

STATEMENT OF REVENUE POLICY

Summary

Blacktown City Council utilises a variety of sources to generate sufficient income to deliver a wide range of services for the local community. These sources range from statutory and user-pay charges to entrepreneurial ventures.

Following are a series of statements that explain each major area of Council's revenue base:

- Statement of rating structure
- Statement of charges
- Statement of fees
- Statement of pricing policy for goods and services
- Statement of charges for work by Council on private land
- Statement of borrowings.

Statement of rating structure

Rates are Council's major source of funds, representing almost half of Council's operating revenue. In NSW, council rates are levied based on land valuations (unimproved capital value) supplied by the Office of the Valuer General. These valuations are reviewed every 3 years as part of a process termed General Revaluation. It is important to note that regardless of changes in the land valuations for existing properties, the actual total amount of rates income a council may levy is limited by rate pegging, where the Independent Pricing and Regulatory Tribunal (IPART) determines annually the allowable increase in the total pool of Council's rates.

Rating structure

In determining its rating structure, Council considers the need for equity amongst all ratepayers within the City. In setting its 2023/24 rating structure Council considered the 3 options available under the *Local Government Act 1993 NSW (the Act)*. These are:

- **Ad valorem:** Land value of each property x rate in dollar = rates
- **Ad valorem plus minimum rate:** Land value of each property x rate in dollar = rates. Unless rates are below a predetermined minimum rate, in which case the minimum rate applies. Council sets a minimum rate charge for all categories. This is considered an equitable way for residents to pay a reasonable amount towards the core services provided by Council, regardless of the land value of their property.
- **Ad valorem plus base charge:** 1% to 50% of income collected by flat charge. Remaining income collected on ad valorem basis.

For the 2023/24 year Council will maintain its existing rating structure, being an ad valorem plus minimum rate structure.

Categorisation

Section 514 of the Act requires that all land be categorised according to its dominant use. The four categories of the ordinary rate are:

1. farmland
2. mining
3. residential
4. business.

Section 529 of the Act states that properties may be further categorised into one of Council's rating sub-categories, to allow a more fair and equitable distinction for levying of rates. Currently Council has the following Rating sub-categories:

- residential – general
- residential – scheduled
- farmland – general
- business – general
- business – Blacktown North
- business – M4 Corridor
- business – Marsden Park
- business – Mount Druitt
- business – Riverstone
- business – Rooty Hill and Glendenning
- business – Seven Hills
- business - CBD North
- business - CBD South.

Instalments

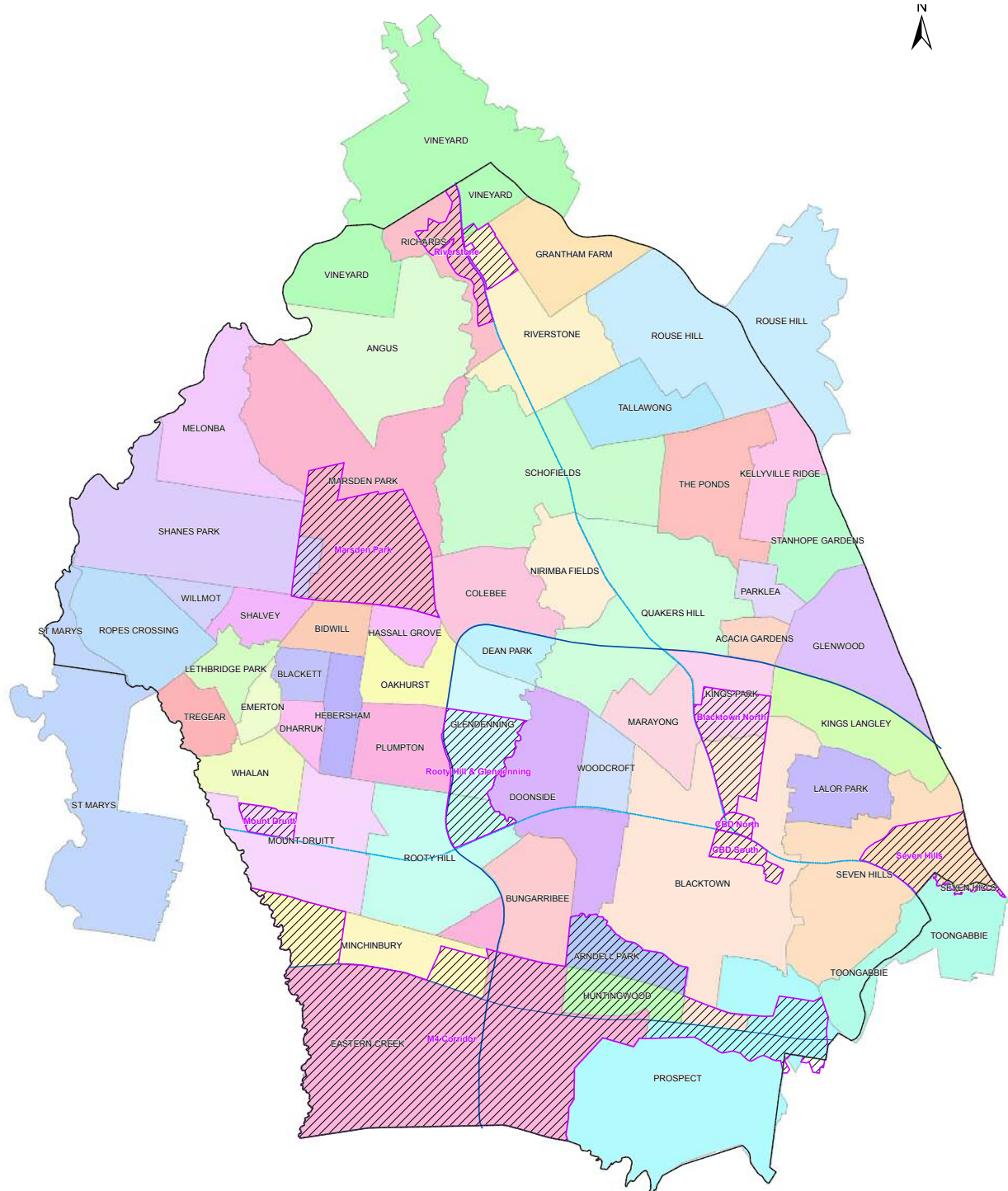
Rates and charges can be paid by either quarterly instalments or a single instalment. The 2023/24 due dates for these instalments are as follows:

- 1st instalment or payment in full – 31 August 2023
- 2nd instalment – 30 November 2023
- 3rd instalment – 28 February 2024
- 4th instalment – 31 May 2024.

Interest charge

Council may charge interest on overdue rates and charges. The Minister for Local Government set the interest rate for 2023/24 financial year at 9%. Council will apply the maximum interest rate for the 2023/24 year.

Blacktown City Business Rates Sub-Categories



Legend

- Blacktown LGA
- Rate Area 2023
- Motorways and Major Roads
- Railways



Scale 1: 25,000 @ A0
0 750 1,500 3,000
Metres
Map Prepared by Land Information Unit

Date: 21/06/23

Pensioner rebates

Eligible pensioners who own and occupy a rateable property may be entitled to a pensioner rebate.

This pension rebate is made up of both a mandatory and voluntary component and no changes are proposed.

Mandatory rebate - persons in receipt of certain classes of pensions are eligible for a mandatory maximum rebate of \$250. This rebate is funded 45% by Council and 55% by the State Government.

Voluntary rebate - a further additional voluntary rebate, up to a maximum of \$200, is provided for residents who have been ratepayers in the City for 5 or more consecutive years. This rebate is funded 100% by Council and is deducted from both the resident's Domestic Waste and Rates levy. This additional rebate is provided in accordance with Section 582 of the Act.

Owners who become eligible pensioners during the year may be entitled to a pro-rata rebate of their rates, calculated on a quarterly basis. Rebates are also reversed on a quarterly basis when owners become ineligible for the rebate.

Valuation of land

The applicable unimproved capital value of the land value for rating purposes is supplied by the Office of the Valuer General. *The Valuation of Land Act 1916* requires Council to levy rates using the most recent land values supplied to Council as at 1 July 2022. Revised land valuations are usually supplied to Council every 3 years as part of a process termed 'General Revaluation'.

The 2023/24 rates have been determined using the latest available property values with a base date of 1 July 2022.

Rating structure - proposed 2023/24 increase 3.7%

Rate type	Category	Sub-category	Ad valorem cents in \$		Minimum rate	Estimated total rate income
			(to be multiplied by land value)		\$	(to be collected \$'000)
Ordinary	Residential	General	0.1465	Non-vacant land	1,025.00	148,193
				Vacant land	462.00	
Ordinary	Residential	Scheduled Lands	0.0733	Non-vacant land	1,025.00	376
				Vacant land	230.00	
Ordinary	Farmland	General	0.0230	Non-vacant land	1,077.00	300
				Vacant land	487.00	
Ordinary	Business	General	0.3163	Non-vacant land	1,077.00	6,741
				Vacant land	487.00	
Ordinary	Business	Blacktown North	0.3205	Non-vacant land	1,263.00	5,596
				Vacant land	570.00	
Ordinary	Business	M4 Corridor	0.3205	Non-vacant land	1,263.00	25,682
				Vacant land	570.00	
Ordinary	Business	Marsden Park	0.3205	Non-vacant land	1,263.00	4,390
				Vacant land	570.00	
Ordinary	Business	Mount Druitt	0.3205	Non-vacant land	1,263.00	997
				Vacant land	570.00	
Ordinary	Business	Riverstone	0.3205	Non-vacant land	1,263.00	1,389
				Vacant land	570.00	
Ordinary	Business	Rooty Hill and Glendenning	0.3205	Non-vacant land	1,263.00	4,628
				Vacant land	570.00	
Ordinary	Business	Seven Hills	0.3205	Non-vacant land	1,263.00	6,935
				Vacant land	570.00	
Ordinary	Business	CBD North	0.3205	Non-vacant land	1,263.00	828
				Vacant land	570.00	
Ordinary	Business	CBD South	0.3205	Non-vacant land	1,263.00	1,374
				Vacant land	570.00	
Totals						207,429

Rates & Annual Charges 2023/2024

Rates & Rate Pegging

Rates are levied under sections 494, 495 and 495A of the LG Act. IPART has imposed a 3.9% (inclusive at a 0.2% population factor) increase on rate income for 2023/24. The previous year's Base Amount and Ad Valorem charges are shown in brackets. The Land Values based as at 1st July 2022 are applicable.

Ordinary Rates:

The ordinary rating structure for 2023/2024 is detailed below:

Rate Category	% of total	\$ to be raised	% to be raised	\$ to be raised	Number of	Base	\$ to be raised	2022	Ad Valorem
	Rate Yield	by category \$	by Base Amount	by Base Amount \$	Assessments	Amount	by Ad Valorem \$	Land Value \$	cents in \$
Residential – Village & Others	4.67%	365,225	48	175,308	954	184	189,187	108,533,410	0.00174985
						(177)			(0.00337800)
Residential – Cowra	26.15%	2,044,599	48	981,408	3835	256	1,063,129	501,563,277	0.00211976
						(246)			(0.00443355)
Residential – Rural	5.81%	454,519	40	181,808	517	352	272,712	122,065,800	0.00223414
						(343)			(0.00424561)
Farmland	43.79%	3,423,204	20	684,641	1595	429	2,738,563	2,058,491,680	0.00133037
						(405)			(0.00257034)
Business	19.28%	1,507,416	0	-	412	0	1,507,416	69,550,893	0.02167358
									(0.03065070)
Mining	0.29%	22,460	0	-	1	0	22,460	358,000	0.06273793
									(0.07994815)
	100.00%	\$7,817,425		\$2,023,164	7314		\$5,794,260	\$2,860,563,060	

Business Rate Sub Categories Map



Rating Structure - 2023/24 Rating Year - 3.70% Rate Peg + 10.0% SRV*

Rate Category	Method of Levying	Cents in the \$	Base Amount/Minimum	Number of Assessments	Number of Mins	% of Mins	Yield \$
Ordinary Rate – Residential	Base Amount 50% Ad Valorem – 50%	0.03111	746	25,033			37,471,743
Ordinary Rate – Business	Ad Valorem – subject to a minimum	0.16680	779	463	160	34.6	1,696,939
Double Bay	Ad Valorem – subject to a minimum	0.19800	779	243	27	11.1	2,118,018
Oxford Street, Paddington	Ad Valorem – subject to a minimum	0.38840	779	200	5	2.5	1,057,903
Rose Bay (New South Head Road)	Ad Valorem – subject to a minimum	0.17080	779	79	8	10.1	357,537
Edgecliff	Ad Valorem – subject to a minimum	0.24730	779	181	81	44.7	484,241
Bellevue Hill	Ad Valorem – subject to a minimum	0.19940	779	29	12	41.6	34,131
Edgecliff / Grosvenor Streets, Woollahra	Ad Valorem – subject to a minimum	0.18731	779	34	4	11.7	106,881
Five Ways Paddington	Ad Valorem – subject to a minimum	0.16251	779	28	0	0	90,265
New South Head Road, Vaucluse	Ad Valorem – subject to a minimum	0.20561	779	24	7	29.6	57,343
Old South Head Road, Rose Bay	Ad Valorem – subject to a minimum	0.14240	779	22	5	22.9	76,202
Old South Head Road, Vaucluse	Ad Valorem – subject to a minimum	0.10545	779	12	7	58.2	18,357
Plumer Road, Rose Bay	Ad Valorem – subject to a minimum	0.19507	779	3	0	0	15,977
Queen Street, Woollahra	Ad Valorem – subject to a minimum	0.14140	779	68	3	4.4	289,474
Watsons Bay	Ad Valorem – subject to a minimum	0.20595	779	17	4	23.4	98,881
Environmental & Infrastructure Renewal Levy ²	Base Amount 50% Ad Valorem – 50%	0.00413	98.55	26,434			5,225,975
Sub Total: Gross Rates Levy							49,199,867
Less: Pensioner Rates Rebate (Government)							206,602
Pensioner Rates Rebate (Council)							113,118
Total Net Rates Income							48,880,147

*This Rating Structure is based on the 2023 Land valuation and 3.70% IPART rate peg + 10% SRV

**The Environmental and Infrastructure Levy is used to fund Council's Environmental Works and Infrastructure Renewal programs which benefit the local government area as a whole.

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.

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 2022-23

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	377	\$130.00	\$49,010	\$424,284,990	0.0010030	\$425,558	\$474,568	10%
Residential	1,055	\$130.00	\$137,150	\$3,442,840	0.0652170	\$224,532	\$361,682	38%
Business	135	\$130.00	\$17,550	\$535,360	0.0589420	\$31,555	\$49,105	36%
Totals	1,567		\$203,710	\$428,263,190		\$681,645	\$885,355	

Annual Charges

In addition to ordinary rates, Council will levy annual charges for the following services in 2022-23:

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.

STATEMENT OF RATES PROPOSED TO BE LEVIED FOR 2023/2024

Section 494 Local Government Act, 1993.

ORDINARY RATES

Rates are assessed by levies on the value of the land. Land values are determined by the Valuer General. Increases in ordinary rate income are subject to the percentage variation as determined by the Independent Pricing and Regulatory Tribunal (IPART). This is referred to as the rate peg limit.

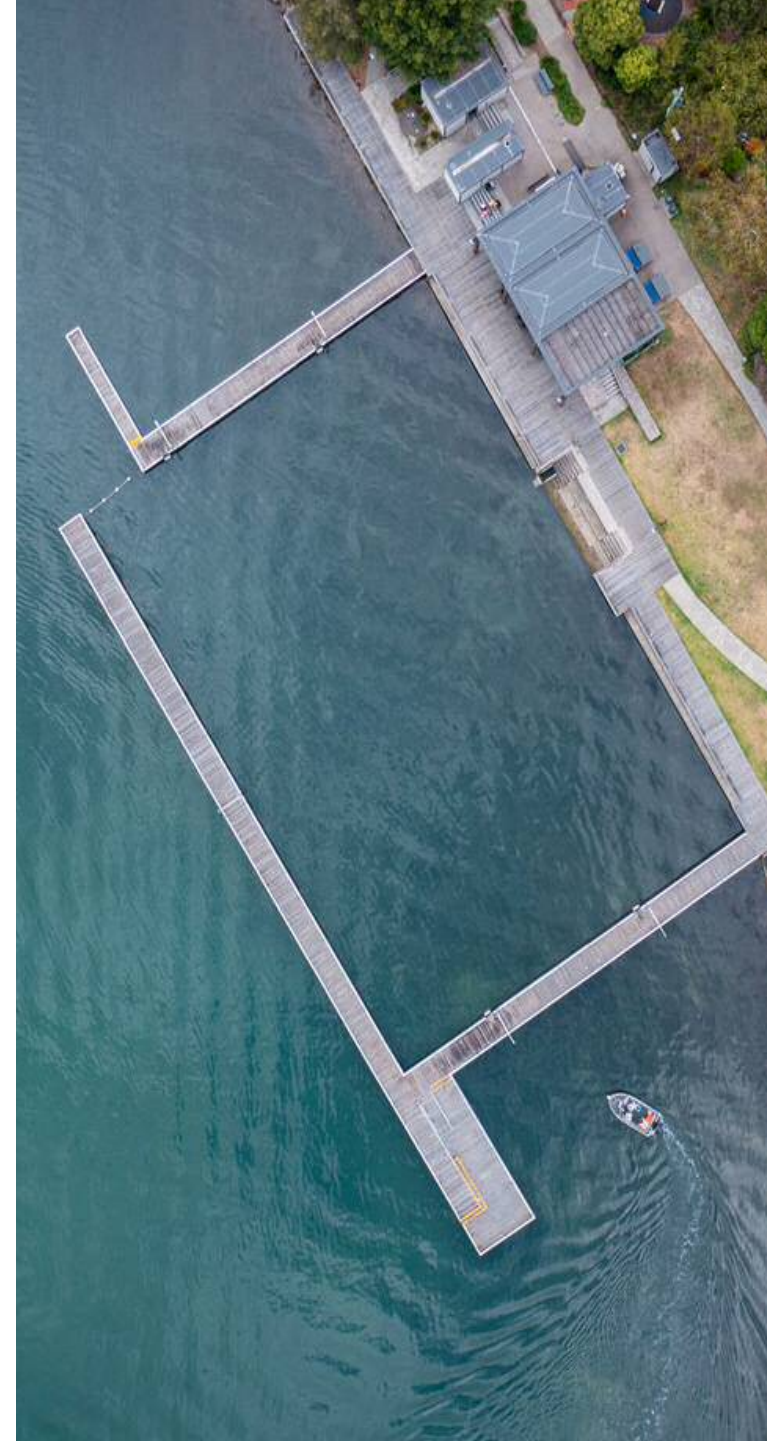
For the 2023/2024 rating year, IPART has set Muswellbrook Shire's rate peg at 3.7%.

Rate Type	Category	Sub-Category	Ad Valorem Cents in \$	Base Amount/ Min \$	Base Amount % of Total Rate Levied	Yield (Est.)
Ordinary	Residential	Residential – General	0.276698	\$240	19.65%	\$1,167,822
Ordinary	Residential	Residential – Muswellbrook & Denman	0.400295	\$290	33.59%	\$5,018,283
Ordinary	Farmland	Farmland – General	0.172526	\$400	13.62%	\$1,054,224
Ordinary	Farmland	Farmland – Irrigable	0.199425	\$440	10.86%	\$457,761
Ordinary	Mining	Mining – General	0.781024	\$15,000	1.11%	\$10,859,655
Ordinary	Mining	Mining – Underground Coal Mining	0.530878	\$15,000	6.58%	\$227,882
Ordinary	Mining	Mining – Metallurgical Coal Mining	0.624881	\$15,000	1.20%	\$1,252,264
Ordinary	Business	Business – General	0.796234	\$250	7.98%	\$1,507,298
Ordinary	Business	Business – Power Generation	5.025171	\$25,000	16.99%	\$294,223
Ordinary	Business	Business – Thomas Mitchell Drive Industrial Centre	0.855121	\$275	10.80%	\$381,802
Ordinary	Business	Business – Showground Release Area	0.163824	\$250	2.06%	\$12,144
Ordinary	Business	Mine Rehabilitation	0.781024	\$15,000	0%	\$0

Rating structure and yield 2023-2024

RATING CATEGORY	RESIDENTIAL	BUSINESS	FARMLAND	MINING
Ad valorem rate	0.1526	0.6910	0.1058	0.5384
Base amount (\$)	802.71	108.05	802.71	1404.18
Land value (2022 base date) (\$)	44,222,398,403	3,204,496,495	55,831,074	230,028,254
Base (%)	50.00%	2.00%	33.45%	2.00%
2023-2024 rate yield (\$)	134,982,461	22,594,936	88,770	1,263,747
Average rate (\$)	1,605.23	5,402.90	2,399.18	70,208.19
Total revenue (%)	84.93%	14.22%	0.06%	0.80%

- The amounts shown in the row '2023-2024 rate yield' have been calculated in accordance with the permissible increase in Council's notional general income for 2022-2023 of 3.7 per cent. This is in accordance with the rate-peg determination made by IPART.
- As Council will continue to process adjustments to its rating records until the time Council makes the rate, minor changes to the amounts shown in the above table will occur. These adjustments include the processing of supplementary valuation lists from the Valuer General's Department, changes to rating categories and changes in the rateability of land.
- The amounts shown in the above table are inclusive of adjustments to notional income for newly rateable Crown Land.
- Interest will accrue on outstanding rates and charges at the rate of nine per cent a year (simple interest calculated daily).



The Act also provides for all rateable properties to be categorised into one of four categories of ordinary rates as follows:

- Farmland Category
- Mining Category
- Residential Category
- Business Category.

For 2023/2024, Council will levy rates on the following categories and sub-categories.

Farmland Category

This Category includes any parcel of rateable land valued as one assessment and the dominant use of the land is for farming. The farming activity must have a significant and substantial commercial purpose or character and must be engaged in for the purpose of profit on a continuous or repetitive basis (whether or not a profit is actually made). Properties which meet these criteria are categorised as 'Farmland'.

Residential Category

This Category includes any rateable parcel of land valued as one assessment and the dominant use is for residential accommodation; or if vacant land is zoned or otherwise designated for use for residential purposes under an environmental planning instrument; or is rural residential land.

Business Category

This Category includes rateable land that cannot be classified as farmland, residential or mining. Council has three sub-categories established within the Business Category as follows:

- **Business Area 1** – Business rated properties within defined areas in Richmond, Windsor, Vineyard and Mulgrave.

The defined area for Richmond is the area bounded by Lennox Street, Bourke Street, Windsor Street, Hobart Street, Pitt Street, Francis Street, March Street, Chapel Street and East Market Street.

The defined area for Windsor is the area bounded by the Railway Line, Rickaby's Creek, Hawkesbury River, Bridge Street and South Creek.

The defined area for Vineyard and Mulgrave is the area bounded by Windsor Road, South Creek, Railway Road South and Bandon Road.

- **Business Area 2** – Business rated properties within defined areas in North Richmond and South Windsor.

The defined area for North Richmond is the area is bounded by a Radius of 650m from the Centre Point of the intersection of Bells Line of Road, Beaumont Avenue and Grose Vale Road.

The defined area for South Windsor is the area bounded by Macquarie Street, Woods Road, South Creek and the Railway Line.

- **Business Area Other** – All other business rated properties not falling within any of the defined areas in Richmond, Windsor, Vineyard, Mulgrave, North Richmond and South Windsor.

ORDINARY RATES

For 2023/2024, Council will collect its rating revenue from determined categories and sub-categories thereof predominantly through an ad valorem rate in the dollar, with a base rate being applicable as shown in the table below.

Rate Category/ Sub-Category	No. of Properties	Rateable Land Value	% Land Value	Notional Yield	% of Notional Yield	Ad valorem Rate in \$	Base Amount	Base Amount % of Yield
Residential	24,901	\$19,367,011,973	86.12%	\$39,765,696	85.66%	0.105039	\$780	48.84%
Business Area 1	812	\$792,959,693	3.53%	\$2,299,194	4.95%	0.210078	\$780	27.55%
Business Area 2	393	\$481,163,196	2.14%	\$1,317,358	2.84%	0.210078	\$780	23.27%
Business Area Other	403	\$410,706,684	1.83%	\$1,177,144	2.54%	0.210078	\$780	26.70%
Farmland	644	\$1,437,215,000	6.39%	\$1,860,993	4.01%	0.094535	\$780	26.16%
Total	27,153	\$22,489,056,546	100%	\$46,420,385				



At the conclusion of the four year harmonisation period in year 2024-2025, Council will have 9 rating categories/sub-categories as follows:

Rate Category	Rate Sub-Category
Residential	Armidale
Residential	Guyra
Residential	Other
Business	Armidale
Business	Guyra
Business	Other
Farmland	
Farmland	Intensive
Mining	



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Ad valorem rates

Once the base amount is set, the balance of the ordinary rates is calculated as a percentage of the Valuer-General's valuation for each parcel of land. It is a principle of local government rating in NSW that the majority of the rate burden is imposed based on the value of rateable property, so this must remain the primary and predominant determinant of overall rates.

The current base date for all valuations in the Shire is 1 July 2022 and was effective from 1 July 2023.

Special rate variations

Special rate variations have been levied by Council for specific projects. They may be levied on all rateable land in the Shire or only part of it. Council currently has in effect for the 2023/24 Operational Plan a Special Rate Variation for funding the program of infrastructure renewal for roads, bridges, footpaths and buildings within the Blayney Shire.

Pensioner rates concessions

In accordance with NSW State government policy, as embodied in s.575 of the Local Government Act 1993, Council allows eligible pensioners a concession of \$250 on their assessments for rates and domestic waste management charges. Some part of this is recouped from government, but a substantial part of this concession falls to be borne by

Council or, effectively, non-concessional ratepayers. For the 2022/23 year pensioner concessions were allowed on 581 rate assessments. The rates yield in the tables above is gross revenue before allowing for these concessions.

Hardship policy

Ratepayers who are suffering genuine hardship in payment of their rates may apply to Council for special consideration. This may include agreement to a periodical payment arrangement or in some cases reduction or waiver of interest on overdue rates. Full details are set out in the Pensioner and Rates Hardship Policy (policy 5E) available on Council's website.

Rates and Annual Charges

Rating Structure for the 2023/24 Rating Year

As an organisation, Council is committed to providing revenue-raising policies, which are simple, fair, uniform and more importantly acceptable to the wider community. Council, at all times, strives to make more effective, efficient and economic use of all available resources by fostering a co-operative approach within the organisation specifically and the broader community generally.

The Local Government Act 1993 prescribes that Council may raise revenue in a number of different ways. These include rates, charges, fees, grants, borrowings and investments.

Included in this Revenue Policy is Council's pricing policy, proposed borrowings and a schedule of Fees and Charges. Following are the forms of charges that Council will be levying on properties in the 2023/24 Financial Year.

A-520	Business	Non-Urban	<p>A rateable parcel of land that is:</p> <ul style="list-style-type: none"> in the former Armidale Dumaresq Council local government area; outside the defined geographic areas of Armidale City; and cannot be categorised as farmland, residential, or mining under Sections 515-517 of the Act.
A-530	Mining		A rateable parcel of land categorised under Section 517 of the Act.
A-550	Farmland	Armidale	<p>A rateable parcel of land that is:</p> <ul style="list-style-type: none"> categorised under Section 515 of the Act; and in the former Armidale Dumaresq Council local government area. <p>Section 519 of the Act facilitates the categorisation of vacant land and it should be noted that scope exists for vacant land to be categorised as "farmland" in certain circumstances via those provisions.</p>
G-RG	Residential	Guyra	<p>A rateable parcel of land that is:</p> <ul style="list-style-type: none"> categorised under Section 516 or 519 of the Act; the site of a certified residential dwelling, boarding house or vacant land; zoned or otherwise designated for residential use under an environmental planning instrument; and within the defined geographic township area of Guyra.
G-RNU	Residential	Non-Urban (Guyra)	<p>A rateable parcel of land that complies with the definition of Rural Residential land as provided in the Act.</p> <p>A rateable parcel of land that is:</p> <ul style="list-style-type: none"> categorised under Section 516 or 519 of the Act; the site of a certified residential dwelling or vacant land; zoned or otherwise designated for residential use under an environmental planning instrument; in the former Guyra Shire Council local government area; and outside the defined geographic areas of the township of Guyra and villages of Ben Lomond, Black Mountain or Llangothlin.
G-RV	Residential	Village	<p>A rateable parcel of land that is:</p> <ul style="list-style-type: none"> categorised under Section 516 or 519 of the Act; the site of a certified residential dwelling or vacant land; zoned or otherwise designated for residential use under an environmental planning instrument; in the former Guyra Shire Council local government area; and within the defined geographic village areas of Ben Lomond, Black Mountain, Ebor or Llangothlin.
G-BG	Business	Guyra	A rateable parcel of land that is within the defined geographic township area of Guyra and cannot be categorised as farmland, residential, or mining under Sections 515-517 of the Act, and is the site of a certified structure.
G-BV	Business	Village	<p>A rateable parcel of land that is:</p> <ul style="list-style-type: none"> in the former Guyra Shire Council local government area; outside the defined geographic township area of Guyra; and cannot be categorised as farmland, residential, or mining under Sections 515-517 of the Act.
G-F	Farmland	Guyra	<p>A rateable parcel of land that is:</p> <ul style="list-style-type: none"> categorised under Section 515 of the Act; and in the former Guyra Shire Council local government area.

Rating Categories

Council will be levying rates based on the following categories and sub-categories in 2023-2024:

Rate Code	Category	Sub-Category	Definition
A-101	Residential	Armidale	<p>A rateable parcel of land that is:</p> <ul style="list-style-type: none"> • categorised under Section 516 or 519 of the Act; • the site of a certified residential dwelling, boarding house or vacant land; • zoned or otherwise designated for residential use under an environmental planning instrument; and • within the defined geographic area of Armidale city.
A-103	Business	Armidale	<p>A rateable parcel of land that is:</p> <ul style="list-style-type: none"> • within the geographic area of Armidale City and cannot be categorised as farmland, residential, or mining under Sections 515-517 of the Act, and is the site of a certified structure; or • categorised under Section 518 of the Act and located within the Industrial City Area defined in the Local Environment Plan.
A-500	Residential	Non-Urban (Armidale)	<p>A rateable parcel of land that complies with the definition of Rural Residential land as provided in the Act.</p> <p>A rateable parcel of land that is:</p> <ul style="list-style-type: none"> • categorised under Section 516 or 519 of the Act; • the site of a certified residential dwelling or vacant land; • zoned or otherwise designated for residential use under an environmental planning instrument; • in the former Armidale Dumaresq Council local government area; and • outside the defined geographic areas of Armidale city and townships of Wollomombi, Ebor and Hillgrove.
A-501	Residential	Wollomombi	<p>A rateable parcel of land that is:</p> <ul style="list-style-type: none"> • categorised under Section 516 or 519 of the Act; • the site of a certified residential dwelling or vacant land; • zoned or otherwise designated for residential use under an environmental planning instrument; and • within the defined geographic township area of Wollomombi.
A-502	Residential	Ebor	<p>A rateable parcel of land that is:</p> <ul style="list-style-type: none"> • categorised under Section 516 or 519 of the Act; • the site of a certified residential dwelling or vacant land; • zoned or otherwise designated for residential use under an environmental planning instrument; • in the former Armidale Dumaresq Council local government area; and • within the defined geographic township area of Ebor.
A-503	Residential	Hillgrove	<p>A rateable parcel of land that is:</p> <ul style="list-style-type: none"> • categorised under Section 516 or 519 of the Act; • the site of a certified residential dwelling or vacant land; • zoned or otherwise designated for residential use under an environmental planning instrument; and • within the defined geographic township area of Hillgrove.

			Section 519 of the Act facilitates the categorisation of vacant land and it should be noted that scope exists for vacant land to be categorised as "farmland" in certain circumstances via those provisions.
G-FI	Farmland	Intensive	<p>A rateable parcel of land categorised under Section 515 of the Act.</p> <p>Section 529(2)(a) of the Act permits a sub-category to be determined according to the intensity of land use, the irrigability of the land or economic factors.</p>

Land Exempt from Rating

Council deems land to be exempt from rates strictly in accordance with Sections 555 and 556 of the Act.

Business Sub-Categories

As part of its 2021/22 Operational Planning process, Council established new subcategories for the business rating category. The sub-categories are based on the parameters and/or hierarchy of commercial and industrial zones, as adopted in our Local Strategic Planning Statement.

Given the higher volume of pedestrian traffic, increased retail exposure, and proximity location to the centre of activities in suburbs, business sub-categories and a rating differential provides greater fairness and equity to Council's rating structure. Business ratepayers operating outside established commercial zones and City centres, are not provided the same level playing field as businesses located inside of these areas. Businesses who choose to position themselves in these locations do so specifically for the benefits of that location.

On this basis, Business Sub-Categories established and applied for the 2021/22 financial year – were as follows:

Business Sub-Categories	
Rating Sub-Category	Local Strategic Planning Statement (LSPS) Hierarchy
Business – Commercial Large	Major Shopping Centres (Bankstown / Roselands)
Business – Commercial General	Bankstown CBD, Campsie, Local Centres
Business – Industrial Large	Business Parks, Major Industrial Areas
Business – Industrial General	All Other Industrial Areas
Business – Ordinary	Village, Small & Neighbourhood Centres

Based on the above, each business throughout the local government area has been assigned to a new sub-category. The differential between the residential ad valorem rate and the business ad valorem rate as at 30 June 2022 was 1:2.7.

The ad valorem differential is being gradually/equally changed over a 4 year period. Indicatively, the new differentials for ad valorem rates in each rating category will be as follows:

Business Sub-Categories					
Rating Sub-Category	Differential from Residential Ordinary	Differential from Residential Ordinary 2022/23	Differential from Residential Ordinary 2023/24	Differential from Residential Ordinary 2024/25	Differential from Residential Ordinary 2025/26
Business – Commercial Large	1:2.7	1:3.025	1:3.350	1:3.675	1:4
Business – Commercial General	1:2.7	1:2.775	1:2.850	1:2.925	1:3
Business – Industrial Large	1:2.7	1:3.025	1:3.350	1:3.675	1:4
Business – Industrial General	1:2.7	1:2.775	1:2.850	1:2.925	1:3
Business – Ordinary	1:2.7	1:2.525	1:2.350	1:2.175	1:2

Naturally, the respective differential rates/ratios will separately be set and determined by Council as part of each annual planning process.