residential in accordance with the Local Government Act, 1993 within the Lithgow, Portland & Wallerawang urban areas as set out in the Lithgow Rate Categorisation Map.
Ordinary	Residential	Other	Each parcel of rateable land valued as one assessment which can be categorised as Residential in accordance with the Local Government Act, 1993 but cannot be categorised as 'Residential - Lithgow, Portland & Wallerawang'.
Ordinary	Farmland		Each parcel of rateable land valued as one assessment which can be categorised as Farmland in accordance with the Local Government Act, 1993.
Ordinary	Mining		Each parcel of rateable land valued as one assessment which can be categorised as Mining in accordance with the Local Government Act, 1993.
Ordinary	Business	Lithgow, Portland, Wallerawang	Each parcel of rateable land valued as one assessment which can be categorised as Business in accordance with the Local Government Act, 1993 within the Lithgow, Portland & Wallerawang urban areas as set out in the Lithgow Rate Categorisation Map.
Ordinary	Business	Other	Each parcel of rateable land valued as one assessment which can be categorised as Business in accordance with the Local Government Act, 1993 but cannot be categorised as either 'Business - Lithgow, Portland Wallerawang' or 'Business - Power Generation and Storage'.

Ordinary	Business	Power Generation and Storage	Each parcel of rateable land valued as one assessment which cannot be categorised as farmland, residential or mining and if its dominant use is as a centre for any of the following activities: a) the generation of, or capacity to generate, more than 15 megawatts of electricity; b) the storage of, or capacity to store, more than 50 megawatts of electricity.
Ordinary	Quarries	Quarries	Each parcel of rateable land valued as one assessment which cannot be categorised as farmland, residential or mining and if its dominant use is as a centre for quarrying or works ancillary or properly incidental to quarrying.

## Rating Structure

Ordinary rates under section 494 of the *Local Government Act 1993* and special rates under section 495 of the *Local Government Act 1993*.

In accordance with Section 497 of the Local Government Act 1993, the structure of the Ordinary Rate consists of a base amount and an ad valorem amount.

- The ad valorem amount is set to recover the cost of infrastructure.
- The base amount is set to recover the cost of services and operations.

The table below shows the Base Amount and Ad Valorem amounts with the 3.7% Rate Peg applied along with the estimated income from each category of rates.

Council is awaiting the NSW Independent Pricing and Regulatory Tribunal's (IPART) May 2023 determination on Council's overall 45.7% Special Rate Variation (SRV).

The rating structure will be updated should IPART approve Council's SRV application in May 2023.

<b>Residential</b>				
<b>Category/Sub-Category</b>	<b>Estimated Number of properties</b>	<b>Base Amount (\$)</b>	<b>Ad Valorem Amount (c in the \$)</b>	<b>Estimated Yield</b>
Residential/Lithgow	5604	353.40	0.31694	5,365,527.86
Residential/Portland	934	291.65	0.20824	554,838.79
Residential/Wallerawang	835	307.90	0.17853	581,649.42
Residential/Other	2446	248.30	0.18038	2,319,274.33
<b>Farmland</b>				
Farmland	1273	460.80	0.13349	2,241,588.47
<b>Business</b>				
Business/Lithgow	303	485.90	1.67309	1,858,277.89
Business/Portland	44	485.90	0.71780	68,712.47
Business/Wallerawang	42	485.90	1.11052	130,840.11
Business/Other	124	329.15	0.19973	136,261.42
Business/Power Generation and Storage - Portland	1	10,584.8	1.44358	46,963.02
Quarry - Clarence	1	329.15	0.18802	7,248.29
Quarry - Newnes Junction	1	329.15	0.18802	2,265.76
Quarry - Wallerawang	1	329.15	0.18802	4,804.03
Quarry - Marrangaroo	1	329.15	0.18802	4,035.02
Quarry - Hartley	1	329.15	0.18802	15,314.34
Quarry - Round Swamp	1	329.15	0.18802	1,194.04
Quarry - Clarence - Lithgow	1	329.15	0.18802	752.20
<b>Mining</b>				
Mining	13	12,183.00	0.91713	1,867,116.92
<b>Total Estimated Yield</b>	<b>11,626</b>			<b>15,206,665.18</b>

## Rate Pegging

The rate peg determined by the Independent Pricing and Regulatory Tribunal (IPART) sets the maximum percentage by which a council may increase its general income for the year, excluding the addition of new properties.

This does not mean that each individual rate assessment will increase by that percentage but does mean that Council's total income from ordinary rates cannot exceed this percentage increase, excluding new properties created through subdivision during the year.

IPART's allowable increase for NSW Councils for the 2023-24 financial year has been set at 3.7%.

The rate peg is determined by measuring changes in IPART's Local Government Cost Index (LGCI). The LGCI reflects the past increase in costs experienced by the average council. In calculating the annual rate peg, IPART may also take into account a productivity factor in addition to the LGCI.

As the local community grows, NSW councils are required to provide services to new residents. A sustainable and efficient rate peg system, which recognises the additional pressures of population growth, would allow councils to recoup the cost increases they face.

The rate peg allows for the general revenue of councils to increase with price increases each year. However, the rate peg does not expressly account for the increase in the volume of services that need to be provided to service population growth or to maintain new local infrastructure.

Under the current approach to the rate peg, councils can raise revenue to service the costs associated with population growth through developer contributions and special variations.

## Land Valuations

The ad valorem component of the rate is calculated with reference to the unimproved land valuations issued by the NSW Valuer General every three years. The proportionate share of rates charged to each assessment is dependent on the land value of the property as compared with all other properties within the same rating category, and the rating structure determined by Council.

The valuation process occurs independently of Council and is something that Council cannot influence. Lithgow City Council has received the 2022 revaluation from the Valuer General and these will be used for rating from 1 July 2023 to 30 June 2026.

Increases in land values do not necessarily lead to similar increases in rates, rather, changes to land valuations do cause a redistribution of the rate levied across all properties.

Land Valuations as at 1 July 2022 will be applied for the 2023/24 Annual Rate Levy.

## Special Rate Variations

Councils use the Special Rates Variation (SRV) process to apply for an increase in their total rate revenue, above the rate peg.

### 2023 Special Variation to Ordinary Rates

The council has submitted an application to IPART for a permanent increase to land rates in accordance with the Council resolution of 23 January 2023.

*If granted, the overall income from land rates will increase by a maximum of 45.7% (including the 3.7% rate peg). Council has committed to limiting any increase in the residential, farming and business (general) rating categories to 27.7% (including the 3.7% rate peg) with the balance of the SRV funds required to be levied against the business power generation sub-category, mining category and new quarrying business sub-categories.*

**23 -16 RESOLVED.**

*THAT Council:*

1. *Submit a Special Rate Variation application (by 3 February) under Section 508(2) of the NSW Local Government Act for a permanent Special Rate Variation (SRV) 45.7% increase (including 3.7% rate peg) in 2023/24 for the primary purposes (based on IPART categories) of:
  - a) *Improving financial sustainability.*
  - b) *Maintaining existing services; and*
  - c) *Reducing infrastructure backlogs for asset maintenance and renewals.**
2. *Reaffirm its commitment to limiting any increase in the residential, farming and business (general) rating categories to 27.7% (including the 3.7% rate peg) with the balance of the SRV funds required to be levied against the business power generation sub-category, mining category and a new quarrying business sub-category or sub-categories.*

The table below shows the Base Amount and Ad Valorem amounts should IPART approve Council's application for a 45.7% increase (Including 3.7% rate peg) to its overall income, showing the estimated income for each category.

<b>Residential</b>				
<b>Category/Sub-Category</b>	<b>Estimated Number of properties</b>	<b>Base Amount</b>	<b>Ad Valorem Amount</b>	<b>Estimated Yield</b>
		<b>(\$)</b>	<b>(c in the \$)</b>	
Residential/Lithgow	5604	300.00	0.48374	6,851,768.08
Residential/Portland	934	300.00	0.31540	708,533.89
Residential/Wallerawang	835	300.00	0.27049	742,779.78
Residential/Other	2446	300.00	0.23475	2,961,785.19
<b>Farmland</b>				
Farmland	1273	567.42	0.17262	2,862,489.21
<b>Business</b>				
Business/Lithgow	303	600.00	2.05739	1,807,285
Business/Portland	44	600.00	1.25935	57,203
Business/Wallerawang	42	600.00	1.24218	127,658
Business/Other	124	380.00	0.26623	169,978
Business/Power Generation and Storage - Portland	1	13,034.55	12.85676	337,024.90
Quarry - Clarence	1	15,000.00	2.08614	91,769.95
Quarry - Newnes Junction	1	15,000.00	2.08614	36,487.24
Quarry - Wallerawang	1	15,000.00	2.08614	64,650.13
Quarry - Marrangaroo	1	15,000.00	2.08614	56,117.82
Quarry - Hartley	1	15,000.00	2.08614	181,265.36
Quarry - Round Swamp	1	15,000.00	2.08614	24,596.24
Quarry - Clarence - Lithgow	1	15,000.00	2.08614	19,693.82
<b>Mining</b>				
Mining	13	15,002.60	2.20536	4,303,919.41
<b>Total Estimated Yield</b>	<b>11,626</b>			<b>21,964,995.35</b>

## 2019 Special Variation to Ordinary Rates

On 13 May 2019, IPART announced that it had decided to approve the proposed SRV in part for an increase of 9.0% (including rate peg). The rate increase will be retained in the Council's general income base permanently.

The below table outlines the Special Rate Variation expenditure program from the initial SRV.

Special Rate Variation Program s508 (2) of the Local Government Act 1993			
<b>Renewal works to the following roads:</b>	<b>2023/24</b>	<b>Measurement</b>	<b>Reporting</b>  Report 'on-the-ground' works undertaken in the Six-Monthly Progress Report and Annual Report.
	\$		
Peach Tree Road, Megalong Valley	452,664	Road renewal works completed.	
<b>Total Road Renewal</b>	<b>452,664</b>		
General Asset Transport Maintenance	109,285	Maintenance works completed.	
<b>Total Transport SRV Program</b>	<b>561,949</b>		
<b>Renewal of the following drainage infrastructure:</b>	<b>2020/21</b>	<b>Measurement</b>	<b>Reporting</b>  Report on works completed in the Six-Monthly Progress Report and Annual Report.
	\$		
Kerb & Gutter Renewal	82,284	Drainage renewal works completed.	
<b>Total Drainage Renewal</b>	<b>82,284</b>		
General Asset Drainage Maintenance	18,578	Maintenance works completed.	
<b>Total Drainage SRV Program</b>	<b>100,862</b>		
<b>Renewal works to the following buildings:</b>	<b>2020/21</b>	<b>Measurement</b>	<b>Reporting</b>  Report on works completed in the Six-Monthly Progress Report and Annual Report
	\$		
Lithgow Library Roof Repairs	191,996	<b>Buildings &amp; Facilities renewal works completed.</b>	
<b>Total Buildings Renewal</b>	<b>191,996</b>		
General Asset Building Maintenance	20,753		
<b>Total Buildings SRV Program</b>	<b>212,749</b>		
<b>TOTAL EXPENDITURE SPECIAL RATE VARIATION</b>	<b>875,560</b>		
		Maintenance works completed.	

## Parking Special Rate

The special rate for parking for 151 CBD properties will continue within the designated area of Lithgow. At the Council meeting held on 26 November 2018 it was resolved:

18 – 349 RESOLVED

*THAT Council take the following action from the 2019/20 financial year:*

- 1. Utilise the parking special rate for Lithgow CBD capital works and maintenance.*
- 2. Determine a specific program of works and activities which will be funded from the parking special rate for inclusion in each year's Operational Plan.*
- 3. Any parking special rate funds not utilised in a financial year be placed in an internally restricted reserve for future Lithgow CBD capital works and maintenance.*
- 4. That the outcome of the program is reported to the Council annually and that the program is reviewed in 5 years.*

The ad valorem rate and estimated yield is provided below.

The remaining Parking Special Rate income will be allocated to the Main Street Revitalisation project as a co-contribution for the grant funded project. Any parking special rate funds not utilised will be placed in an internally restricted reserve for future Lithgow CBD capital works and maintenance.

	Parking Special Rate Income	
	Ad Valorem Amount	Estimated Yield
	(\$)	(\$ GST Exclusive)
Designated area of Lithgow	0.63434	267,763.79

Parking Special Rate – Program of Works	
Project	Budget (\$)
CBD Street Sweeping	95,737
Main Street Banner Program	21,900

## S7.11 and S7.12 Levy Contributions

The council has undertaken a review of its Development Contributions Framework and has proceeded with the introduction of S7.11 and S7.12 (formerly Section 94A) Levy Plans that will apply across the LGA.

The review of the Development Contributions Plan is currently being finalised and will be reported to the Council in the near future.

## Interest

In accordance with section 566(3) of the *Local Government Act 1993*, the Minister for Local Government determines the maximum rate of interest payable on overdue rates and charges. The maximum rate of interest payable on overdue rates and charges for the period 1 July 2023 to 30 June 2024 (inclusive) has been set at 9.00% per annum charged on a daily basis.

## Statement of Fees and Charges

In accordance with Sections 496, 496A, and 501 of the Local Government Act, Council will levy annual fixed charges to each parcel of land for the following services, provided or proposed to be provided:

- Water
- Sewerage (Waste Water)
- Domestic Waste Management
- Non-Domestic Waste Management
- Stormwater Management

In accordance with Section 502 of the Local Government Act, Council will levy charges for actual use for the following services:

- Water
- Sewerage
- liquid trade waste.

Water, sewerage and waste management charges relating to non-rateable properties will be charged in accordance with Sections 496, 501 and 502 of the Local Government Act. For the purpose of charging these non-rateable properties that actually use these services, the charges to be applied are the same as those charged against rateable properties as these charges are representative of use.

### **Waste Management Charges**

The charges to apply to domestic waste management are determined in accordance with the Reasonable Cost guidelines issued by the NSW Office of Local Government. The charges determined using these guidelines will apply to domestic as well as non-domestic properties.

### **Domestic waste management services**

All properties with a domestic waste management service available to their property will be charged an annual charge under Section 496 of the *Local Government Act 1993*.

The charge for multiple services is calculated by the "type of service" multiplied by the "number of services" provided.

The applicable charges for 2023-24 are outlined in the schedule below.

Waste Charges		
Type of Service	Charge (\$) (GST ex)	Estimated Yield (\$) (GST ex)
Residential	519	4,548,516.00
Business	519	323,337.00
Non-Rateable	519	66,432.00
Waste Disposal Urban (GST applies)	243.57	114,721.47
Waste Disposal Rural (GST applies)	198	467,874.00
Additional Residential Waste and Recycling	519	4,671.00
Additional Residential Waste	260.00	3,120.00
Additional Residential Recycling	88.50	14,425.50
Additional Business Waste	260.00	-
<b>Total Estimated Yield</b>		<b>5,542,796.97</b>

## Water Charges

The residential or business water availability charge will be levied on all rateable and non-rateable properties which are connected to the Council's reticulated water supply system. Water usage charges will be levied to all properties using Council's reticulated water supply system.

**The maximum annual concession rebate for eligible pensioner customers was increased from \$87.50 to \$222.50 (additional \$135.00 rebate) from 1 July 2022.**

Water Charges - Rateable		
Annual Access Charge		
Type	Charge (\$)	Estimated Yield (\$)
20mm Connection	408	3,333,768
25mm Connection	458	47,174
32mm Connection	687	9,618
40mm Connection	1,155	34,650
50mm Connection	1,550	91,450
80mm Connection	2,970	2,970
100mm Connection	4,250	51,000
Unpotable Water	220	4,400
Vacant Land Water Access	408	9,792
<b>Total Estimated Yield</b>		<b>3,548,918</b>

<b>Water Charges Non-Rateable</b>			
<b>Annual Access Charge</b>			
<b>Type</b>	<b>Charge (\$)</b>	<b>Estimated Yield (\$)</b>	
20mm Connection	408	23,664	
25mm Connection	458	5,038	
32mm Connection	687	-	
40mm Connection	1,155	10,395	
50mm Connection	1,550	41,850	
80mm Connection	2,970	2,970	
100mm Connection	4,250	42,500	
<b>Total Estimated Yield</b>		<b>126,417</b>	
<b>Water Usage Charges - Residential</b>			
<b>Kiloliters Used</b>	<b>Charge (\$)</b>		
0 - 250 Residential		3.06 / kl	
250+ Residential		5.40 / kl	
<b>Water Usage Charges - Business</b>			
<b>Kiloliters Used</b>	<b>Charge (\$)</b>		
0 - 500 Business		3.06 / kl	
500+ Business		5.40 / kl	

## Sewerage Charges

Council has reviewed the sewerage access and usage charges for 2023/24.

### Sewerage Access Charges

Sewerage charges are levied under the provisions of Section 501 of the Local Government Act to collect revenue from property owners who actually benefit or propose to benefit from the availability or use of a Council sewerage system and comprise of:

- Residential and non-residential properties that are connected to a Council sewer main.
- Vacant land situated within 75 metres of a Council sewer main and is able to be connected to Council's sewerage supply, whether or not the property is actually connected to that sewerage supply.

There is a CPI related increase in annual sewerage access charges. The discharge usage fee (business) has also increased.

Access charges are based on the size of metered water connection with usage being calculated based on water consumption and a Sewer Discharge Factor (SDF). The SDF is the ratio of water consumption to the total water consumption. A typical value is 0.95 for non-residential and may need to be calculated for business categories that have no Guideline value.

Sewerage Charges Rateable Properties		
Annual Sewerage Access Charge		
Type	Charge (\$)	Estimated Yield (\$)
Residential	1,005	7,408,860
Non-Residential 20mm	558	156,798
Non-Residential 25mm	558	18,414
Non-Residential 32mm	613	6,130
Non-Residential 40mm	667	10,672
Non-Residential 50mm	745	35,760
Non-Residential 80mm	882	0
Non-Residential 100mm	876	6,132
<b>Total Estimated Yield</b>		<b>7,642,766</b>

  

Sewerage Usage Charges	
Type	Charge (\$)
Business (most commonly 95% of water usage)	2.45

Sewerage Charges Non-Rateable Properties		
Annual Sewerage Access Charge		
Type	Charge (\$)	Estimated Yield (\$)
Non-Rateable 20mm	520	27,560
Non-Rateable 25mm	520	2,600
Non-Rateable 32mm	571	0
Non-Rateable 40mm	622	6,220
Non-Rateable 50mm	745	16,390
Non-Rateable 80mm	822	822
Non-Rateable 100mm	876	7,008
<b>Total Estimated Yield</b>		<b>60,600</b>

  

Sewerage Usage Charges	
Type	Charge (\$)
Non-Residential (most commonly 95% of water usage)	2.45

## Sewerage Trade Waste Charges

Sewerage Trade Waste means all liquid waste other than sewage of a domestic nature. Under the Best-Practice Management of Water Supply and Sewerage Guidelines, liquid trade waste pricing requires appropriate annual trade waste fees and user charges for all liquid trade waste dischargers.

Local Water Utilities (LWU) must issue a trade waste approval to each liquid trade waste discharger connected to the sewerage system and must annually inspect the premises of each discharger. Council is the LWU.

If a liquid trade waste discharger fails to comply with Council’s approval conditions by creating liquid waste which is not pre-treated and is likely to cause damage to the environment or an extra load on Council’s Sewerage Treatment Plant, they will be subject to a non-compliance charge.

The annual trade waste charges are shown below and have increased to reflect the actual cost of treating the liquid trade waste. The annual trade waste charge appears on the annual Rates Notice, while the usage charge is issued with the quarterly water accounts.

Sewerage Trade Waste Charges		
Trade Waste Charge		
Fee description	Charge (\$)	Category
Application Fee - category A / A2	49.48	<b>Low risk</b> - Includes commercial premises not preparing hot food
Application Fee - category B	74.50	<b>Medium risk</b> - Includes commercial premises preparing hot food
Application Fee - category C	152.33	<b>High risk</b> - less complex pre-treatment
Annual Charge - category A / A2	169.50	<b>Low risk</b> - Includes commercial premises not preparing hot food
Annual Charge - category B	251.85	<b>Medium risk</b> - Includes commercial premises preparing hot food
Annual Charge - category C	462.58	<b>High risk</b> - less complex pre-treatment
Discharge Fee - category A	2.10	Discharger with approved pre-treatment
Discharge Fee - category A	10.00	Discharger without approved pre-treatment
Discharge Fee - category B	2.10	Discharger with approved pre-treatment
Discharge Fee - category B	22.00	Discharger without approved pre-treatment
Discharge Fee - category C	2.10	Discharger with approved pre-treatment
Discharge Fee - category C	22.00	Discharger without approved pre-treatment
<b>Total Estimated Yield</b>	<b>\$80,000</b>	

## Septic Tank Charges

Properties with an on-site sewerage management system will be charged an annual charge based on the risk of the system. All on-site sewerage management systems will be allocated a risk rating according to their type, location and proximity to waterways and property boundaries as follows. This risk rating may be altered where an inspection reveals additional risk factors:

### High Risk Systems

Septic Systems located within 100 metres of a permanent watercourse or within 12 metres of a property boundary or another residential dwelling, or within a village.

Septic Systems located on commercial properties including cabins, caravan parks, B&Bs, hotels, mines etc.

High risk systems will be given a two (2) year Approval to Operate and will be inspected every two (2) years.

### Medium Risk Systems

Septic Systems on land 5 hectares and less in size.

Medium risk systems will be given a five (5) year Approval to Operate and will be inspected every five (5) years.

### Low Risk Systems

Septic systems located on rural land greater than 5 hectares provided they are not located within 100 metres of a permanent watercourse or within 12 metres of a property boundary or another residential dwelling.

### All Aerated Wastewater systems (AWTS)

Low risk systems will be given a ten (10) year approval to Operate and inspected every ten (10) years.

Septic Tank Charges		
Type	Charge (\$)	Estimated Yield (\$)
High Risk Systems	114.50	39,388.00
Medium Risk Systems	76.50	55,615.50
Low Risk Systems	51.50	63,293.50
Initial AWTS Administration Fee (1 <sup>st</sup> two years)	114.50	801.50
AWTS Annual Administration Fee	51.50	27,913.00
Commercial AWTS Administration Fee	346.00	11,764.00
<b>Total Estimated Yield</b>		<b>198,775.50</b>

## Stormwater Charges

All urban properties except vacant land that are in the residential and business categories for rating purposes, for which Council provides a stormwater management service will be charged an annual stormwater levy under Local Government Amendment (Stormwater) Act 2005 and the Local Government (General) Amendment (Stormwater) Regulation 2006.

The stormwater levy for 2023/2024 which will remain at \$25 per residential assessment, \$12.50 per strata unit and \$25 per 350 square metres or part thereof for businesses with a cap on business properties of \$1,500.

Income raised from the stormwater charge is allocated to both capital and recurrent projects relating to new or additional stormwater management services such as the:

- Construction & maintenance of drainage systems, pipes basins & waterways,
- Stormwater treatment,
- Stormwater reuse projects,
- Stormwater pollution education campaigns,
- Inspection of commercial & industrial premises for stormwater pollution prevention,
- Stormwater pollution incidents,
- Water quality,
- Flood management, and
- Stormwater Management.

Stormwater Charges		
Type	Charge (\$)	Estimated Yield (\$)
Residential	25.00	158,000.00
Strata Unit (Residential)	12.50	2,137.50
Business	25.00 per 350sq metres (\$1,500 Cap)	87,125.00
<b>Total Estimated Yield</b>		<b>247,262.50</b>

# Statement of Borrowings

To provide for the future needs of our community, Council borrows funds to provide infrastructure and community assets which are not able to be funded out of normal revenue sources. The loans are based on periods that represent the economic life of the facility or asset or a reasonable fixed term, whichever is the lesser. Loans are raised by Council from banks or other recognised financial institutions and secured by a mortgage deed over the revenue of the Council. Proposed new borrowings for the next four years are:

Proposed Loan Borrowings			
Purpose	2023/24	2024/25	2025/26
South Bowenfels Land Development	Amount TBA	-	-

For information on Council’s debt cover ratio refer to the Annual Financial Statements available on Council’s website.